

Study No. 6, July 2012

Evidence for Change: The Case of *Subsidios al Campo* in Mexico

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Introduction

Subsidios al Campo ("farm subsidies") is a collaborative project by a public interest group, a peasant organization, and a group of academics and technical experts that uses Mexico's Freedom of information laws to obtain official data on the recipients of agricultural subsidies, which is analyzed and disseminated widely through a user-friendly website (www.subsidiosalcampo.org.mx). The goals of the project are to generate easily accessible information and inform the public debate on Mexico's farm subsidies programs. In addition to making data available in its online database, the project analyzes the subsidy information and uses it to advocate for more equitable subsidy allocations and, more broadly, changes in rural policy in Mexico.

By creating and maintaining its online public database, *Subsidios al Campo* improved the transparency of government farm subsidies, and its analyses of this data identified a disproportionate, and inequitable, concentration of subsidy recipients in the wealthiest 10 percent of farmers. The analyses helped explain how this happened, and the advocacy supported by this evidence contributed to reforms in the subsidy programs.

The case study presented here is based on a review of campaign documents, government information, media articles, and on interviews with key actors. The study traces the development of *Subsidios al Campo*, analyzes the factors contributing to the impact achieved, and offers an explanation for the campaign's effectiveness.

The case study demonstrates the power of evidence-based advocacy but examining how it contributed to the campaign's success. The study also highlights the importance to advocacy campaigns of directly engaging academics, journalists, and beneficiaries in efforts to disseminate research findings and recommendations. At the same time, the case study shows the limits of evidence-based advocacy in contexts in which there are powerful interest groups resisting change, government institutions reluctant to modify the status quo, and ineffective accountability mechanisms.

The problem: What was *Subsidios al Campo* responding to?

Agricultural subsidies are a policy tool that governments use to intervene in the production and marketing of agricultural goods in order to correct market failures (e.g., market prices too low to encourage adequate production of necessary commodities) or address distributional concerns (inequality and poverty). As with any other policy intervention, problems in the design or implementation of agricultural subsidies can lead to the inefficient use of public resources, or an inequitable distribution of these resources. Around the world, subsidies have been useful in protecting farmers from unfair competition, supporting agricultural exports, promoting certain crops, and combating poverty in the rural sector.

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Farm subsidies have been criticized primarily on two grounds: 1) that by distorting the cost of producing agricultural goods, and thus lowering the price subsidized farmers can charge on the global market for these goods, such subsidies can result in unfair trade conditions (McMillan, 2007); and 2) that evidence indicates that subsidies, both in developed and developing countries, are a source of easy rents for well-organized and politically powerful agricultural interest groups, which leads to negative distributional effects (Karnik & Lalvani, 1996).

Mexico is no exception. The federal government justifies agricultural subsidies by citing the need to compete in the regional market for agricultural goods, where Mexico's main trading partner is the United States (where big subsidies for large grain farmers are the norm), and the need to address widespread poverty in rural areas. In the early 1990s two important changes took place: Mexico enacted a constitutional amendment that lifted restrictions on the sale of communal lands, and it signed the North American Free Trade Agreement (NAFTA) with the United States and Canada. Lifting restrictions on the sale of communal lands was intended to help guarantee individual property rights and make credit more accessible for rural producers. NAFTA included commitments to liberalize trade in basic agricultural products in 2003 and 2008, which meant that the three countries would eliminate such trade barriers as import duties that favor domestic producers.

In the wake of these two significant changes to the agriculture sector, the Mexican government launched an ambitious set of programs aimed at supporting trade liberalization but alleviating its adverse effects, especially on poor farmers. These programs included instruments for supporting the domestic marketing of agricultural products (like subsidies to producers and consumers), subsidies to foster agricultural production, and direct transfers to farmers (to guarantee minimum incomes).² All of these programs operate under the umbrella of the so-called *Programa Especial Concurrente* — a comprehensive strategy that is coordinated by the Ministry of Agriculture and involves several ministries — that aims to boost competitiveness, improve productivity, and diversify rural employment, as mandated by the Rural Development Law.³

Although the government has been implementing this set of policies, of which agricultural subsidies are a central component, for almost two decades, the effect on farm employment and income in Mexico has been limited. Despite significant increases in the budget for the rural sector, and continuous adjustments to the operating rules for these programs, a third of the rural population lives in extreme poverty; agriculture has declined “as a significant source of income and labor opportunities for most rural households” (Scott, 2010); most low-income producers do not benefit from these subsidies (Fox and Haight, 2010); and marginalized, indigenous municipalities receive only a negligible fraction of the funds for these programs (Robles, 2010). A World Bank study found that in Mexico “public expenditure in agriculture is so regressive that it cancels out almost half the redistributive effect of rural development expenditure” (World Bank, 2009: ix).

In this context there were several voices — from the academic community, among peasants organizations, and even from some public officials — that raised concerns about both the effectiveness of the federal government's policies toward the rural sector and the distributional effects of agricultural subsidies. Though coming at it from different perspectives, the relevant players reached a similar conclusion on the status of agricultural policy in Mexico: poor regulation opened the door for discretionary allocation of agricultural subsidies, which, in turn, led to further inequality in the rural sector and reduced economic effects (in terms of labor and income).

² The most prominent of these programs, *Procampo*, gives direct monetary transfers to land owners, notwithstanding production levels.

³ For an overview of agricultural policies in this period, see Yúñez Naude, 2010.

However, those with specialized knowledge who could see the faults in the subsidy policy design and the problems with the implementation of agricultural policies had limited capacity to influence the public debate and, even less to impact policy making. The national (i.e., Mexico City-based) media is largely uninterested in agricultural policy and is not inclined to publish the obscure, technical details of specific policies.⁴ Further, the public debate has traditionally been framed as a discussion focused on the *amount* of budgetary resources allocated to the rural sector, and not on the *distribution* of those resources within the rural sector, or their *effectiveness*.⁵ Corporatist organizations and politicians who benefit from the status quo also would not welcome more public awareness on this issue.⁶

Subsidios al Campo aimed to address these problems by generating a more informed public debate, and changing the terms of this debate. As Kristina Pirker, then a researcher at Fundar, one of the organizations driving the project, explains: “*Subsidios al Campo* came up in response a concrete question: If rural public expenditure [...] grew constantly, from 120 billion Mexican pesos in 2004 to 176 billion in 2007 (when the idea for this project came about) why did it have such a little impact in reducing the enormous social gaps in the Mexican agricultural sector?”⁷

A coalition is formed

Fundar is an independent Mexico City-based civil society think tank that has used different strategies to advocate for greater accountability in the public sector, encourage budget transparency, and expose several cases of illegal use of public money. The *Asociación Nacional de Empresas Comercializadoras de Productores del Campo* (ANEC) is a grassroots organization made up of small agricultural producers that has advocated for changes in agricultural policies. Though these organizations have different goals and strategies, they came together to create a coalition to change the terms of the public dialogue on agricultural policies and budgets by publicizing evidence of the distortion in the distribution of farm subsidies. Both Fundar and ANEC thought it necessary to move the discussion from an emphasis on the *size* of the budget for the rural sector to one on the *distribution* and use of those resources.⁸

Box 1: Fundar

Fundar, Center of Analysis and Research, is an independent, interdisciplinary, and nonpartisan organization that monitors public policies and public institutions through applied research, critical reflection, experimentation, and linkage with civil, social, and governmental actors.

It organizes its projects in four different areas: Budget and Public Policies, Human Rights and Public Safety, Transparency and Accountability, and Strengthening of Nongovernmental Organizations.

Source: Fundar, Centro de Análisis e Investigación. «English» *Fundar, Centro de Análisis e Investigación*. 2011. http://fundar.org.mx/mexico/?page_id=2659 (last access: 2 August 2011).

ANEC was aware of the high concentration of subsidies among the big agricultural producers, but its message was not reaching beyond a small specialized group of analysts and social organizations. Moreover,

⁴ Interviews with Lourdes Rudiño and Evangelina Elizondo.

