

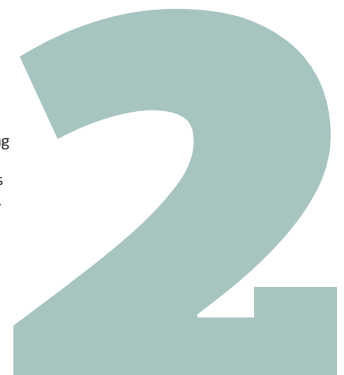
Agricultural subsidy programs:

The rationale and irrationality of a poorly- designed policy

Mauricio Merino¹

Centro de Investigación y Docencia Económicas

1 This paper was written with the collaboration of Natalia Rivera and Jordy Meléndez. A longer version of this paper, including all complete bibliography, was published as a CIDE Working Paper (DT/DAP 229, September, 2009). The full version includes detailed, full citations of numerous policy analyses and data sources, as well as government regulations, operational manuals and decrees. This summary version was edited by Jonathan Fox with the collaboration of Mauricio Sánchez Álvarez and, then, corrected by the author.

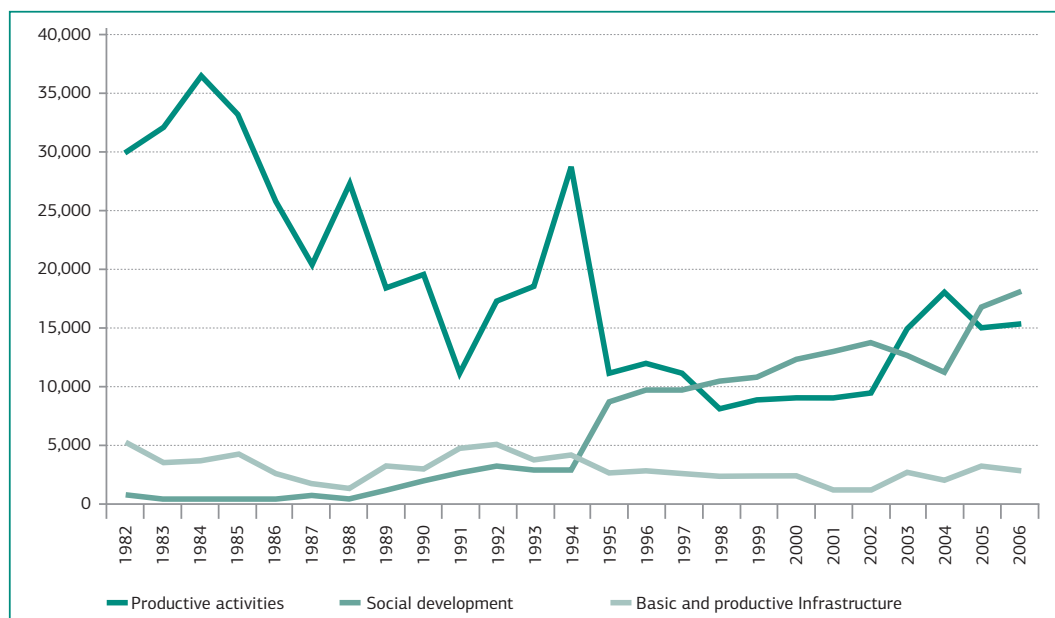


Giandomenico Manjone has suggested that public policies, like scientific research programs, have a “hard core.” At the heart of all policies, there is the definition of the problem that the state will address, the criteria and values that guide its intervention, as well as its specific intended goal. To continue the metaphor, Manjone says that policies also have their “safety belt” (made up of the rules, resources, functions, actions and agencies in charge of carrying them out), and that it may –or should– be adjusted along the way (1997).

This study shows what happens when the hard core of a policy is not well-defined and, instead, it is bound by an excessively rigid safety belt, unable to adapt to new circumstances, and without the timely assessment mechanisms that can issue a warning about a policy that is no longer meeting its goals. When unrelated or even contradictory goals accumulate, the formal procedures may become a means to capture or divert public resources, and eventually bureaucratic routines can replace the policy’s original goals. After studying the policies designed to grant agricultural subsidies in Mexico from 1994 to 2009, we have found that the combination of an ill-defined and relaxed hard core with a rigid safety belt resulted in the capture of resources, the deviation of policy goals and, probably overt acts of corruption. The evidence also shows that transparency may be a useful tool to observe those cases of capture, deviation and corruption in public policies.

Our study focuses on the *Procampo* and *Ingreso Objetivo* programs, which constitute the core of the current policy to support the Mexican agricultural sector. The prior history of agricultural policy reflects two opposite approaches: the first one, from 1970 to 1982, involved the strengthening of state participation in rural development and the promotion of national food security.² The second one, carried out after the 1982 economic crisis, changed the previous forms of state intervention and pursued a more market-oriented agricultural development approach. During this period, the state continued to intervene, not with large investments but with new regulatory instruments. Graph 1 shows that after 1985, public expenditure targeted at rural development began to decrease, seeking greater insertion of producers in the market (see Graph 1).

