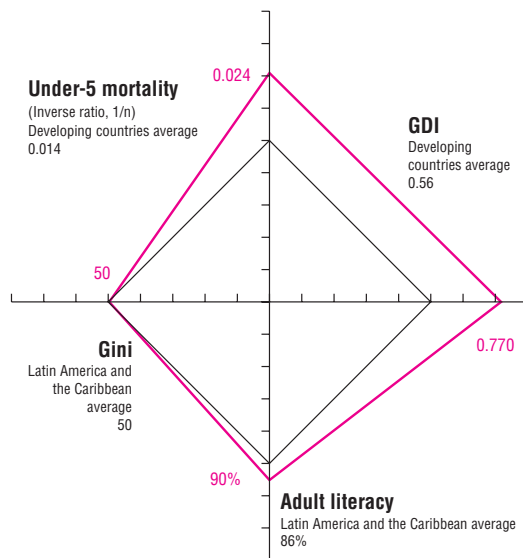


• SUSANA CRUICKSHANK
MARY PURCELL



The Equity Diamond: National values in terracotta compared to regional ones in blue.

MORE POOR THAN 15 YEARS AGO

scale producers and entrepreneurs, and between the relatively few who have access to the international market and the rest of society.

ELECTORAL REFORM

For 69 years Mexico has been governed by a single party, the Institutional Revolutionary Party (PRI). Although there have been opposition parties (with a growing presence since the mid-eighties), the executive, legislative and judicial branches of government have been controlled by the PRI throughout this period.

In 1996, after a series of negotiations among the country's principal political parties, an electoral reform law was passed by the PRI without the support of the opposition parties. The latter insisted on more far-reaching reforms in areas that the PRI was not willing to cede. An important limitation of the reform was its strict focus on «leveling the playing field» among political parties only, leaving organised civil society out of consideration. Concrete proposals for building a more accessible democracy for all – including legal recognition of plebiscites and referendums, for example – were disregarded. **Thus, while advances were made in terms of greater equity among political parties, there is still a long way to go in terms of improving equal access to democracy among civil society at large.**

Although the reforms were not complete, they did succeed in leveling the political playing field in various areas, including greater equity in access to media, public financing of parties and the naming of electoral officials. According to *La Jornada*, among the media in Mexico City, coverage for the three principal parties was practically equal, with 24% for the PRI and 25% for each of the other two parties (the National Action Party, PAN and the Party of the Democratic Revolutionary, PRD). In the rest of the country, however, the PRI received more radio and television coverage than the opposition (43%). Public financing for political parties skyrocketed (to 1,031,750 pesos (approximately US\$133 million), and was divided among the parties according to their percentage of votes. Although the public funding was more equally divided, many criticised the enormous amount of public funds used, especially considering the serious budget shortage for anti-poverty programmes.

In 1997, Mexico experienced significant (albeit insufficient) advances in terms of political equity, as a result of a combination of electoral reforms and the broad participation of citizens who rejected a one-party state in the federal mid-term elections in July. These advances, however, are only the beginning of a long path toward full democracy, in which all citizens benefit. When we take a look at the economic and social situation, we realise that inequity and polarisation continue to deepen, as a result of economic policies, a lack of full democracy, and persistent corruption. In all three areas (political, economic and social) we see that inequity is evident in various ways: between women and men, mestizos and indigenous people, residents of urban and rural areas, large business people and small

The result of these reforms was one of the cleanest elections in recent history, in which the PRI lost its absolute majority in the Chamber of Deputies (although it maintains 61% of the Senate), the office of Governor of the Federal District and two states in northern Mexico. The PAN, the PRD, and even the Green Party (PVEM) made important advances. These elections reflected a massive rejection of the government's neoliberal economic policies and widespread corruption among government officials. However, they are broadly seen by citizens as just the beginning of what is sure to be a long transition to democracy in the country.

GENDER, REGIONAL AND ETHNIC EQUITY

Along with a more even representation of political parties in Congress, has come a slight improvement in gender equity, although serious inequalities remain. The percentage of women representatives in the LXVI legislature (1994–1997) was 12.3%; in the currently elected legislature that percentage has increased to 18%. While this is still far from equal, the average percentage of women representatives in the Chamber of Deputies since women received the right to vote in 1953 has been 8%, so we are seeing a gradual improvement.