⁵ Interview with Héctor Robles.

⁶ Interview with Víctor Suárez and Iván Polanco.

⁷ Pirker, 2010.

⁸ Interview with Jonathan Fox.

ANEC knew that its message was frequently dismissed as anecdotal and based on its ideological view of what agricultural policy should be.⁹

Box 2: ANEC

The National Association of Agricultural Producers' Marketing Companies (ANEC) is an organization constituted by small and medium-sized agricultural producers. It defends, promotes, and represents the interests of its members by: 1) pursuing the development of an efficient, socially responsible and sustainable agriculture sector; 2) offering organizational development support; 3) providing financial, marketing, and production services; and 4) advocating for public policies that promote rural development.

Source: "Conoce a ANEC" *Asociación Nacional de Empresas Comercializadoras de Productores del Campo*. 27 October 2010. <http://www.anec.org.mx/anec-1/quienes-somos/iniciativas-anec> (last access: 2 August 2011).

Fundar, therefore, was a fitting ally: its researchers had become expert in using Mexico's Freedom of information laws (FOI) to access public data and convert what appeared to be uninteresting official data into powerful information with great potential for influencing public policy debates.¹⁰ Fundar's transparency and accountability team, led by Miguel Pulido, was also interested in achieving social accountability beyond mere access to government information to show how FOI laws could be used to influence policy decisions.¹¹ But the team needed an issue to focus this effort on and agricultural policy seemed like a good option.¹²

The coalition between ANEC and Fundar was unusual. Building a partnership between a specialized think tank, with a reputation for sound analysis and evidence-based advocacy, and a vocal organization with direct interests in agricultural policies was not going to be an easy task, given their different styles, purposes, and audiences. These organizations came together thanks largely to the intervention of Libby Haight, who was then a researcher for the University of California, Santa Cruz (UCSC). She was working in Mexico on a project led by Jonathan Fox (a professor at UCSC with expertise in rural politics and accountability in Mexico) on rural policy and peasants organizations. Haight knew about the work of both organizations and identified synergies in their efforts.¹³ Initially, she was a trusted broker between the organizations, and then a part of the team in charge of the campaign. As Pulido explains, "She was the one gluing the pieces together."¹⁴

Haight and Fox paved the way for bringing in a third, crucial partner: the Environmental Working Group (EWG), an organization that had successfully built an open access dataset on farm subsidies in the United States (<http://farm.ewg.org/>) and raised awareness about the concentration of benefits in the wealthiest 10 percent of recipients.¹⁵ (See Box 3.) This experience served as an inspiration for ANEC and Fundar for what they might do around farm subsidies in Mexico. EWG provided the know-how to convert official datasets

⁹ Interviews with Víctor Suárez and Iván Polanco.

¹⁰ The Federal Transparency and Access to Governmental Public Information Act was passed in 2002.

¹¹ Fundar is organized into five teams: budget and public policy, human rights and security, transparency and accountability, citizen's capacities, and judicial strategies.

¹² Interviews with Libby Haight, Miguel Pulido, Ana Joaquina Ruiz, and CR Hibbs.

¹³ Interviews with Miguel Pulido, Ana Joaquina Ruiz, Víctor Suárez, Iván Polanco, and CR Hibbs.

¹⁴ Interview with Miguel Pulido and Ana Joaquina Ruiz.

¹⁵ According to EWG, in 2010, the top 10 percent of commodity payment recipients in the U.S. were paid 63 percent of commodity payments.

into easily accessible information, maps, and graphics. Its technical support was a critical component of the project, since neither Fundar nor ANEC had expertise in dealing with large datasets, and both lacked the technology for making such datasets publicly accessible.¹⁶

Box 3: Environmental Working Group

The mission of the Environmental Working Group (EWG) is to use the power of public information to protect public health and the environment. EWG specializes in providing useful resources to consumers while simultaneously pushing for national policy change. It has a dedicated website for farm subsidies in the U.S., the *Farm Subsidy Database*.

Source: Environmental Working Group. «About the Environmental Working Group» *Environmental Working Group, the power of information*. 2011. <http://www.ewg.org/about> (last access: 2 August 2011).

Round 1: The website

Once the coalition was formed, several operational decisions had to be made, including the allocation of resources, the gathering of information, and, later, the way in which the data on farm subsidy recipients would be organized and made public. The first step was to use FOI laws to obtain information on the lists of agricultural subsidy recipients. However, the problem was not only obtaining the lists (the Ministry of Agriculture had up-to-date lists) but also transforming government data files into formats that could be fed into the technology platform developed by EWG.¹⁷ The process required 30 information requests to obtain the information — and 16 appeals after information was denied or incomplete — and over a year of patient work to clean up the datasets, convert them into detailed data formats, and develop a user-friendly website to present the information to the public.¹⁸

In October 2008 the website www.subsidiosalcampo.org.mx went live. This online tool systematizes and presents official data on the size, beneficiaries, and distribution of farm subsidies in Mexico. Through the website, it is possible to obtain detailed information on subsidies and recipients (initially data was presented for the *Procampo* and *Ingreso Objetivo* programs, to which data from four more programs were added to the website in 2010). The information available on the website includes amounts of money received by individual recipients, as well as aggregate information by municipality, state, or region. It is also possible to compare information from different years, across states, and between programs. (For an example, Map 1 shows how the amount of money *Procampo* gave in subsidies by from 1994 through 2009 varied across states.)

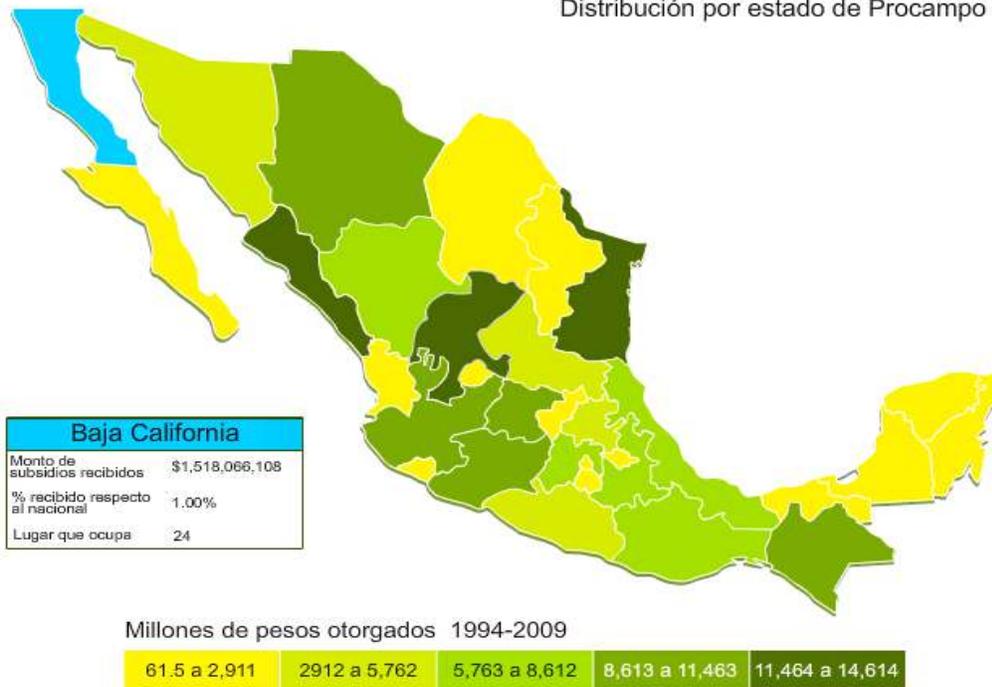
¹⁶ The William and Flora Hewlett Foundation in the U.S. supported EWG in converting raw data into evidence for advocacy. Fundar was already a grantee of the foundation's program in Mexico (interview with CR Hibbs).

¹⁷ Even if some of these lists were public (the information was available on the ministry's website), they were not easily accessible: "They had a query system to search for specific beneficiaries, rather than publicly presenting the lists; similarly, they were not in accessible formats, but encrypted or in pdf files," (Ana Joaquina Ruiz, 2010: p. 7).