Graph 1
PUBLIC EXPENDITURE IN RURAL DEVELOPMENT, BY CATEGORY, 1982-2006.
(MILLION PESOS, 1994)



Source: Rello (2008: 8)

During the 1970s, Mexican agriculture was not open to international market forces, and imports required special permits or were carried out directly by the state. The government’s National Basic Foods Company (Conasupo) regulated prices by purchasing basic grains via support prices. The federal government also subsidized inputs, such as fertilizers, seeds, water, agrochemicals and credit. Government agencies involved in marketing basic grains and industrial crops tried to create marketing alternatives in isolated areas, where the local bosses controlled the trade in food and other goods.

² See Hewitt de Alcántara (2007) and Fox (1990, 1992), among others.

In 1980, the government launched the Mexican Food System (SAM), which aimed to foster the production of staple foods, to improve grain distribution nationally and, eventually, to reach food self-sufficiency. This program tried to move from a regressive approach that treated the poorest and the richest producers as though they were equal, towards a more peasant-oriented approach that attempted to favor basic grains and rainfed agriculture. The SAM program tried to develop an integrated strategy that addressed all the links in the food production and consumption chain, from the use of more productive seeds to the nutritional enrichment of staple foods, with greater political support of the government. However, the combination of financial mismanagement and the fall of oil prices rendered this approach economically unviable.

The De la Madrid administration (1982-1988) then began a process of structural adjustment in the government support system for agriculture. The Salinas de Gortari administration (1988-1994) eliminated most of the support prices and substantially decreased tariffs, with the exception of the protection granted to corn and beans. This trade and market liberalization revealed a series of old structural problems, such as producers' lack of knowledge and experience regarding the marketing process, as well as inadequate infrastructure and financing, which led to producer uncertainty in the face of future international competition and price mobility. In 1989 and 1990, in fact, commercial producers had great difficulty selling their crops and the government responded by creating a new agency called Agricultural Marketing Support Services (ASERCA) in 1991, with broad new responsibilities for production and marketing.

But the 1992 reform of Article 27 of the Constitution was perhaps the centerpiece of the reformulation of the Mexican state's rural development strategy. This reform promoted the division of *ejido* land into individually titled parcels, legalized land rental and allowed its conversion into private property. The system of agrarian courts was also reformed to adjudicate land disputes, and a new agency (PROCEDE) was created to define and title land parcels within ejidos. Meanwhile, the negotiations of the North American Free Trade Agreement (NAFTA) were in progress. The treaty, which would come into effect in January 1994, fixed a 15-year term to liberalize agricultural trade (including the most sensitive crops, corn and beans) and inspired the creation of the Direct Rural Support Program (Procampo), on July 25 of that year. This is how a new era in the history of Mexican agricultural support policies began.

1. PROCAMPO

Procampo not only replaced the previous agricultural support strategy, but it also sought to reach a sector of producers who had been excluded by it. The new policy design took into account low-income producers who produced mainly for household consumption. This sector had not received Conasupo's support (via support prices and marketing subsidies) because it did not produce marketable surpluses and, according to official estimates, this sector not only numbered more than 2.2 million producers, but –according to public officials involved in the design of this new policy– the system of support prices had contributed to increasing inequality in income distribution. As a result, Procampo chose to give producers a set payment per hectare in each agricultural cycle so that they could operate based on the eligible land area in production, and were not tied either to the individual producer or to the volume harvested.

From its first year, Procampo rules limited payments to producers of corn, beans, wheat, rice, sorghum, soybeans, cotton, safflower and barley. The program began with a “closed” support area, determined by the lands that had been sown with those eligible crops during the three crop cycles prior to the spring-summer of 1993. By the 1995/1996 fall-winter crop cycle, however, all legal crops were allowed, as well as livestock, timber production and land in approved ecological projects. From the beginning, the registration was open to individuals or firms and, according to the original rules, the support checks would be issued preferentially to the individual producer, though in the case of social organizations the funds could be received by their legal representatives.

Procampo's original rules were later modified frequently, trying to correct errors, to address ambiguities and to adjust program operations, whether concerning the production cycles or the information required for the producer application -- which had to be renewed annually. Under the Fox administration (2000-2006), two policy changes favored low-income producers: those who cultivated less than 5 hectares (12.3 acres) would receive a slightly higher payment per hectare, the support would be delivered (only in the case of the spring-summer cycle) before the planting season; and the amounts of the payments for plots smaller than one hectare (2.5 acres) would be rounded up to that of one full hectare.