In 1995, only 6.7% of all government officials were women. There are only two cabinet officials who are women, and they head Secretariats with the least political weight: Tourism and Environment. At the local level, things are even worse. As of 1993, only 2.8% of municipal presidencies were held by women. These figures are improving, but the process is very slow, considering the long history of gender inequity in the political arena. Two of the principal political parties – the PRI and the PRD – have adopted an affirmative action policy with respect to ensuring that they run more women candidates. In general terms, it is clear that gender inequalities are much greater in decision-making positions than in access to education and the job market.

The advances in the electoral arena are also very unequal among the various regions of the country. The most significant advances were found in the Federal District and in middle–upper class suburban areas. **In rural areas and poor urban zones, electoral «irregularities» were much more common and for this reason the residents of these areas strongly question the propaganda around the «transition to democracy» in Mexico.** In the poorest regions, traditional practices of vote-buying, the use of governmental programmes to benefit official candidates and the transfer of public funds to official candidates continue – perhaps on a more sophisticated level, but they continue nonetheless. Because of this, the Mexican Commission for the Defense and Promotion of Human Rights notes: *«electoral equity continues to be much more real in urban zones, where citizens have greater opportunities*

*to inform themselves and to defend their interests legitimately... thus the election was technically even, but in a country in which the social differences between the countryside and the city are still abysmal.»*¹

In the state of Chiapas, the elections were a failure. This is one of the poorest states of the country, with the largest percentage of indigenous people. It is where socioeconomic indicators are comparable to those in the poorest countries of the world. In this state, economic, social, political, ethnic and religious inequalities have reached extremes. The militarisation of the region and continuing social conflicts blocked any possibility of freedom of expression at the polls. In some zones, the abstention rate reached 80%. The indigenous Zapatista Army for National Liberation (EZLN) decided not to vote because it did not want to *«recognise a system that does not recognise us»*.

The San Andrés Larrainzar peace accords, which were signed by the Zapatistas and the government in 1996 after a long period of negotiations, call for legal recognition of the social, economic, political and cultural institutions of indigenous people; the right to collectively own the lands that they occupy; and the right to preserve and enrich their languages and rights.² To date, however, the government has not complied with the accords because the Zedillo administration has rejected certain Constitutional changes necessary for their implementation.

Religious intolerance in rural areas (particularly in Chiapas) has been politically managed, provoking violence and discrimination. Since the appearance of the Popular Revolutionary Army (EPR) in 1996, the indigenous populations have been subjected to continuous harassment from the army in the states of Chiapas, Oaxaca and Guerrero. Besides, government agents, instead of protecting the right to free religious expression, have supported «priistas» and Catholics in their violent campaigns against other groups.

ECONOMIC EQUITY

The neo-liberal economic model favoured by Mexico from the beginning of the eighties, combined with an authoritarian government, and deep corruption of government institutions has led to economic polarisation of Mexican society.

Government policies, instigated by the Multilateral Development Banks and the government of the United States have led to insufficient and unsustainable growth. **In fact, Mexico is poorer today than 15 years ago.** Gross Domestic Product (GDP) per capita fell by 7.79% between 1981 and 1996. Although part of this is the result of the economic crisis of 1995, this does not explain the whole phenomenon, since even before the crisis, in 1994, GDP per capita had fallen by 2.51% with respect to 1981.³ The regional distribution of this GDP is very unequal: while GDP per capita at

1 CMDPDH, *Guión: Derechos Humanos en México*, August 1997.

2 *La Jornada*, 13 January 1997

3 Mexican Action Network on Free Trade (RMALC), *Espejismo y Realidad: TLCAN Tres Años Después*, 1997, p. 19.

the national level was \$3,030 in 1996, in the state of Oaxaca it was \$1,444 and in Chiapas only \$1,227.⁴

As overall income per capita falls, its distribution has also become increasingly unequal. According to recent estimates, the poorest 10% of the population earns only 1% of national income, while the richest 10% earns 40%.⁵ Between 1984 and 1992, Mexico's Gini coefficient increased significantly from 0.473 to 0.533, illustrating greater income inequity.⁶

