Mexico: The Case of Subsidios al Campo

In the 1990s the Mexican government introduced new agricultural programs to promote trade liberalization while also protecting poor farmers from the ill effects of such a transition. The programs included subsidies for both large and small farmers.

By 2007 government had spent 176 billion pesos on these programs, but many knew that the subsidies had not reduced rural poverty. Instead, the programs increased inequality between poor and rich farmers and between poor and rich areas of the country. But Mexico City-based media was not interested in the technical details of agricultural policy, so public debate focused on the total budget allocated to the rural sector and not on the distribution of the resources within the rural sector.

In 2007 IBP partner Fundar and the Asociación Nacional de Empresas Comercializadoras de Productores del Campo (ANEC) established the Subsidios al Campo campaign to create a more informed public debate on the issue. Fundar is an urban-based civil society organization with budget skills, while ANEC is a grassroots organization of small agricultural producers. Two academic researchers assisted in the effort and recruited a third partner — the Environmental Working Group (EWG), which had created a public dataset on farm subsidies in the United States.

This coalition used freedom of information laws to obtain the lists of agricultural subsidy recipients from the government. After 30 information requests and 16 appeals, they had the information needed to set up a website to publicize information on the size, beneficiaries, and distribution of farm subsidies. The website showed, for example, that five Mexican states received 40 percent of the subsidy total but only had 27 percent of beneficiaries.

The coalition’s next steps were to promote the website by training journalists and analyzing its content. ANEC and Fundar wanted to emphasize the fact that subsidy benefits were unequal, while most journalists focused on individual cases of scandal (for example where a mayor, drug dealers, or drug producers received subsidies). The danger with these high-profile cases was that they resulted in calls for the end of all subsidies rather than for policy changes.

The Ministry of Agriculture reacted to this publicity by revising the recipient list and changing the rules of the policy. In April 2009, the ministry established a minimum subsidy of 1,300 pesos for small producers and a maximum of 100,000 pesos for any producer.

After further analysis and publicity, members of Congress demanded an investigation and further changes to the rules. Investigations showed that in 2009, 557 Ministry of Agriculture officials received subsidies worth a total of more than 5 million pesos. As a result of the scandal, in September 2009 the Minister of Agriculture resigned and in 2010, two directors responsible for the subsidies resigned. But in 2010 the data showed that the new Minister of Agriculture was receiving a subsidy, which went against the 2008 rules. Nevertheless, that Minister refused to resign. Congress representatives with links to large agricultural producers also blocked budget changes that would have resulted in a more equal distribution of subsidies.

The civil society campaign succeeded in making information available and in publicizing the policy’s shortcomings, which resulted in some changes in the rules. Political and other forces have thus far prevented further changes that will help poor farmers.