¹⁸ Interviews with Miguel Pulido and Ana Joaquina Ruiz.

Map 1

Distribución por estado de Procampo



Source: Ruiz, 2010.

According to the “who we are” section of the website, *Subsidios al Campo* intends to promote:

- a) the right to access public information, established in the Freedom of information act;
- b) holding public servants and federal agencies in the agriculture sector accountable by shedding light on the consequences of their budget and policy decision; and
- c) the identification of the beneficiaries of agricultural policies and the number and the amount of the subsidies that they receive.¹⁹

The website was the first outcome of the *Subsidios al Campo* project, and it fulfilled some of the aspirations that both ANEC and Fundar had when they launched the project. Miguel Pulido explained that information on farm subsidies was not clear or easily accessed, and “what we have done is to present it in a simple manner, so that everyone knows who gets the subsidies.” For Víctor Suárez, ANEC’s spokesperson, the data on the main subsidy programs for the agricultural sector confirmed “an excessive concentration and did not comply with the mandate of supporting those who have less.”²⁰

This finding was not news to ANEC, which already knew of a bias in the distribution of farm subsidies toward the Northern states. Furthermore, as part of congressional debates on the future of *Procampo* in July and August 2008, a few months before the website was launched, some of the main problems with farm subsidies — such as delays in the delivery of monetary transfers, geographical concentration, regressivity,

¹⁹ <http://www.subsidiosalcampo.org.mx/mexico/pagina/quienes-somos/>

²⁰ “Ven irregularidades en subsidios al campo,” *Inforural*, 14 October 2008, (http://inforural.com.mx/noticias.php?&id_rubrique=186&id_article=33015).

and lack of results — were openly discussed in the press.²¹ At the same time, these discussions also exposed the groups (organizations of large agricultural producers) that were opposed changing the way in which *Procampo* was implemented and showed how these groups influenced public decisions, by brandishing the threat of rising food prices and political instability if the program were to change.²²

Box 4: How were farm subsidies distributed?

- Five states received 40 percent of total funds for subsidies but only had 27 percent of recipients
- Tamaulipas received 15 billion pesos for 159,500 beneficiaries, whereas Chiapas got 11 billion for 459,803. From 1994 to 2008, the wealthiest 10 percent of beneficiaries received 57 percent of resources; and the top 20 percent 73 percent.
- The top 10 percent of beneficiaries received, on average, 16,000 pesos per year; the bottom 80 percent, 964 pesos per year.

Source: Pirker (2010)

Subsidios al Campo made a difference in terms of the extent of the information available on agricultural subsidies, its systematization within a single platform, and the possibility of carrying out specific searches by person or locality, and making geographical and temporal comparisons.²³ From the beginning, and for all the members of the coalition, it was clear that providing access to detailed information would serve two purposes: it would foster better informed public discussion, and it would create opportunities for evidence-based advocacy (Ruiz, 2010).²⁴ It was expected that providing more information would allow for analyses of the underlying biases in rural policy and empower excluded actors.²⁵ However, those inputs and opportunities would *only* lead to a more informed debate on farm subsidies and have an impact on policy and budgetary decisions if the information provided by the website was used by the media, civil society organizations, and accountability institutions. Thus the logical next step for the members of the coalition was to promote the use of the website and to carry out analyses that would make sense of the information. For this reason, Fundar and ANEC analyzed and presented powerful information on the concentration of subsidies (see Box 4), and, more important, they deployed a deliberate strategy to train journalists in the use and interpretation of the data on the website.

However, it soon became clear that they did not have sufficient control over the interpretation of the data that they had put into the public domain. ANEC and Fundar wanted to emphasize the issue of inequality in the rural sector and the inequitable concentration of subsidy benefits, but journalists, in general, were more

²¹ See, for example, “Cansados de esperar el Procampo,” *Diario de Yucatán*, 15 July 2008; “Productores del Norte, los más beneficiados,” *El Universal*, 13 July 2008; “Olvida Procampo Zonas Marginadas,” *Reforma*, 24 August 2008; and “A 14 años, Procampo debe cambiar: Cárdenas,” *Reforma*, 26 August 2008.

²² “Productores en contra de ajuste a Procampo,” *Milenio Diario de Tampico*, 14 August 2008; “Frente común en defensa de apoyos al Procampo,” *El Sol de Sinaloa*, 8 September 2008; “Labriegos rechazan cambios a Procampo que plantea SAGARPA,” *La Jornada*, 22 September 2008; and “Augura Procampo inestabilidad,” *Reforma*, 21 August 2008.

²³ In a strict sense, the recipient list is not a list of people, but of payments: each payment corresponds to a number, but a person may have several numbers under his name, or an organization of several people may receive a single payment (which would correspond to only one number).

²⁴ The website served a third purpose (not originally intended): it showed the limitations of relying on official information. Even when government information is made public, it may not be easily accessible; moreover, even when it is accessible, it may be imprecise. As Haight and Fox have argued: “Many of Mexico’s other farm subsidy programs fall short of even the appearance of transparency. In general, all of ASERCA’s (the unit in charge of *Procampo*) subsidy programs share two crosscutting problems, involving the quality of public data: inconsistency in the presentation and lack of precision regarding who the beneficiaries are and how much they receive,” (Haight and Fox, 2010: p. 142).

²⁵ Interview with Jonathan Fox.

interested in scandalous findings than in the distribution of farm subsidies. As Haight explains, “The focus on concentration did not resonate with journalists; they were after names.”²⁶ Indeed, stories that focused on high-profile individuals were more appealing than those focused on the underlying problem. As Lourdes Rudiño (a journalist at one of the few media outlets that specializes in rural affairs, *La Jornada del campo*) explained in an interview, it was much easier to transform high-profile scandalous cases into news stories than to try to understand the problems associated with the unequal distribution of farm subsidies and then convert this information into a single-page analysis that an editor and a broader audience would find attractive.

The members of the coalition would have preferred headings like this one from *La Jornada*: “For 15 years, 80 percent of *Procampo* beneficiaries got less than one thousand pesos.”²⁷

Instead, most of the headings were related to problems with specific beneficiaries:

“Marijuana producer received support from *Procampo*.”²⁸

“Drug dealers’ relatives in *Procampo* are detected.”²⁹

“Mayors get benefits from *Procampo*.”³⁰

This focus was perceived by the coalition to be both a distraction and a double-edged sword (Pirker, 2010). The emphasis on individual cases came at the expense of a deeper analysis of the design and implementation of these agricultural programs.³¹ Even worse, the focus on the wrongdoings could lead to criticism of the very existence of agricultural policies.³²

Nevertheless, the coalition could already claim two important achievements. The first was credibility: in a country where the first instinct of an accused politician or a public official is to question the validity of the information or the motivations of the source, the data and the analysis provided by *Subsidios al Campo* remained uncontested.³³ Since the data came from government information — it was processed and made accessible by the coalition, but not transformed in any way — it was not possible to doubt its reliability.³⁴

The second achievement was related to the original purpose of the campaign, which was to raise awareness about the distribution and impact of farm subsidies: “the *Subsidios al Campo* website has shown that there is considerable investment in the rural areas, with meager results in overcoming inequality” (Ruiz, 2010: 26). The Ministry of Agriculture reacted (not only to the campaign but also to related demands imposed by the InterAmerican Development Bank during negotiations over a loan) by initiating a cleanup of the recipient list and modifying the policy’s operating rules.³⁵ As will be explained later, the cleanup proved difficult to implement, but at least it was now possible for some people within the ministry to defend a process of

²⁶ Interview with Libby Haight.

²⁷ *La Jornada*, 14 October 2008.

²⁸ Denuncian que productor de marihuana recibía apoyo de *procampo*,” *El Universal*, 21 October 2008.

²⁹ “Detectan en *procampo* a Familiares de narcos,” *El Financiero*, 28 October 2008; and “Ayuda *Procampo* a ‘narcofamiliares,’” *Reforma*, 8 November 2008.