As of 2002, Procampo data on registered plots divided the beneficiaries into three categories: those with less than 1 hectare, those with between 1 and 5 hectares, and those with more than 5 hectares. This division was the basis for establishing, in 2003, differentiated payments levels for those with up to 5 hectares, who then received a per hectare amount slightly higher than the one received by the larger producers. Furthermore, in the most recent changes to the program,

published on April 8, 2009, the differentiation of rates follows a three-level approach: an “alliance rate” for rainfed plots with fewer than 5 hectares; a “preferential rate” for rainfed plots with more than 5 hectares, and a “normal rate” for the rest of the rainfed plots and for all the fall-winter (irrigated) plots. This last modification also included, for the first time, a ceiling of M\$100,000 (around \$7,700 dollars), per person, per crop cycle. The last modification was a reaction to the program’s excesses, because even though it was thought that Procampo’s regulations had already incorporated the ceilings on the size of private landholdings of up to 100 irrigated hectares and 200 rainfed hectares (according to Art. 27 of the Constitution), it was not until the April, 2009 rule change that the program explicitly set a cap on the maximum amount of funding that a producer could receive.

Furthermore, Procampo also spun off a related program called Procampo Capitaliza, designed to stimulate the capitalization of the original program beneficiaries through loan agreements that would be repaid with the program’s own future flow of payments. According to its rules, all applications required a productive project, whether primary or agroindustrial production, that federal, state and local agricultural officials would evaluate and eventually approve (Sagarpa, Consejo Mexicano para el Desarrollo Rural Sustentable, with the assistance of the state, district and municipal councils and ASERCA). The program also established that organized low-income beneficiaries, especially women and indigenous groups, would be given priority.

Finally, though state and municipal authorities have a say in the design and planning of other rural development programs, Procampo is managed by the federal government. Each year, Procampo’s projects and applications are submitted to the local Ministry of Agriculture’s offices, the Rural Development Support Center (CADER). CADER, together with the Social Oversight Committee, reviews the application and supporting documents, and then the application makes its way up the chain of command to the regional office of ASERCA, where it is electronically processed and receives a first approval. After many levels of review within ASERCA and at the Ministry of Agriculture regional offices, the applications are finally approved and then ASERCA issues the checks, which are delivered to the producer in the same CADER office where their application was submitted (with the exception of the growing share of payments that are made by direct bank transfer).

2. MARKETING SUPPORT PROGRAMS

55

Since 1991, ASERCA launched its Marketing Support Program (PAC) to support cotton, rice, sorghum, soybeans and wheat crops. Mostly, these programs were not targeted at producers, but to buyers of crops that could be experiencing marketing difficulties (such as a unforeseen fall in international agricultural prices). In 2001, however, reportedly in response to concerns of producers and state governments, the Program of Marketing Support and Regional Market Development (PACDMR) redirected the flow of resources directly to producers. The corresponding program rules were published in 2003 and stated specifically that the goal of the Ingreso Objetivo program is to “deliver supports directly to agricultural producers, whether individuals or firms, who have marketing problems or surpluses of eligible crops.” The funding from Ingreso Objetivo covers most seeds and grains, and the amount of the subsidy is determined by the difference between the crop’s target price – a cost already established in order to avoid losses – and the market price. This is very similar to support prices, but converted into payments organized so that any producer registered in Procampo could get it.

These payments have a maximum amount, corresponding to the production of 100 irrigated hectares or its equivalent in seasonal land, per person. At the end of 2007, the program changed its name to Program of Attention to Structural Problems (also known as Compensatory Supports). Like Procampo, the Ingreso Objetivo subprogram is linked to producers through the Ministry of Agriculture’s federal and state offices, and is operated by ASERCA.

3. DIVERTED AND FRUSTRATED GOALS

The literature on public policy design and implementation stresses that one of the most significant flaws of any state intervention is the lack of a clear definition of the problems to be addressed, based on a precise identification of their causes and the pathways of action to change the *status quo*. This lack of definition not only generates the imminent risk that all bureaucratic actions justify themselves, in the name of more or less vague goals, but it also becomes practically impossible to evaluate whether the policy has achieved its goals. In this scenario, a public policy is more likely to be held captive by interests that come into play during its implementation.

Procampo’s founding decree said that its main goal was “to transfer resources to support the economy of rural producers, who plant land eligible to be registered in the program directory,

fulfill the requirements and present written applications for support.” The idea was to establish a direct link to the economy of rural producers, “through actions that encourage transparency and fight corruption,” in order to achieve a list of six different “clauses” (or goals) the program had to accomplish and that, from the beginning, revealed the confusion between the policy’s hard core and the means to carry it out.