According to several sources, the number of Mexicans who live in poverty has grown from 14 to 21 million since 1994, while the 15 richest families in the country have seen their fortunes increased from 16,400 million dollars to 27 thousand million. This fortune is equivalent to 9% of the GDP and would be enough to cover the income of the 12 million workers who earn up to two minimum salaries during two years.⁷ Figures from the Exchange are another example of this concentration of wealth: investors at the exchange represent just 0.15% of the population, but their investments represent 25.9% of the GDP. Indeed, the profits of this sector increasingly move away to other countries. During 1996, Mexican deposits in U.S. banks increased from USD 22.56 billion to 27.97 billion.

At the same time, these policies are still favouring the interests of big capital over that of the underprivileged. While the government has decided to target over 26 billion USD to the rescue of the private banks (of which only 20% covered debtors to the bank and 80% share-holders)⁸ and another 13 billion went to the rescue of multinational road-building companies, it has reduced subsidies for tortilla, milk and public transport for the population with least resources. As a contrast, during 1997 it used 9% of the GDP for social expenditure.

After over a decade of declining poverty rates, beginning in 1984, as a result of the economic crisis and the imposition of structural adjustment, poverty levels increased. Between 1989 and 1994 the poverty rate declined slightly, but has shot up again as a result of the latest economic crisis. According to government figures, the poverty level has not varied significantly in 1996–1997 – remaining at approximately 42 million people (about 44% of the population), of which 22 million live in extreme poverty.⁹

Extreme poverty in Mexico is primarily (and increasingly) a rural phenomenon. An estimated 12% of the 15 million urban households are extremely poor, while 60% of the 5 million rural households are.¹⁰ In rural areas of the southern part of the country, levels of extreme poverty are three times the national average and ten times the level of the richest states. The majority of these

poor people work in agriculture, and, as the World Bank admits, «the macro-economic policies of the government have had a negative impact on the agricultural sector.»¹¹

While poverty has increased, government resources channeled to anti-poverty programmes have diminished in real terms. In 1995 this budget item fell by 20%; in 1996 by another 10.5% and in 1997 by another 11.7%. The budget today is only 60% of the anti-poverty budget of 1994.¹²

After almost three years in office, the Zedillo administration just released its programme for alleviating – not eradicating – poverty one month ago. The Program for Education, Health and Nutrition (PROGRESA) will seek to provide direct assistance to some 400,000 poor families. It is one of the first major governmental anti-poverty programmes to directly target women and children and to address the problems of education, health and nutrition in an integral fashion, and in this sense it represents an advance.

However, the programme continues to be compensatory, and does not address structural problems of poverty in Mexico, especially the lack of jobs and extremely low wages. In addition, the amount of money allocated is far from what is needed to meet the needs of poor families. This year, the programme has a budget of about 160 million.

SOCIAL EQUITY

HEALTH AND NUTRITION

As the economic situation becomes more polarised, the problem of access to medical services also worsens in poor, isolated rural areas. Coverage in these zones has not grown at the same pace as the population and their needs. Most qualified medical providers concentrate in areas where salaries and working conditions are better, which usually means in urban areas. It is also important to note that there is a cultural problem in terms of resolving rural health problems, since there has been a reluctance by western medicine to accept traditional medicine as a national reality and a viable alternative in many poor, rural areas.

Women, children and indigenous people are those most affected by the lack of medical services. **A recent study shows that 55% of maternal deaths occur in towns of less than 2,500 people.**¹³ While at the national level, the average rate of maternal mortality is approximately 40 per 100,000 live births, in Chiapas,

4 Mexican Action Network on Free Trade (RMALC), *Espejismo y Realidad: TLCAN Tres Años Después*, 1997, p. 19.

5 Melgar, Ivonne, *La ambulancia de los pobres, ENFOQUE*, September 21, 1997, p. 4.

6 World Bank, Staff Appraisal Report, *Mexico: Program of Essential Social Services (PROSSE)*, May 25, 1995

7 Gómez, Salgado, "Aumenta la miseria y se reduce el bienestar social," *El Financiero*, 1 de Septiembre de 1997

8 Red Mexicana de Acción Frente al Libre Comercio, "Espejismo y Realidad : el TLCAN Tres Años Después. Análisis y Propuesta desde la Sociedad Civil," 1997