³⁰ “Se benefician alcaldes de *Procampo*,” *Diario de Chihuahua*, 25 November 2008.

³¹ Interview with Jonathan Fox.

³² Interview with Víctor Suárez and Iván Polanco.

³³ Interview with Evangelina Hernández.

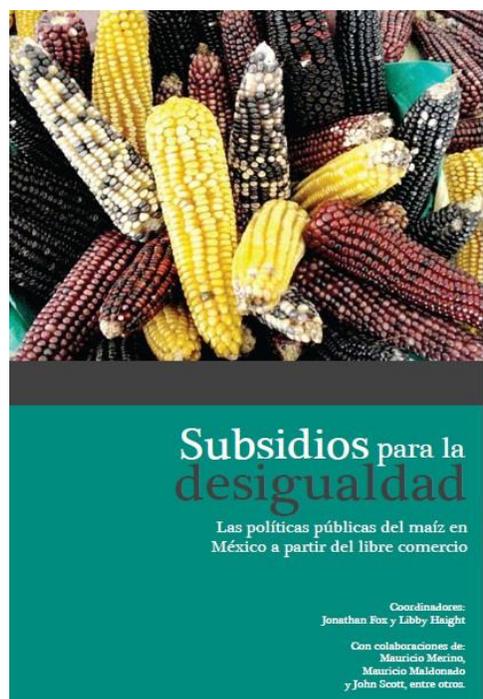
³⁴ Clarifications were made to the data presented, as in 2010, Cargill, a big industrial agribusiness, explained that it was not a beneficiary of *Procampo* but a mere intermediary (*El Semanario*, 18 February 2010).

³⁵ “Limpiarán padrón del *Procampo*,” *El Universal*, 30 October 2008. This loan also required increased transfers for producers with less than 10 hectares (email exchange with Ana Joaquina Ruiz).

reform for *Procampo* and other programs with the new evidence that came out of the *Subsidios al Campo* project.³⁶

As a result of the renewed discussion, in April 2009 the new operating rules were announced and included a significant change: they established both a minimum amount of 1,300 pesos for small producers (those with less than five hectares) and a ceiling of 100,000 pesos for any single producer.³⁷ This change, if effectively implemented, would have a direct influence on the distribution of farm subsidies (Ruiz, 2010).

Image 1: Report on farm subsidy research



Round 2: Analysis and renewed media coverage

A second stage of *Subsidios al Campo* was a campaign to address the inequities and lack of impact of Mexico's agricultural policies that involved a broader coalition of institutional and individual members. Jonathan Fox, with the support of the Woodrow Wilson Center for International Scholars and with funds provided by the William and Flora Hewlett Foundation, invited a group of academics and policy experts to carry out analyses of the data provided by *Subsidios al Campo* or on topics related to the campaign. The purpose was to get more analysis of the problem based on diverse methodologies in order to further stimulate a more nuanced conversation about farm subsidies and agricultural policy.³⁸

Fox commissioned studies that included those on the inception and design of *Procampo* and the distributional effects of agricultural policies, analysis of surveys of beneficiaries, a review of policy evaluations of some of these programs, as well as other questions related to the decentralization of agricultural policy implementation and functioning of social accountability mechanisms. The research was

³⁶ Interviews with Miguel Pulido and Ana Joaquina Ruiz, and with Official A from the Ministry of Agriculture.

³⁷ "Economía: inicia segunda etapa de actualización de Procampo," *El Financiero*, 24 August 2010.

³⁸ Interviews with Libby Haight and Jonathan Fox.

published in a report and led to substantive discussion about the analyses arising from the studies, which generated broader interest on the issue of farm subsidies beyond the usual experts on agricultural policy (see Image 1).

One example was Mauricio Merino, a professor at the Center for Research and Teaching on Economics (CIDE) who was invited to contribute because of his knowledge of the administrative apparatus behind rural policy, wrote a chapter on his policy analysis of *Procampo*.³⁹ In it he described both the program's design and implementation process from its origin in the mid-1990s to the present. Merino identified a core problem in the design of *Procampo*: its dual objectives. It was supposed to be an instrument to reduce poverty and, at the same time, it was meant to improve competitiveness in the rural sector. However, as Merino explained, big producers, seeking rents, had hijacked the policy and distorted the original purpose of *Procampo*. This resulted in the concentration of subsidies among big producers (Merino, 2009). Finally, he compared data he had gathered on state and federal public officials in the agricultural sector with the *Subsidios al Campo* list of beneficiaries. He identified 328 irregularities, including the fact that Jorge Kondo López, who was then Secretary of Agriculture in his native state of Sinaloa and had been member of the federal Congress and the leader of an agribusiness lobby, showed up 89 times as a beneficiary.⁴⁰

Image 2: Front page of *El Universal*, 27 July 2009



Source: www.eluniversal.com.mx

Merino presented his preliminary findings to editors at *El Universal*, one of Mexico's leading national newspapers, who commissioned two of their senior journalists, Evangelina Hernández and Ignacio Alvarado, to look into the details of Merino's study and to further investigate the issue. They obtained more information from the *Subsidios al Campo* website on drug dealers' relatives who got subsidies, did research at the Ministry of Agriculture, and interviewed *Procampo* beneficiaries in poor regions.⁴¹ As a result, for a whole week starting on 27 July 2009, *El Universal* carried front page stories on *Procampo*, with detailed information on beneficiaries, policy design, implementation, and the concentration of subsidies. These news stories were echoed in the media for several days, including local media, where individual cases were scrutinized (see Box 5).

³⁹ Interview with Jonathan Fox.

⁴⁰ Interview with Mauricio Merino. When questioned by local journalists, Jorge Kondo López defended his right to receive subsidies and said that it would be a "criminal act" to deny him this right. "Criminal si se retira el Procampo: Jorge Kondo," *El Sol de Sinaloa*, 30 July 2009.

⁴¹ Interview with Evangelina Hernández.

Box 5: Sample headlines in local newspapers following *El Universal* coverage of *Procampo*

- “PRI and PRD [the two main opposition parties] ask for an investigation into politicians getting benefits from *Procampo*,” *Diario de Yucatán*, 29 July 2009.
- “Denounce imminent cancelation of *Procampo*,” *El Sol de Tampico*, 30 July 2009.
- “Pachuca loses 270 hectares from federal support by *Procampo*,” *Milenio Pachuca*, 30 July 2009.
- “Peña Nieto [then state governor] accepts that he is *Procampo* beneficiary,” *Estado de México Milenio*, 30 July 2009.
- “Mayor gets *Procampo* support as farmer,” *El Diario de Delicias*, 31 July 2009.
- “25% of farmers lease their land...and get *Procampo*,” *El Sol de Tlaxcala*, 8 August 2009.

At this point, journalists focused on two key issues: the unequal concentration of benefits and the conflict of interest that arises when politicians and public officials are the recipients of subsidies. *El Universal* carried several stories around these topics, which were echoed in other national and regional newspapers.⁴² The federal government, including the President, initially reacted by defending the program, but later recognized that there were problems with the recipient lists and that the distribution of the subsidy could be improved.^{43,44} Again, the veracity of the data and the objectivity of the analysis remained uncontested.

This time, different actors — the federal government, Congress, and peasants organizations — reacted. The Minister of Agriculture, Alberto Cárdenas, announced a clean-up of the list of beneficiaries to remove those who should not be on it, and a review of operating rules to improve its progressivity, i.e., providing more benefits to poorer farmers.⁴⁵ A few months later, in September 2009, new rules for updating the *Procampo* recipient list were published. These rules indicated that the ministry planned to create a “single registry” system with data on recipients and geo-referenced data on land.⁴⁶ Fundar continued providing analysis and interacting with officials, legislators, and journalists to keep the topic on the national agenda.