The first of these clauses was “to improve internal and external competitiveness; to raise the standard of living of rural families; and to modernize the marketing system... in order to increase the rural production units’ capacity for capitalization.” The second clause emphasized that the supports should be used “to convert those lands, wherever possible, in order to establish more profitable activities, thus giving economic certainty to rural producers and greater capacity to adapt to change.” The third one was to promote “new alliances between the social and the private sectors... through the adoption of more advanced technologies...”

The fourth clause that justified the subsidies was much more focused: “Because more than 2.2 million rural producers use their production for household consumption, they are excluded from the support system, and therefore, have a disadvantage compared to producers who market their harvests, *one of the main goals of this program is to improve the incomes of those producers.*” The fifth clause mentioned environmental conservation goals. The sixth one summarized that “it was in the national interest to support rural producers, by means of a program that raises the standard of living and fosters rural development.” The creation of Procampo Capitaliza addressed one of the more specific goals that had not been addressed by the regular program (Procampo Tradicional), to capitalize production units and to encourage economic certainty. Although Ingreso Objetivo was part of a different program, which fundamentally supports producers with marketing surpluses, as has been noted, it shares with Procampo the goal of increasing competitiveness and economic profitability in the Mexican countryside.

The problem is that none of those goals have been achieved in a stable or permanent way. The government spends substantial amounts on agricultural support (it has to be noted that Procampo accounts for almost 5% of the agricultural GDP since 1994), but this funding has not translated into a more competitive agricultural sector, nor in a sustained increase in production of grains and oilseeds, nor in an improvement in the standard of living of the more disadvantaged producers. Rather, Mexico remains substantially dependent on agro-food imports. Though the yield per hectare has improved in the last eight years, Mexico is still well behind Canada and the United States, which indicates the structural fragility of its agriculture. As the Federal Audit Agency has found, “the indicators constructed by ASERCA... do not allow for measuring the efficiency with which its strategic goals have been achieved, including the improvement of the income level of rural producers and the increase of the capitalization capacity of their production units.”³

The limited data given by the evaluations about the variability of income level of the beneficiaries and the capitalization of production units is based on the “perception” of the supported producers, and is not disaggregated by states and municipalities. According to a Colegio de Mexico economics thesis, “Procampo producers have not changed the production patterns from [basic] grains to other kinds of crops. [Between] 1994 to 2005 only... 14% of program beneficiaries have changed their land use pattern.”⁴ Furthermore, this figure corresponds mainly to *ejido* producers in northwestern Mexico with more than 5 irrigated hectares.

In terms of poverty trends, the share of rural inhabitants below the poverty line fell by more than 10 points, from 66.5% in 1992 to 54.7% in 2006. However, in 2006, of 14.4 million people officially considered to be in acute poverty (“pobreza alimentaria”), two-thirds lived in the countryside. Although absolute poverty has fallen at the national level, the gap between the developed North and the backward South remains. This issue should not be overlooked, because a comparison of the states that have received the most support from Procampo and Ingreso Objetivo with those that have the most producers registered, clearly shows that the subsidies are concentrated in the North, while the producers are concentrated in the South. The official data in Table 1 indicates that the farm subsidy policy has followed a two-track strategy. On the one hand, the richer states of the Northwest should have increased their competitiveness, production and productivity, and, on the other hand, the poorer states of the South and Center should have reduced their poverty, but neither of these two situations has happened.

³ Auditoría Superior de la Federación (2008: 415). For additional details on Mexican agricultural trends, see Merino (2009).

⁴ See Cerón Monroy (2008)

Table 1

FARM SUBSIDY AMOUNTS AND DISTRIBUTION OF BENEFICIARIES IN SELECTED STATES

State	1994-2008 Procampo and Ingreso Objetivo amounts	Percentage	Beneficiaries	Percentage
Sinaloa	\$18,145,970,543	10.8%	86,892	3.4%
Tamaulipas	\$14,937,699,918	8.9%	68,710	2.7%
Zacatecas	\$11,489,271,362	6.8%	106,021	4.1%
Jalisco	\$11,284,293,808	6.7%	108,315	4.2%
Chihuahua	\$10,255,034,016	6.1%	79,898	3.1%
Sonora	\$8,661,124,964	5.1%	21,262	0.8%
Chiapas	\$11,039,566,255	6.6%	236,148	9.2%
Oaxaca	\$6,360,839,300	3.8%	237,871	9.3%
Veracruz	\$6,764,979,568	4.0%	205,961	8.0%
Puebla	\$6,372,070,477	3.8%	170,021	6.6%
Guerrero	\$4,588,159,437	2.7%	116,498	4.5%

Source: ACERCA, data available at www.subsidiosalcampo.org.mx; ASF (2008:418), UNDP (2009: 6)