9 *Los Pasivos de la política social*, *El Financiero*, September 21, 1997, . 46

10 Melgar, 1997, p. 8

11 World Bank, *Agricultural Development and Rural Poverty Project*, (Public Information Document), July 1995

12 Melgar, p. 8

13 *Las Mujeres en la Pobreza*, GIMTRAP–El Colegio de México, Mexico 1997, p. 223

that rate is 117.¹⁴ Reproduction continues to be a risk for women, and it is directly rated to geographic location and socio-economic status.

Malnutrition is also a symptom of inequity in Mexico. According to the National Nutrition Commission, in 1997 approximately four million families (or about 20 million Mexicans) suffered from nutritional deficiencies. According to investigators from the Iberoamerican University, however, malnutrition affects close to 40% of the population (about 38 million people).

Researchers at the School of Medicine at the National Autonomous University of Mexico, meanwhile, estimate that one-third of child mortality is due to biological disorders resulting from malnutrition.¹⁵ At the national level, there are 10.5 deaths due to malnutrition for every 100,000 people, while in the state of Chiapas this figure is more than double: 22.3 per 100,000.¹⁶ Women in rural areas are particularly affected by malnutrition since they tend to prioritise providing food for their children and husbands. It is estimated that 29% of women between the ages of 12 and 49 are underweight.¹⁷

EMPLOYMENT AND SALARIES

During the past 13 years, the labour force grew by 9.3 million people, but only 3.2 million jobs were created (an average of 249,000 per year). If we consider that 7.3 million Mexicans are employed in the informal sector and 4.2 million are officially unemployed, the economy would have to grow at 7% per year – something which has not happened in the past 15 years – in order to satisfy demand. In 1997, an 18.7% of members of the labour force are professionals and technicians, while the percentage of tradesmen, salesmen and industrial workers are altogether a 67%, the remaining percentage corresponding to middle-level service areas.

During 1997, privatization of the social security system began, which will bear major implications in terms of equity. A public and collective system is being abandoned in favour of a private and individual pension scheme. Never again will pension savings from workers who receive a higher pay contribute to the pensions of poorer workers. **The new system has been widely rejected by the population: practically one half of all workers have refused to register with a private company, and chosen to keep their savings at the State's Central Bank.**

Meanwhile, salaries continue to decline. According to official figures, between 1994 and 1997, the percentage of workers who earn less than three times the minimum wage increased from 65% to 72%, while those who earn more than this fell from 35% to 28%.¹⁸ At the same time, the real minimum wage has been declining. During the past three years, the minimum wage grew by 73.9% while the consumer price index increased by 114%.¹⁹

Although the participation of women in the labour market has increased significantly during the past seven years (from 28% of EAP in 1990 to 38.8% in 1997), figures show that in times of crisis, it is women who continue to be most vulnerable to layoffs. In 1991, the official open unemployment rate was 3.0% for women and 2.5% for men. In 1997, following the crisis, these figures had increased to 4.7% and 3.4%, respectively.²⁰

Women also continue to receive a lower average salary than men for the same work. In spite of the fact that the Federal Labor Law, based on Article 4 of the Constitution, establishes gender equity in terms of salaries and working conditions, in extreme cases there is a wage differential of up to 50% between men and women for the same activity.²¹ Women continue to confront discrimination in the workplace as a result of their sex (being fired for getting pregnant, forced use of contraceptives, favouring of single women over married women to reduce the probability of pregnancy, etc.)

