

## BUDGET TRANSPARENCY AND ACCOUNTABILITY IN THE SOCIAL DEVELOPMENT MINISTRY'S ANTI-POVERTY PROGRAMS

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Starting in the 1980's, anti-poverty programs proliferated throughout Latin America, as governments tried to buffer the social and political costs of structural adjustment. Since these programs were originally thought of as temporary measures, their institutional and legal frameworks were weak and did not impede the discretionary distribution of resources. In Mexico, charges of electoral manipulation in federal anti-poverty programs produced increasing civil society pressure to ensure that these programs operate with greater transparency.<sup>1</sup> The debate has centered on how access to public information could act as a deterrent to the use of public resources for political ends. At the same time, however, the question of how opening these programs to public scrutiny might encourage a more informed public debate about governmental priorities in social policy has been put on the back burner.

This article addresses the second question, asking whether greater transparency in anti-poverty programs has improved conditions for their evaluation by the public. It focuses on an analysis of the most strategic agency involved in the definition, execution and evaluation of social programs in Mexico: the Ministry of Social Development (Sedesol in Spanish) and its compliance with new transparency requirements.

### Transparency Requirements

The first step toward opening up social welfare programs to public scrutiny was the publication of their rules of operation in 1998. Then, since 2002, when the Federal Law for Transparency and Access to Information (LFTAIPG in Spanish) went into effect, the agencies in charge of running these programs have been required to publish reports that account for the funds they have received, disseminate results, and evaluate institutional performance.<sup>2</sup>

<sup>1</sup> Pronasol, a program implemented during the Salinas de Gortari administration (1988-1994) to distribute resources in marginalized communities, was criticized for being used by the Executive Branch as a tool to manipulate electoral preferences among the most vulnerable sectors of the country. See Alicia Ziccardi, "Pobreza, territorio y políticas sociales," *Revista Mexicana de Sociología*, UNAM, Vol. 61, No. 4, October-December 1999: pp. 109-126.

<sup>2</sup> Federal Law for Transparency and Access to Public Information, Article 7, *Diario Oficial de la Federación*, June 11, 2002.

In general, Sedesol complies with the mandatory disclosure requirements established in Article 7 of the LFTAIPG. One can access a considerable amount of information through the internet, which creates the impression (at least at first glance) that the institution is “open” to public scrutiny. Information available on-line includes: quarterly and annual reports, diagrams and internal regulations that explain the responsibilities and functions of each office, and the Federal Public Finance Account (Cuenta de la Hacienda Pública Federal), which shows budget expense information—funds both planned and spent. Moreover, each separate program describes its target population, its coverage and member enrollment list; its actions, services, current operating rules and quarterly progress reports on program and budgetary goals. However, if one studies the actual operation of the programs while checking the quality of the information provided, gaps and inconsistencies are highlighted.

One primary obstacle to tracing resources in the government’s Estrategia Contigo program (the “With You” Strategy—a name that the Fox administration gave to its entire set of anti-poverty programs) was the distribution of funds among a number of governmental agencies, departments, and state and municipal governments. The 26 main programs were operated by agencies with different degrees of institutional autonomy: nine were run by two departments of Sedesol: Social and Human Development, and Urban Development and Territorial Organization; the other 17 were divided among three large agencies and six sector-specific agencies.<sup>3</sup> Apparently, each agency decided how to comply with transparency requirements. For instance, not all include results of their mandatory external evaluations (one of those that did was Apoyo Alimentario, or “Food Support,” which was a Diconsa program). This is an unfortunate omission, since those evaluations can be valuable in helping people understand how programs work.

The lack of consistent criteria used to process and present information has important consequences for citizens’ ability to analyze and monitor programs. For one thing, it makes it difficult or even impossible to compare across programs. For another, it postpones the discussion on how to improve the quality of public information without affecting individuals’ right to protect their personal data.

This dilemma can be illustrated with a review of the criteria used in the internet publication of Sedesol’s enrollment lists of participants in social programs. This is one of the largest

<sup>3</sup> The programs operated by wide-ranging, decentralized organizations are: Oportunidades, Coinversión Social, and the Women’s Support Program which implements programs at the state level to prevent violence against women. The sector-specific organizations, which administer a total of 13 programs, are: Diconsa, Liconsa, Fonhapo, Corett, el Instituto Nacional de Personas Adultos Mayores and Fonart. See: Sedesol, *Programas sociales de la Secretaría de Desarrollo Social. Guía rápida 2006*. Available at: [www.sedesol.gob.mx](http://www.sedesol.gob.mx). (Viewed June, 2006).

databases in the country, containing 44 million people. Nevertheless, the regulatory framework does not define clearly which data in the list must be published in order to comply with the requirement to divulge government information and administrative documentation, and demonstrate that the agency is, in fact, enrolling actual people who receive federal subsidies.<sup>4</sup> Thus, agencies can decide how much information they include in the public version of the rolls.

In 2006, while the Oportunidades (a conditional-cash transfer program, also Mexico's largest anti-poverty strategy) and Food Support programs published first and last names of beneficiaries along with the names of their specific local communities, Abasto Social de Leche (Social Milk Supply), which is run by Liconsa, and Empleo Temporal (Temporary Employment) only gave first and last names according to municipality. The long lists of names attached to municipalities are impressive, but they do not help to trace whether resources reached their destinations. Furthermore, although in August, 2006 a resolution from the Federal Institute for Access to Information (IFAI in Spanish) actually forced the Oportunidades program to publish names and specific communities on the internet, the fact is that giving out the identity of welfare beneficiaries could result in improper use of that information. Since it is practically impossible to control who consults these databases and for what purposes, if there is no improvement in institutional mechanisms to protect personal data and sanction its improper use, welfare beneficiaries' right to privacy could be seriously compromised.