In addition, the official data has been incomplete and inaccurate. Up to 2008, ASERCA had not yet quantified its operation costs, nor had it produced reliable efficiency indicators. The available information, according to external evaluations, indicated that the official versions "have tended to confirm Procampo's operational efficiency... using various indicators... that lead the evaluations to confirm favorable expectations about the program's future," but "in concrete terms, the evaluations as such do not provide conclusive evidence regarding the program's multiplier effects on productive activity and the standard of living of the beneficiaries."⁵

4. "WE ALL AGREE, BUT WE WANT MORE"

With so many goals and such meager results, we may ask: What was the main problem that was to be addressed and what was the definitive goal that subsidy policy was supposed to achieve? Why do the most influential organizations in rural Mexico, as well as the governors of the states that have received the most funding, defend a policy that has not achieved its goals after 15 years of operation? The data available suggest that the programs have been maintained only because of the commitments established with those who have benefited the most, and because of the political interests that have converged around those resources. There is also evidence that the implementation of those programs has created opportunities for corruption. But the most solid explanation of these programs' continuity would be in the prior construction of clientelistic networks and mutually beneficial relationships that neither the producer organizations nor the state governments, nor the federal government have been able to break. On the contrary, each time there has been an effort to modify the relationships, conflict has ensued.

In August 2008, the [then] Secretary of Agriculture, Alberto Cárdenas, announced that the federal government was considering changing the rules of operation of ASERCA's two main subsidy programs (Procampo and Ingreso Objetivo), in order to seek greater balance between income groups and regions.⁶ The announcement also confirmed that President Calderón had authorized the extension of those programs for an additional 5 year period, even though their original 15-year lifespan was about to end.

Table 2

PRODUCERS, LAND AND SUBSIDY IN PROCAMPO, BY LEVEL, 2006

Level	Producers (thousands)	%	Hectares (thousands)	%	Subsidy received %
I. Up to 1 hectare lots	612.4	23.9	606.5	4.3	0.6%
II. 1 to 5 hectares	1,373.4	53.6	3,977.1	28.2	46.1%
III. More than 5 hectares	576.5	22.5	9,519.7	67.5	53.3%
Total	2,562.3	100	14,103.3	100	100

Source: Author's analysis from data in ASF (2008: 428) Available at <http://www.asf.gob.mx>, section: "Informe de Auditorías"

⁵ See Durán Ferman, Schwentesius Rindermann, Gómez Cruz and Trujillo Félix (2007: 13)

⁶ Verónica Martínez, "Baja Procampo apoyo a estados norteños", *Reforma*, August 20, 2008.

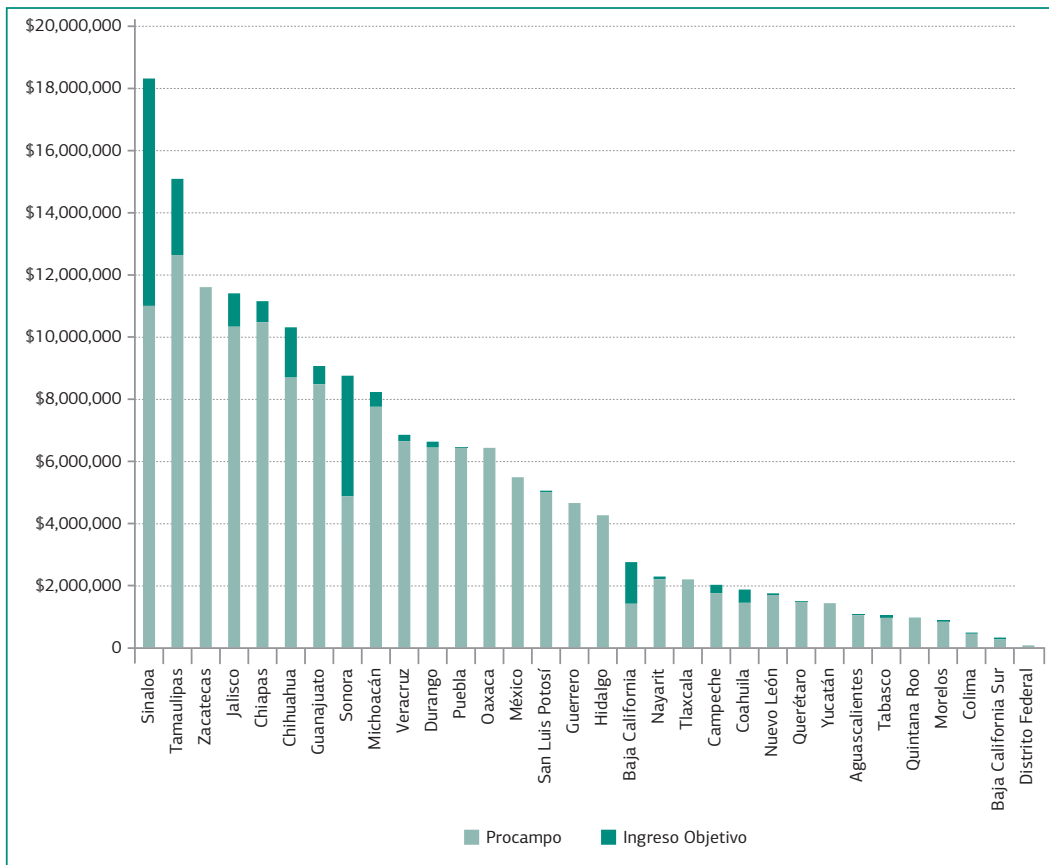
The Federal Audit and official data show a strong concentration of Procampo resources between 1994 and 2006. At one end, 0.2% of beneficiaries (a little more than 50,000 producers) received payments for more than 100 hectares each, accounting for 8.7% of the total payments.⁷ At the other end, as can be seen in Table 2, 23.9% of the producers registered with less than one hectare each barely received 0.6% of the resources, even though they had 4.3% of the land. This is the basis for the Federal Audit Agency's recommendation that the Ministry of Agriculture review the program's rules of operation, with the explicit purpose of avoiding the reproduction of that income concentration.