Peasants organizations demanded that the recipient list be updated not only to exclude those who should not be receiving subsidies but also to include all the small producers who had never received transfers.^{47,48} Congressmen (both in the Senate and in the Chamber of Deputies) called for an investigation and changes in the operating rules.⁴⁹

⁴² http://www.eluniversal.com.mx/graficos/especial/EU_procampo/historico.html, Last accessed: 10 September 2011.

⁴³ The President defended *Procampo*, arguing that the budgetary resources for farmers had increased in previous years (“Calderón defiende el programa Procampo,” *El Universal*, 27 July 2009). The Minister of the Interior justified public officials receiving subsidies, arguing that they should not be subject to discrimination (“Justifica SEGOB a beneficiarios de Procampo,” *El Sol de México*, 29 July 2009).

⁴⁴ “Reconoce Sagarpa fallas en procampo,” *El Universal*, 31 July 2009.

⁴⁵ “Agricultura revoca 11 mil 827 apoyos a Procampo,” *El Universal*, 30 July 2009.

⁴⁶ “Acuerdo por el que se emiten los lineamientos del Programa de Actualización de Datos y Expedientes del Directorio del PROCAMPO,” *Diario Oficial de la Federación*, 1 September 2009.

⁴⁷ “Campesinos exigen depurar Procampo,” *El Universal*, 2 August 2009.

⁴⁸ “Plantean reasignar recursos de Procampo a campesinos pobres y con pocas tierras,” *La Jornada*, 3 August 2009.

⁴⁹ “Exigen PRI y PRD investigar a políticos beneficiados con Procampo,” *El Universal*, 28 July 2009; “Piden Senadores del PAN y PRD revisión de Procampo,” *El Universal*, 28 July 2009; “Urge mejorar el procampo: diputados,” *La Jornada*, 28 July 2009;

On 8 September 2009, the Minister of Agriculture resigned and returned to his seat in the Senate.

Round 3: Accountability institutions at work?

One of the main assumptions of the theory of change behind *Subsidios al Campo* was that once the information on farm subsidies was made public and accessible, it would be possible for peasants organizations and civil society groups to use this information to demand changes in policy — and that the government would react to those demands with improvements in policy decisions. This assumption implicitly relied on the idea that accountability institutions (the internal and external control agencies: the Ministry of Public Administration, and the Federal supreme audit institution, respectively) and Congress would perform their oversight function better with more information, which would lead to improved policy and budgetary decisions. Further, it was assumed that the federal government (specifically, the Ministry of Agriculture) would respond to demands from these institutions and from civil society organizations.

These assumptions turned out to not be completely valid, despite the reforms that had taken place in the political system over the past decade. Mexico had not only transitioned into a pluralistic democracy, it had also created a complex institutional arrangement for accountability. In 2000 Congress created a new supreme audit institution (*Auditoría Superior de la Federación*, ASF), which was in charge of auditing the government's compliance with budgetary rules, as well as the performance of federal programs. Over the past decade, ASF has developed technical capacity and gained legitimacy as a competent and impartial accountability institution. In 2002 comprehensive freedom of information legislation was passed by the federal Congress, and in 2007 the right to access government information was enshrined in the Mexican Constitution. Moreover, a new monitoring and evaluation system was put in place for federal social programs, including those operated by the Ministry of Agriculture. Under this system, external evaluations, which are carried out regularly for social programs, and their results should be used for internal adjustments and for informing budgetary decisions.

Notwithstanding these institutional transformations, accountability in Mexico remains precarious. Disjointed mechanisms, incomplete processes, and, in general, a lack of incentives and institutional capacity undermine accountability processes (Merino, López Ayllón, Cejudo, 2010). These shortcomings explain why the accountability institutions did not always carry out their duties when *Subsidios al Campo* alerted them to problems.

Ministry of Agriculture

As mentioned above, the Ministry of Agriculture introduced important changes in the operating rules in 2009 regarding the minimum and maximum value of a subsidy that an individual beneficiary could receive. It also committed to reviewing the list of beneficiaries to exclude those who did not qualify. Yet, by early 2010 new press coverage suggested that most of the problems regarding the inequitable concentration of benefits amongst the largest producers remained untouched.⁵⁰ Once again, this public attention was not accidental: researchers at Fundar, together with Libby Haight, worked with an *El Universal* journalist to highlight the issue of concentration, not only in *Procampo* but also in other agricultural programs.⁵¹

“Plantea PAN rediseño de Procampo,” *El Universal*, 24 July 2009; “Procampo, programa de amigos; hay que reactivar agricultura: Graco,” *El Universal*, 26 July 2009; “Pan pide sacar a funcionarios del padrón de Procampo,” *El Universal*, 29 July 2009; “Legisladores de PAN, PRD y PRI llaman a transparentar y fortalecer Procampo,” *La Jornada*, 8 August 2009.

⁵⁰ “Cosechan beneficios desiguales en el campo,” in *El Universal*, 15 February 2010. Ruiz (2010) finds evidence that later that year the maximum amount (100,000 pesos per producer) had been actually enforced.

⁵¹ Email exchange with Ana Joaquina Ruiz. Interview with Evangelina Hernández.

The Ministry of Agriculture defended the functioning and design of farm subsidies, insisting that competitiveness in the rural sector is the main goal of the program, and that a key method to reach this goal is to support big agricultural businesses. In other words, the view that agricultural policy should not aim to reduce inequalities, but only to increase agricultural production, prevailed.⁵² This argument was echoed by officials at the state level. For instance, in response to criticism about the fact that one of his closest officials was the biggest subsidy beneficiary in the state, the governor of Tamaulipas (one of the two states to receive the most money from *Procampo*) said that the program was not meant to target the poor.⁵³

Fox and Haight (2010) explain the lack of adjustments — beyond changes in personnel — in the ministry:

The media coverage of the farm subsidy issue in February 2010 raised the question: why were the Rules of Operation being violated? (The rules had been changed not long before.) Although neither Sagarpa [the ministry] nor ASERCA [the unit in charge of *Procampo*] responded directly to these questions, the director of ASERCA and the director of *Procampo* did both resign (the Secretary of Agriculture had changed in the summer of 2009). However, the government's response did not include specific institutional changes that would assure compliance with the operating rules of *Procampo*, ASERCA and Sagarpa. Instead, the commitments made [...] referred to a “clean-up” of the *Procampo* registry through the verification and updating of the data, the use of better technology (like geo-referencing systems) to assure that the producers receiving program subsidies really comply with the rules. In practice, however, the implementation of these plans has been quite slow, since they would be completed in 2011 at the earliest. Meanwhile, since ASERCA lacks other institutional mechanisms to assure compliance with its own rules, the agency continues to use the existing registry (with all of its associated problems), apparently driven by inertia.

In early 2010 a new case of conflict of interest was revealed: the new Minister of Agriculture, Francisco Mayorga, was a direct beneficiary of *Procampo*. Since 2008 the rules for *Procampo* explicitly forbid it: Article 6 states that: “public officials in the ministry, in technical agencies, or in the agricultural developments departments in the states or municipalities may under no circumstance be beneficiaries of the programs or its components.” When this was pointed out, Mayorga reacted by refusing to give up the benefit, not even for ethical reasons.⁵⁴

Internal controls: Ministry of Public Administration

Internal controls within the federal government did not operate effectively. In response to this conflict of interest case, the Ministry of Public Administration initially announced that it would open an investigation into whether public officials at the Ministry of Agriculture had infringed upon any rule. The investigation did not lead to any significant decision and concluded that no laws were infringed.⁵⁵

Similarly, in response to several cases of politicians and public officials appearing on the recipient lists, Merino had formally asked the Ministry of Public Administration to open an investigation. The ministry responded that it was an issue that the state-level internal control institutions had to deal with, but these

⁵² Interviews with John Scott and Miguel Pulido.

⁵³ “Procampo no es un programa para pobres: gobernador de Tamaulipas,” *El Universal*, 3 August 2009.

⁵⁴ Opinion polls showed that the public had a different view: over 71 percent of respondents said it was unethical to receive benefits while minister (“71%: legal o no, que Mayorga reciba subsidio de Procampo no es ético,” *Milenio*, 22 February 2010).