This problem was made clear when, during the recent electoral campaign, people denounced the political manipulation of social programs, especially in Oportunidades. Sedesol's response to critiques of its "electoral safe-guarding" was always the same: since the member lists were public information, any public or private actor (including, of course, political parties) could access and potentially abuse this information. Sedesol's admission that the publication of beneficiary lists opened up possibilities for abuse demonstrated its lack of concern as a public institution for the protection of the personal information of the poor, and confirmed the lack of effective instruments to punish such abuse through legal means.

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<sup>4</sup> According to Article 7, section XI of the Transparency Law, agencies are required to publish information about the design, implementation, funds designated and enrollment criteria of assistance programs, as well as the member rolls of social programs. However, the normative framework also includes guidelines to protect beneficiaries' privacy. The Federal Law for Social Development, for instance, states in Article 10, section III, that beneficiaries have the right to have their personal information kept private. The Transparency Law itself states in Article 21 that compelled offices shall not transmit, distribute nor commercialize personal data pertaining to information systems that have been developed as part of agency operations without the consent of the individuals to whom the data refer.

## Conditions for Effective Accountability

Access to public information is essential for a society to be able to demand effective accountability from their government, and open the debate on public policy. One avenue to evaluate government priorities is the federal budget. However, the information in the Public Budget (for example, the money budgeted and spent, programmatic indicators and goals) is insufficient to assess institutional performance, or the real impact of social programs on the lives of the people receiving aid. The guiding principles of current social policies (specific needs targeting, complementary services and benefits, decentralization and shared responsibility) produce a proliferation of social programs with different levels of complexity, scope and services. It is not always possible to correlate the reality of this organizational arrangement with the budgetary data provided in the Public Budget, which are presented according to the fiscal-administrative criteria of the Ministry of Finance—much less draw accurate conclusions from the data about the rise and fall of member numbers and budgets.

One example of this disconnect is the abstract, static character of the programmatic indicators in the Public Budget. In order to make program reports match up with the annual budgetary cycles, Sedesol favors indicators that show how the institution performed over the course of the year, even if they do not reflect the real dynamics of the programs. For example, the National Coordinating Council of the Oportunidades program has been reporting bi-monthly variations of the active member list in Sedesol's Public Account since 2001. However, the Federal Public Budget only showed those variations during 2001 and 2002, and then reduced its reporting of the data on Oportunidades beneficiaries to an aggregate annual number. These numbers are essential to adequately reflect the way the program is working; this cannot be achieved by presenting an annual indicator as abstract and static as the fact that there are "5 million families enrolled".

There are also cases where program implementation problems call into question the reliability of distribution data. This is the case of the Social Milk Supply program, which, unlike other programs, has a relatively fixed member list. According to Liconsa, in 2004 the program served 5.4 million people. However, this number does not mean that all of those people actually received their weekly ration of milk. The National Superior Auditor's Office revealed that, in a review of the Public Budget of 2004, Liconsa was unable to show proof that it had distributed milk to a total of 3.7 million beneficiaries. The absence of mechanisms to verify the real volumes of milk distributed by Liconsa casts doubt on the

validity of the enrollment list as an indicator of the program's coverage, and, therefore, of institutional performance.<sup>5</sup>

## Conclusions and Perspectives

Developing accurate indicators that would articulate program and budget criteria with the actual logic of the programs as they are implemented is not an easy task. This is because the presentation of the Public Budget (which continues to be an accountability mechanism internal to the government, more than between the government and the citizenry), imposes homogenous schemes to compare different financial and budgetary dynamics, which ends up “flattening” the diverse realities of the programs.

As a result, one of the challenges involved in making the operation and use of these programs' resources more transparent is to seek a better articulation between the financial logic of the Public Budget and the dynamics of the social programs. Toward this end, agencies could clarify and standardize the criteria for processing and organizing their data, and for presenting them to the public, so that comparison might be possible. In addition, indicators used to assess institutional performance and budget management should be reviewed, so that the Public Budget could serve as a better reflection of how each social program actually operates.

Currently, in order to really understand how these programs are working, it is necessary to consult the information provided by Sedesol, and then consult directly with agency employees in charge of the programs, or to request information through SISI (the IFAI's information request system). The quality of information obtained through these channels depends, to a great extent, on one's skill in asking the right questions, and especially in making them specific enough; and on the willingness of agency employees to explain how each program operates. Obviously, these options are not available to all citizens, and few can pursue them to their ultimate consequences.

Given the difficulties accessing information, discussion about anti-poverty programs continues to be concentrated among a reduced group of specialists and thus excludes the vast majority of society. This exclusion is manifested most clearly in the lack of voice beneficiaries have in evaluating and monitoring the programs. Nor does the IFAI's choice

<sup>5</sup> See: National Superior Auditor's Office (ASF), *Informe del resultado de la revisión y fiscalización de la Cuenta Pública 2004* (Mexico, March 30, 2006), p. 296, available at: <http://www.asf.gob.mx/asf.htm>. (Viewed July, 2006).

of the internet as the primary channel of access to public information help to lower social, cultural and linguistic barriers that still get in the way of poor people knowing about their right to information, and appropriating it.<sup>6</sup> In order for that right to be more inclusive, the agencies themselves would have to develop new mechanisms to make government information accessible at the local level, in rural zones, and by indigenous people.

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<sup>6</sup> In Mexico, the internet continues to be a communication tool available to a minority of the population. According to statistics from the PNUD, in Mexico there are 160 telephone lines and 120 internet users for every 1,000 residents. See: PNUD, *La cooperación internacional ante una encrucijada: Ayuda al desarrollo, comercio y seguridad en un mundo desigual*, Informe sobre Desarrollo Humano 2005, p. 286.