At the beginning of 2009, however, the rejection of the changes recommended by the Federal Audit Agency had become a political cause for most of the state governments and the more influential producer organizations in Mexico. There was no opposition to the government's decision to raise the subsidies targeted at the smallest farms, as had been happening. But what provoked a real media battle was the proposal to obtain those additional resources for the poorest by reducing the payments to the owners of the larger farms, which would also lead to the redistribution of resources from some states to others. For instance, the secretary of rural development of the state of Tamaulipas, upon learning that the Ministry of Agriculture was considering reducing payments to large producers, admitted that around 45% of 2008 Procampo budget would go to only 9% of the producers enrolled. But he added, "the Secretary [Alberto Cárdenas] doesn't understand that that 9% produces 92% of the grain in Mexico."⁸ But his counterpart in the state of Sinaloa, Jorge Kondo López, then chairman of the Mexican Association of Agricultural Development Secretaries (AMSDA) defined the terms of the conflict which would modify the rules of the game, "What Cárdenas is trying to do means taking funds from the states; he is confronting us. The state governments are willing to review the program, but not if it means taking resources away from us."⁹ It is no coincidence that Tamaulipas and Sinaloa are two of the states that have received the most subsidies from those programs, as shown in Graph 2.

Graph 2

PROCAMPO AND INGRESO OBJETIVO HISTORICAL PAYMENTS, BY STATE

58



Source: ASERCA data, available at www.subsidiosalcampo.org.mx.

⁷ This is based on official ASERCA data available at Fundar's farm subsidy database, at www.subsidiosalcampo.org.mx.

⁸ Verónica Martínez, "Baja Procampo apoyo a estados norteros", *Reforma*, August 20, 2008.

⁹ *Ibid.*

Producer organizations also made their presence felt. On September 2008, the National Peasant Confederation (CNC), the agricultural branch of the Institutional Revolutionary Party (PRI), rejected the proposal to reduce payments to larger producers. CNC leaders called for a slight increase in the subsidies targeted towards producers with less than 5 hectares, but maintaining the amounts targeted to the rest. The CNC, which represents mainly smallholders (*ejidatarios* and *comuneros*), closed ranks with the leading private sector interest groups (which in the past have pursued different interests), such as the National Farmers and Ranchers Council (CNA), the National Confederation of Private Landowners (CNPR), and the National Ranchers' Confederation (CNPGR). These organizations demanded the timely delivery of payments to everybody and the continued support for separate payments for the spring-summer and fall-winter crop cycles, an aspect of the program that grants two payments per year to irrigated producers.¹⁰

By the end of 2008, it was clear that the disputes over government agricultural spending had gained attention and generated conflicts that, up to then, were hidden by a sort of negotiated stability. Juan E. Pardini, a renowned expert on public sector oversight and transparency in Mexico, commented in the newspaper *Reforma*:

...Procampo's most serious problem is not the subsidies that go to the drug dealers, but the monumental amounts of money given to successful farmers who don't need the government's largess. According to the website www.subsidiosalcampo.org.mx, 5% of the richest farmers concentrate 44% of Procampo's total resources (1994-2008). In contrast, 80% of the poorest beneficiaries received barely 27%... The assumption that the budget spent on rural Mexico benefits poor peasants is a myth... each peso spent in this subsidy increases the rural inequality gap... The right decisions are politically unfeasible. Procampo has created a powerful portfolio of clients. Subsidy checks have turned into a vested "right" for their beneficiaries. If someone dared to change those privileges, they would provoke a social movement with the slogan "The subsidy belongs to those who work it"... We have all the political stability that the budget can buy...¹¹