⁵⁵ Interview with Mauricio Merino.

institutions — almost without exception — did not investigate or claimed that there were no restrictions on public officials receiving *Procampo* benefits.⁵⁶

Congress: budget and transparency rules

Congress also intervened in the conflict of interest case, but its intervention was mainly rhetorical, without real impact on the program or the ministry. Mayorga was asked to testify before Senate committees, where he defended both the design and results of *Procampo*, and his personal decision to remain on the recipient list.

A different intervention from Congress came from the lower chamber, where the Center for Rural Development, a legislative research center, produced evidence about the concentration of subsidies and the program's lack of results using the *Subsidios al Campo* website.⁵⁷ It was not the first time members of Congress asked why, despite significant increases in budgetary resources for the rural sector, growth and poverty levels remained the same.⁵⁸ Congress had received evidence from many sources about the concentration of farm subsidies: policy evaluations presented by the National Council for Social Policy Evaluation, data from the World Bank, and specific demands and complaints from rural organizations.⁵⁹ The lower chamber's Rural Development Committee held meetings to discuss a reformulation of *Procampo*, but once again the influence of interest groups with significant clout in Congress stopped any reform.⁶⁰

In the budget proposal for the year 2011, the federal government proposed reduced budgets for the less redistributive programs. However, year after year a group of legislators associated with corporatist agricultural organizations prevailed in resisting reductions.⁶¹ These agricultural producers are well organized both as pressure groups that try to influence rural policies at the federal and state level, and as a political agents with positions in Congress (within the Institutional Revolutionary Party [PRI] and, to a lesser extent, the Democratic Revolution Party [PRD]). They are well represented in key congressional committees and are brokers in budgetary decision in the Chamber of Deputies. As Scott (2011: 28) explains: "No interest group is better represented in the Chamber of Deputies than agricultural producers. Recent attempts by the Ministry of Finance to eliminate the most regressive and distorting expenditures, such as subsidies for diesel and guaranteed income programs, have been invariably reverted during the budget negotiations."

As a response to demands for greater transparency, the Executive's Budget Proposal included provisions for making public not only the amount of money allocated to each program operated by the Ministry of Agriculture but also the final destination of this money.⁶² Despite opposition from some members of Congress associated with corporatist organizations, the Chamber of Deputies approved new rules for the operation of agricultural policies as part of the 2011 budget. Article 38.VIII of the federal budget ordered the Ministry of Agriculture to:

⁵⁶ By the end of 2011, responding to inquiries on irregular payments to intermediaries in the northern state of Chihuahua, the Ministry of Public Administration ordered the dismissal of four high-level officials in charge of *Procampo*. "Detectan transas en agro," *Reforma*, 8 December 2011; "Hallan red de corrupción en Sagarpa; corren a cuatro," *El Diario de Chihuahua*, 12 December 2011.

⁵⁷ Interviews with Gabriela Rangel and Héctor Robles.

⁵⁸ Interview with Héctor Robles.

⁵⁹ Interviews with John Scott, Héctor Robles and Gabriela Rangel. Robles, 2011.

⁶⁰ Interview with Gabriela Rangel.

⁶¹ "Campo' de batalla frena el Presupuesto," CNN-Expansión, <http://www.cnnexpansion.com/presupuesto-2011/2010/11/15/pr-cnc-presupuesto-diputado-cnnexpansion>, 15 November 2010. For an analysis of how this group has shaped agricultural policy during the last two decades, see Merino 2010.

⁶² Interview with Official B from the Ministry of Agriculture.

[...] establish an accountability system to state the final destination of public resources allocated to it. To comply with this task the Ministry will create a list of beneficiaries containing the following information: registration number given by the ministry, geographic region (state, municipality and locality); economic activity, agricultural cycle, place within the productive cycle, type of support and amount of public resources received [...]. This system should be available by April 2011 [...].

The ministry complied with these obligations by creating a new section on its website (www.sagarpa.gob.mx/src) that contains aggregate information on the recipients of several programs, as well as a recipient list. This list, however, presents only identification numbers during the current year, with names being added only at the end of each year. (By early 2012, the names for the 2011 subsidies were already there.) The lack of names has been a contentious issue because freedom of information legislation dictates that the information on all recipients of any kind of government money must be publicly disclosed.

The ministry has alleged (and made its case in the media) that, given the current context of insecurity in Mexico, making public this type of information endangers the lives and property of farmers because criminals would be able to obtain information about how much money the farmers receive from the government. Some members of the advocacy campaign consider the decision to replace names with identification numbers to be an unintended outcome of the *Subsidios al Campo* website.⁶³ They believe that effectiveness of the website made the ministry aware of the effect of accessible information, and so used security concerns as an excuse for reducing transparency. Unlike the *Subsidios al Campo* website, the ministry website presents detailed information only in pdf format.⁶⁴

Image 3. Ministry of Agriculture Accountability System



⁶³ Interview with Miguel Pulido; Ruiz, 2010.

⁶⁴ In the future, it is expected that the ministry's website will also have interactive features. It is also expected to serve as a planning tool for the ministry once it finally has a single source of information of recipients. Interview with Official B from the Ministry of Agriculture.

Solving the problem of having a trustworthy recipient list that is verifiable and accessible for public consultation is still a challenge, not only for *Procampo* but for almost all of the Mexican government's social programs. These lists have to be integrated into the *Integral Information System of the List of Beneficiaries of Governmental Public Policies*, which was created in 2007 but is still not fully operational.⁶⁵ It is even worse for those programs that don't have a recipient list, because it is impossible to know who the beneficiaries of such programs are and how much they receive (Scott, 2010; Fox and Haight, 2010). The ministry has been slow in coming up with a unified list of beneficiaries, for both technical and political reasons. This lack of information has negative effects not only in terms of transparency and accountability but also in policy design because deciding how to target the program's resources is problematic when recipient list information is not updated or is incomplete.⁶⁶

Supreme Audit Institution

The latest institutional actor to get involved in this subsidy issue is the supreme audit institution (*Auditoría Superior de la Federación*, ASF), which carried out an audit on *Procampo* as part of its revision of government expenditure for the fiscal year of 2009.⁶⁷ The audit identified several problems with the performance of agricultural policy, both in terms of defective implementation and infringement of rules. A number of problems resulted from the inability of the government to verify the eligibility of subsidy recipients in particular. The first issue was the problem of a single recipient receiving multiple benefits, either because the recipient has several "production units" (cultivable plots of land) or receives several types of public funding for the same farm.⁶⁸ The audit even identified 18,023 producers with more than one identification number.

The ASF also found that in 2009 there were 323,026 beneficiaries older than 75 years of age. Although it is not impossible, it is unlikely to have so many beneficiaries from that age group. The ministry does not have a way of verifying that beneficiaries are still alive, and it has only performed random verification visits in two states. Moreover, because of the lack of verification, there are also urban lands that are subsidized (the subsidy is meant to target rural land), and beneficiaries who still get more than the maximum subsidy level of 100,000 pesos.

Regarding the conflict of interest case mentioned above, ASF compared the database of *Procampo* beneficiaries to a list of public officials at the ministry. For the Spring-Summer 2009 cycle, there were 557 officials at the ministry who were also on the recipient list. Minister Mayorga was only one of them. In response to this observation, the ministry replied that as long as these officials were not directly involved in assigning the benefits there was no legal restriction. The ASF explicitly rejected this interpretation, and asked all 557 officials to return over 5 million pesos that they had received in 2009. Moreover, it ordered the internal control office within the ministry to open an investigation and, if necessary, to impose sanctions on those public officials who had received benefits from *Procampo*. Mayorga immediately announced that he had already returned all the money that he had received from *Procampo*.

In its conclusions, the ASF adopts many of the findings, and language, of the *Subsidios al Campo* campaign, not only from the data on the concentration of subsidies, but also from the analyses carried out in 2009:

⁶⁵ Interview with Javier González.