EDUCATION

Access to quality education in Mexico continues to be restricted according to class, gender, ethnicity and geographic location. Official figures show that the percentage of the economically active population (EAP) without schooling increased from 1.8% in 1990 to 2.6% in 1997.²² Meanwhile, illiteracy rates in Chiapas (30.12%) and other poor southern states triple the national rate (12.44%).²³

Unequal access to education also represents a relatively greater burden on women, especially if they live in rural areas or are indigenous. While the percentage of women without formal education at the national level is 15.3%, in rural zones it is 25.4% and among indigenous women it is 45.8%.²⁴ According to INEGI, the three principal reasons for not attending school are: the need to

14 *Chiapas en Cifras*, CIACH, CONPAZ, SIPRO, Mexico, 1997, p. 31

15 *Los pasivos de la política social*, *El Financiero*, September 21, 1997, 46

16 *Chiapas en Cifras*, p. 31

17 *Las Mujeres en la Pobreza*, p. 233.

18 *Ibid*

19 *El Financiero*, September 21, 1997

20 INEGI, 1997

21 Author's calculations based on statistics in INEGI, *Encuesta Sobre Educación y Empleo*, 1997.

22 INEGI, *Encuesta Nacional Sobre Educación y Empleo*, May 1997

23 *Militarización y violencia en Chiapas*, Conpaz, Convergencia, Centro de Derechos Humanos Fray Bartolomé de las Casas, Mexico, 1996, p. 86.

24 INEGI, *Encuesta Nacional Sobre Educación y Empleo*, May 1997.

work; the absence of a school nearby; and the family's refusal to register their children. In the last case, it is mostly girls who are not allowed to attend school. In 1997, of the 4,654,651 women over 12 years old who have not studied, 22.8% did not study because their family would not let them.

These figures illustrate the importance of geographic location, class, ethnicity and gender as major determinants of access to education, and thus to employment opportunities in the future.

CREDIT

Among the most serious problems facing medium, small and micro producers, is the lack of attainable credit. The 1994–1995 crisis resulted –among commercial banks– in dramatic changes in the loaning policy. As a result of the crisis of the overdue portfolio (which reached a total of approximately 12 billion dollars), banks virtually quitted giving loans to small companies, channelling their credits only to large companies or producers. Meanwhile, the government is gradually attempting to eliminate the development banks that have lost money during the past three years. An important sector of the large companies, which receive their revenues in foreign currency, is seeking credit abroad because its cost (in dollars) turns out to be half the domestic cost. **Meanwhile, it is estimated that only 18% of the agricultural producers have access to formal credit.**

The agricultural and livestock sector gives a good picture of the polarization that the country is suffering. In spite of the fact that foreign investment grew between 1985 and 1994, evolving from a 0.04% to a 0.4 of the total GDP, the agricultural and livestock GDP diminished 2% in 1995 as compared to 1994. Far from nursing the economy of small producers such investment has opened an abyss between them and those farmers who benefit from irrigated lands and a good productive potential. Due to the high technology characterizing one area and the lacks of the other, this same investment increases polarization. Despite the fact that the agriculture sector represents 23% of the EAP in Mexico, it

contributes with only 7% of the GDP. In this sense, partly because of the need to hire cheap workforce we witness an increasing feminization of labor in the major northeast productive zones, where women ascend to 50% of the workers.

In the industrial sector the opening of trade has aggravated its structural problems. In spite of the fact that the exports sector has shown a certain growth, the exports in the manufacturing industry show increasing weakness. Three hundred companies, the major part of them transnational, are responsible for the 70% of the total exports. In the period 1990–1994, primary exports were approximately half of the exports (46.68%), and the «maquilas» constitute 19.41%. In net terms, they have grown by 2.75% from 1990 to 1994. The GDP growth is greatly based in the growth of the exports sector. But those exports have less and less national content, resulting in diminished multiplier effects for the rest of the economy. This is to say that, despite the exports figures, the national industry is far behind the transnational industry with which it is attempting to compete. The consequences are unemployment and a huge polarisation between the large industry and the national productive plant.

In sum, we have witnessed some relative advances with respect to formal electoral democracy and, in some areas, slow progress in terms of gender equity. Economic and social inequity continues, however, and is even worsening in some areas, especially with respect to ethnicity, geographic location, gender and class. The existence of laws promoting equity in Mexico is by no means a guarantee of compliance and constant monitoring and pressure is required to ensure that progress is made in the future.

- EQUIPO PUEBLO is a development NGO founded in 1977. It works with social organisations and community movements in the promotion of economic justice the defence of social rights and the advancement of political democracy.