This statement would be confirmed in September 2008 by a public declaration of the National Governors' Conference (CONAGO), backing the initiative of the governor of Sinaloa, historically the state that has benefited the most from farm subsidies:

This Conference expresses its concern about the fact that in times of food crisis, while all countries, especially the United States and Europe, are strengthening their farm support programs to raise productivity. In Mexico, in contrast, there are warnings of a clear tendency to withdraw supports or to reduce Procampo, Ingreso Objetivo and marketing programs... On the other hand, the Ministry of Agriculture is trying to weaken Procampo, even though this could provoke a notable fall in national grain production. This disintegrating proposal assumes a new approach with differential payment rates, which would increase the allocation to producers with less than 10 hectares, but based on a reduction of amounts paid to producers with more than 10 hectares. This new model also proposes continuing Procampo for only another 5 years, closing the registry, as well as eliminating support for double crops or double cycles, which would significantly reduce Mexico's food production.¹²

CONAGO was demanding an increase in subsidy spending and its specific proposals included continuing the program for at least 10 more years, keeping the double cycle, allowing new producers to register for payments, and increasing the support for those with less than 10 hectares, providing that those with more than 10 hectares, "if their payments are not increased, at least they should stay as they are." Evidently, the governors' power was felt in the House of Representatives, which rejected the government's proposal to reduce farm subsidy spending and to modify the allocation criteria, with the explicit goal of continuing the existing policy.

Nevertheless, the differences between the Ministry of Agriculture and the organizations opposed to changing farm subsidy policy continued. After the first defeat of the federal authorities and their impotence to redirect subsidies, both CNC and CNA not only maintained their opposition to the government's proposals, they increased the political pressure. They not only demanded that Procampo continue, they also called for an increase in the official target prices for basic grains, especially corn, under the Ingreso Objetivo program. The government announced new, higher reference prices on January 2, 2009.

But, how can the alliance between CNC and CNA be explained, since they represent very different sectors? The CNC's leader, Cruz López Aguilar, said that the Secretary of Agriculture "has turned into the main ally of the opposition to the National Action Party (PAN), because he has the virtue of uniting the majority of agricultural producers against the government."¹³

¹⁰ Rechaza CNC propuesta de Sagarpa del nuevo Procampo", *Imagen Agropecuaria*, Monday, September 22, 2008. Consulted at www.imagenagropecuaria.com/articulos.php?id_sec12&id_art=540. See also CEDRSSA (2008b)

¹¹ Juan Pardini, "¿Pronarco o Procampo?", *Reforma*, Nov. 23, 2008

¹² CONAGO (2008)

¹³ Radio interview, on the "Entre Amigos" program (later called "Enfoque financiero"), with Alicia Salgado and Roberto Aguilar, on Estéreo 100 (100.1 FM, Mexico City), February 7, 2009.

The current subsidy policy had reinforced both organizations' networks and political clout, and they were ready to defend it at all costs.

Although Procampo was created with an explicit transparency and anti-corruption mandate, since its origins there have been many windows of opportunity for the capture and political use of subsidies, and very few windows for public oversight on the construction of the registry and the payment mechanisms. It is no coincidence that in the Index of Quality and Design of Public Programs (ICADI), constructed by the public interest group Social Management and Cooperation (GESOC), based on a review of official government policy evaluations, Procampo was ranked only 45 out of 104 programs evaluated.¹⁴ As has been noted, this was due not only to the lack of precision in the program's goals, but also to the poor production of complete and verifiable information, which creates serious obstacles even for those charged with implementing the policy.

Since its origins, it was clear that one of the main risks of the program was the proper construction of the registry of beneficiaries. This risk was supposed to be mitigated by basing the subsidies on lands in production rather than to individuals, and that the first efforts to create the original registry required showing that those parcels were, indeed, producing eligible crops. It is clear, however, that the rapid expansion of program operations created opportunities to enroll non-producers, and little is known about the control measures that were supposed to avoid this bias. There was also little certainty that the program would manage to enroll all of the producers who were eligible in the 1993 census, because the Ministry of Agriculture had never taken on such a vast task, with so many producers scattered across the country. As a result, there is little systematic evidence about the patterns of inclusion and exclusion in the program registry.¹⁵ It is worth noting that to receive the first payments, producers had to prove their identity with any document with a signature or fingerprint (and they also could do it with a power of attorney or even through an intermediary organization) and it was never required that they be the owner of the parcel, since it was enough to show a contract of derivative possession, in which the landowner authorized the farming of the parcel.