⁶⁶ Interview with official A at the Ministry of Agriculture.

⁶⁷ At present, the National Council for Social Policy Evaluation is carrying out a "strategic" assessment of *Procampo*. At the time of writing, however, its results are not yet public.

⁶⁸ Audit 09-0-08F00-02-0356 for fiscal year 2009.

PROCAMPO is [the ministry's] most important program in terms of its support to producers [...]. Despite the efforts to reduce inequality in the allocation of subsidies, such as increasing the amount of money and differentiating the subsidies depending on the size of the land, these have been only palliatives. *Procampo* addresses two different problems with one single objective. As a result [of these problems], those with more land end up receiving more resources.

Explaining the changes

Influencing the public debate

The distribution of farm subsidies in Mexico is still regressive; *Subsidios al Campo* has not managed to redirect agricultural policy. However, this does not mean that *Subsidios al Campo* has not succeeded. As explained earlier, its initial objective was to inform the public debate on agricultural policies, so that the public knew about the effects of farm subsidies and how they are distributed.

The website has been a notable success. In less than three years, it has been used for over 4 million searches, according to the website's counter. The website has become a source of information for news and analysis at the federal and state level (many of the news reports cited in this study used data obtained from the website). Current efforts to build on this user base by some members of the coalition include promoting its use in local universities and among rural organizations in the states.⁶⁹ It has become a public good, which can be used for single searches of individual beneficiaries or for sophisticated statistical analyses. “The website did not give new information to members of the policy community, but it provided solid evidence, based on official data, in an accessible way. It is no longer the biased opinion of interested actors, or anecdotal evidence. It is an argument based on official information that is available to the general public.”⁷⁰

Box 6: inequality in farm subsidies makes news

“Rosendo Solórzano Hernández received 107 pesos as a subsidy from *Procampo* to plant corn in the state of Chiapas. On the other hand, María Guadalupe Zuñiga from the state of Tamaulipas received 290,674 pesos as a subsidy from the same public policy. In neither case are the operating rules – modified in April 8th of 2009, which established a minimum subsidy of 1,300 pesos and a ceiling of 100,000 – being followed” (Hernández, 2010).

Source: Evangelina Hernández, “Cosechan beneficios desiguales en el campo”, *El Universal*, 15 February 2010.

Some members of the coalition have been wary of losing control of the message on the problem of the subsidy benefit concentration.⁷¹ Indeed, the fact that anyone can use the website has led to competing narratives around farm subsidies. Alongside the argument about concentration and inequality, journalists and academics have used the same information to develop arguments about problems regarding the compliance with the rules of operation (e.g., that land in urban areas is being subsidized, that illegal crops are being subsidized, and that there are beneficiaries who are associated with notorious drug dealers) and about conflict of interest (i.e., federal and local politicians and public officials receiving substantial benefits from public agricultural programs). It was to be expected that the first reports to make headlines would be

⁶⁹ Interview with Héctor Robles.

⁷⁰ Interview with Jonathan Fox.

⁷¹ Interviews with Gabriela Rangel, Miguel Pulido and Ana Joaquina Ruiz, and Victor Suárez and Iván Polanco.

related to the infringement of rules or to a conflict of interest, given the incentives to publish scandalous findings rather than obscure details of policy implementation. Eventually, however, the issue of concentration received coverage, with at least one journalist explaining the problem in simple terms and linking it to the problems associated with the implementation of farm policy. (See, for example, Box 6.)

The analyses carried out by academics and policy experts in response to Jonathan Fox's invitation addressed questions raised by the data of *Subsidios al Campo*. This analytical work also proved to be an important source of news and public debate. In interviews, journalists and public officials identified Fundar's analysis and Merino's paper as key elements in redirecting the public debate on farm subsidies.⁷² The description of *Procampo's* design and implementation problems made headlines and led to resignations and congressional inquiries. The analysis of distributional effects proved useful for policy evaluations.⁷³

The campaign findings and recommendations led to congressional debates on the future of farm subsidies, but without significant results: "The rural development committee tried to reformulate *Procampo* [...] and reduce the maximum amount of subsidies, but powerful interests within Congress prevented any real change."⁷⁴ They also led to policy discussions within the Ministry of Agriculture: former Minister Cárdenas "reacted to issues of conflict of interest and clean-up of the registry, and [in a meeting with several members of the campaign] said that he accepted the criticism and he offered to promote some changes in favor of small producers."⁷⁵ Finally, as explained in the previous section, even the phrasing of the supreme audit institution's report on the issue reflected the analyses and emphases of the campaign.⁷⁶

In all these cases, careful work with investigative journalists was essential. Simply giving away information would not have led to the desired outcome of improved public dialogue on farm subsidies. Fundar and ANEC in the first round, Merino in the second, and Fundar and Haight in the third, deliberately worked with journalists, explained the information, and helped them to make sense of it.⁷⁷ One of these journalists said in an interview that "they surprised us with their data, and gave us ideas about stories for further investigation".⁷⁸ Another journalist pointed to the importance of "making information available and providing sound analysis to make sense of it."⁷⁹ *Subsidios al Campo* provides evidence for the argument that civil society organizations may have deeper impact by using media to disseminate their findings and recommendations. At the same time, it raises the concern that media incentives may lead to emphasis on some of the findings that may not be a priority for those organizations.

The public discussion on farm subsidies is indeed more complex now. It is no longer just an issue of how much money is allocated to the rural sector in the budget. It is also a problem of how it is allocated among regions and producers. It is clear now that it is not just a problem of poor implementation, but essentially a problem of design. As Jonathan Fox explains, "If *Procampo* does not function as planned, you get scandals (illegal crops, urban lands, and politicians as recipients); if it does, you get inequality."⁸⁰ So, the main problem is not just implementation, but also design. This point is further reinforced by Merino's finding about the hijacking of *Procampo* by interest groups that have clout in Congress, in peasants organizations, and in the federal government.

⁷² Interviews with Evangelina Hernández, Lourdes Rudiño, and Official A from the Ministry of Agriculture.

⁷³ Interview with John Scott.

⁷⁴ Interview with Gabriela Rangel.

⁷⁵ Interviews with Miguel Pulido and Ana Joaquina Ruiz.

⁷⁶ Audit 09-0-08F00-02-0356 for fiscal year 2009, available at:

http://www.asf.gob.mx/Trans/Informes/IR2009i/Tomos/Tomo3/2009_0356_a.pdf

⁷⁷ Interviews with Miguel Pulido and Ana Joaquina Ruiz, Mauricio Merino, Libby Haight and Evangelina Hernández.

⁷⁸ Interview with Evangelina Hernández.

⁷⁹ Interview with Lourdes Rudiño.

⁸⁰ Interview with Jonathan Fox.

Recent discussions in Congress, reports by international organizations, and public statements by experts and non-experts alike have incorporated the data, arguments, and demands of *Subsidios al Campo*. The 2011 *Mexico Human Development Report* directly pointed to the problem of government interventions that reinforced inequality and used *Procampo* as an example. When Olivier De Schutter, United Nations Special Rapporteur on the Right to Food, visited Mexico, he criticized the government's agricultural policy in the same terms put forward by the campaign: "Public programs like *Procampo* and *Ingreso Objetivo*, instead of preventing further inequality, they aggravate it, and they make the big producers in the North the main beneficiaries" (Vega, 2011).

This campaign demonstrates the power of evidence-based advocacy. The findings of the campaign were not surprising or unexpected. People within the policy community knew of the problems and had some intuition about the extent of the concentration problem. The campaign made a difference by the use of systematized data that showed with precision the size and attributes of the problem. The data was uncontested and the analysis could not be rebutted. In this way, "the campaign has been essential for expanding the use of freedom of information legislation."⁸¹

Several conditions were necessary for the campaign to influence the public debate.

- Freedom of information legislation made it possible for *Subsidios al Campo* to obtain data on recipients.
- Fundar's experience with transparency and accountability issues and ANEC's deep and longstanding familiarity with agricultural policy provided a good combination of substantive and procedural knowledge.
- Technological expertise provided by EWG made it possible to convert aggregate data into usable and accessible information.
- The academic analysis commission by the Wilson Center provided some answers and raised new questions. It explained the problems with the design of *Procampo* and identified the consequences of these problems.
- Each member joined the coalition without renouncing its own identity or priorities, and each member enjoyed autonomy to pursue its own agenda under the umbrella of *Subsidios al Campo*. Their work was facilitated by the coordinating role of nonthreatening third actors: Libby Haight and Jonathan Fox, a significant factor in making this unlikely coalition between a grassroots organization and a public interest think tank (and between them and academics) possible.⁸²

From transparency to accountability

The effects of the campaign did not end with increased public awareness. The stories about concentration (along with other factors, such as the InterAmerican Development Bank's loan) helped efforts to establish maximum and minimum limits for farm subsidies (Ruiz, 2010). Moreover, "the website is now a tool to verify the enforcement of those limits."⁸³ More directly, they reinforced the calls from Congress and within the policy community for cleaning up the recipient list, introducing a single identification number for producers, and enforcing the operating rules more forcefully (Operating rules, 2011). Congress called on the two Ministers of Agriculture who have been in office since 2008 to testify before committees following revelations based on *Subsidios al Campo* information. As mentioned in the previous section, the Chamber of Deputies requested more transparency from the Ministry of Agriculture in its 2011 budget proposal, and the

⁸¹ Interview with CR Hibbs.

⁸² Interviews with Miguel Pulido and Ana Joaquina Ruiz, and Víctor Suárez and Iván Polanco.

⁸³ Interview with Miguel Pulido and Ana Joaquina Ruiz.

ministry created an accountability website to provide some information on farm subsidies “despite finding strong resistance both among some members of Congress and within the ministry.”⁸⁴

But the campaign also shows the limits of evidence-based advocacy in a context in which powerful interest groups resist change, government institutions are reluctant to modify the status quo, and accountability mechanisms are ineffective. As Fox suggests about the outcomes of the campaign:

“There were not significant and substantial changes in agricultural policy. The main causes of inequality in the distribution of public money in the rural sector remain untouched. The campaign informed the public debate, but — as happens in other countries — despite being obvious, the problem of concentration has not been addressed. We moved forward in terms of transparency, but not in terms of accountability or policy change.”⁸⁵

Even though no one challenged the veracity of the data or the validity of the findings, and even if, in private, “officials shared the diagnosis about the political factors behind this concentration,” changes in policy were minor and incremental.⁸⁶ To date, the recipient list has not been updated, there are no verification procedures in place, and the concentration of benefits remains essentially unchanged.⁸⁷ The Ministry of Agriculture denied that public officials who were beneficiaries of farm subsidies could be accused of a conflict of interest; Minister Mayorga insisted that he was not violating any law in accepting subsidies, and that he would not give up his “right” to do so.

It took an external audit by the supreme audit institution — an independent body with technical expertise and political autonomy from the government — to explicitly reject this interpretation and call for both a reimbursement of those illegal benefits and an internal investigation into this administrative transgression. However, federal government internal controls were ineffective; the Ministry of Public Administration dismissed four officials at the Ministry of Agriculture only at the end of 2011. Congress has been slow to act because of pressure from representatives associated with corporatist rural organizations that happen to be the current beneficiaries of farm subsidies. As Haight summed it up: “One of the lessons of this campaign is that gathering all the available evidence and building a powerful argument is not enough in a context of ineffective accountability institutions.”⁸⁸ ANEC put it more bluntly: “You know you have a big problem when not even all the evidence built with their own [that is, the government’s] data can induce reforms.”⁸⁹

Ultimately the effects of the campaign were also limited due to the way in which producers are organized in Mexico: big producers are very well organized and politically influential, whereas small producers have a quieter voice in the policy debate. Moreover, as Scott explains: “many of the small producers’ organizations do not see the allocation of farm subsidies as a zero-sum game between them and big agricultural producers; but as a problem of the total amount of money allocated to the rural sector.”⁹⁰ Consequently, “it is difficult to build a political coalition asking for a more equitable agricultural policy,” and many organizations prefer short-term minor direct benefits than a comprehensive reform.^{91, 92}

⁸⁴ Interview with Official B from the Ministry of Agriculture.

⁸⁵ Interview with Jonathan Fox.

⁸⁶ Interview with Héctor Robles.

⁸⁷ “Sagarpa atrasada en depuración de subsidios Procampo,” *El Semanario*, 21 de enero de 2011; Robles, 2011.

⁸⁸ Interview with Libby Haight.

⁸⁹ Interview with Victor Suarez and Iván Polanco.

⁹⁰ Interview with John Scott.

⁹¹ Interview with Jonathan Fox.

⁹² Interviews with Gabriela Rangel, Víctor Suárez and Iván Polanco.

Other contributing factors

The effects of the campaign were shaped by other factors that reinforced its messages about concentration of benefits and inequality and that provided additional stimulus for change. Within the Ministry of Agriculture, there were attempts at reforming the way in which farm subsidies were allocated and, more broadly, at changing the overall purposes of agricultural policies.⁹³ There were also calls from the Ministry of Finance to improve and make more transparent agricultural expenditures.⁹⁴ As Scott explains: “The Ministry of Finance now understands the underlying problem of design and it[s] distributional consequences.”⁹⁵ External pressures also played a role: at the time the World Bank and the InterAmerican Development Bank were negotiating loans to the Mexican government, and some of the conditions that were put forward were related to improvements in the allocation of farm subsidies (Ruiz, 2010). For several years, external evaluators and experts have insisted on the inadequacies and shortcomings of agricultural policies, and some of their findings have been discussed even within Congress.⁹⁶ The campaign interacted with these contributing factors, and it proved essential in providing detailed information and sound analysis to back some reform attempts.

Conclusions

Subsidios al Campo improved the transparency of Mexico’s farm subsidy programs, identified the problem of unequal concentration of benefits, and explained the reasons — political, administrative, and policy design — behind this problem. In doing so, it undoubtedly improved the policy debate, not only with its sophisticated arguments but also because it introduced new actors to the debate. It has been less effective in improving policy, because of active resistance by the government, and in improving accountability, because of a “structural problem with the functioning of accountability institutions in Mexico.”⁹⁷

Subsidios al Campo is an example of innovative advocacy, which made use of new tools and strategies to make data usable, generate rigorous analysis, involve various organizations, work with the media, and engage accountability institutions. As with any other campaign, its outcomes were shaped by the capacity and incentives of the relevant accountability institutions, and by the openness of the government to new evidence that may lead to policy redesign.

For more information, please watch the *Subsidios al Campo* video online: <http://vimeo.com/41301363>.

⁹³ Interviews with Officials A and B from the Ministry of Agriculture.

⁹⁴ Interview with Official from the Vice Ministry of Expenditures, Ministry of Finance.

⁹⁵ Interview with John Scott.

⁹⁶ Interview with Hector Robles. These policy evaluations available at www.coneval.org.mx.

⁹⁷ Interview with Miguel Pulido and Ana Joaquina Ruiz.

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List of interviewees (interviews carried out between July and December 2011)

- Miguel Pulido (Fundar)
- Ana Joaquina Ruíz (Fundar)
- CR Hibbs (Hewlett)
- Libby Haight (Hewlett)
- Jonathan Fox (UCSC)
- Víctor Suárez (ANEC)
- Iván Polanco (ANEC)
- Hector Robles Berlanga, member of the Editorial Committee for the website
- Gabriela Rangel, Congress' Center for Food Security and Rural Development Studies and member of the Editorial Committee for the website
- Mauricio Merino (CIDE)
- John Scott (CIDE)
- Evangelina Hernández (*El Universal*)
- Lourdes Rudiño (*La Jornada del Campo*)
- Anonymous officials from the Ministry of Agriculture
- Official from the Vice Ministry of Expenditures, Ministry of Finance.
- Javier González Gómez (Head of the Evaluation Unit; Ministry of Public Administration)