Procampo's first Operational Manual set two kinds of controls to verify applications. The first one was to be carried out "by the producers together with local authorities, within the Oversight and Control Subcommittees (SCV), which would be created as collegial autonomous bodies." The second one was "through random verifications of communities and plots to confirm the information producers' provided in their application." Evidently, these rules were designed to give the main producer organizations a say over who would be the first to get to sign up, including the possibility to present the applications indirectly, through them. Indeed, the rules permitted producers to sign up indirectly, via their organizations.

The first director of Procampo, José Octavio López Presa, recalled that early in the process of enrolling producers, there were strong pressures from the producer organizations affiliated with the National Agrarian Congress (most of whom were in the CNC), as well as from the already powerful farmers of Sinaloa and other organizations associated with the Institutional Revolutionary Party. According to López Presa, the leaders of these groups "wanted to negotiate the registries. So we said 'fine, you negotiate them, but in each district. You bargain, but out there, in the field, not here in the Federal District'." He added that:

To organize the first Procampo registries, 45,000 agricultural representatives were elected from 85,000 villages, in almost every locality in the country, and they were made to take an oath that they would do their job. After receiving training, a random selection followed to see who would review the applications in the name of the peasants, together with all the *ejidos* and private farmers in each region, to see who would have the right to government support.¹⁶

He also recalled that the federal government drew on the operational infrastructure of the National Solidarity Program, which was quite consolidated towards the end of the Salinas de Gortari administration. Thanks to this operational network, they were able to carry out a census of grain producers, with a focus on corn. López Presa underlines the enormous difficulty of doing a census in more than 80,000 villages with "rudimentary computer tools. They needed to get information about four million people, including their names, the location of their plots and what they produced. Nevertheless, by the second half of 1993, the information that became the basis of the first registry had been collected, and the first beneficiaries were set to receive their checks in June 1994.

In the process, there was a clear tension between large producer organizations that attempted (and succeeded) in registering their members and government officials who attempted to broaden the access to the largest number of *ejidos* and communities. Another source of tension involved the state governors and their efforts to use the subsidies for electoral purposes. These

¹⁴ González, et al. (2009).

¹⁵ Fox (1995).

¹⁶ Transcribed interview, José Octavio López Presa, Mexico City, February 27, 2009.

conflicts were costly. López Presa recalled that out of the 45,000 producers randomly selected to oversee program operations locally, “11 died in the time I was there... I don’t know whether it was because they were taking their duties seriously or not, but the fact is there were 11 deaths.”

José Octavio López Presa also reported that following the Zapatista uprising in January 1994, the subsidy program gained even more political importance. The state governors “signed up to organize events to deliver the payments, and some cabinet members also participated (between March and June, 1994) and even President Salinas himself... Think about it this way [continues López Presa], we were hosting a party while we were still building the house, putting up the banners and the bricks at the same time.” He added an especially valuable recollection:

Around June 1994, we had a meeting in Oaxtepec, the whole weekend... There I delivered my report, and in contrast to previous weekly reports, when there were 10 or 12 people, here there were more or less 40... Someone suggested that we should privilege the delivery of payments to PRI municipalities, and obviously I said that it was illegal... The use of the Internet and e-mail was just beginning back then, and all of our offices were already connected... So the following Monday, the first thing I did was to send an e-mail to all of the representatives in the rural districts, reminding them of their obligations as public servants and telling them that, if any official from the Ministry would want to divert the program from its goals, they should immediately file a report with the Audit office and the appropriate authorities. I sent that e-mail Monday morning and, 24 hours later, on Tuesday, I was abruptly fired.

One might have expected that with the passing of time those original conditions would have changed, especially because the alternation of political parties in the presidency and the growing political pluralism that, precisely after 1994, became a characteristic of the Mexican political regime. But at the end of 2008 and the beginning of 2009, an attempt to change the farm subsidy program’s rules of operation created a conflict, and the actors and interests at play remained practically the same as when the first registry was created in 1993. On the one hand, a sector within the federal government says it seeks the modernization of direct rural subsidy programs, and on the other hand, producer organizations refuse to give up the state rents captured by their members for 15 years, as well as the governors, who like their predecessors in 1994, continue to assert the political use of those transfers. The problems that these subsidy programs face today are practically the same as those recalled by its first director, López Presa.

According to Procampo and Ingreso Objetivo’s current managers, the opposition from governors and the main producer organizations to the Ministry of Agriculture’s proposed changes is not only due to the resistance of the farmers who receive the largest subsidies, it also involves the struggle of local politicians and social leaders who want to control the registries and payments.¹⁷ They report that Procampo’s process of converting the payment delivery mechanism to direct bank deposits has faced strong political and bureaucratic resistance, even inside the Ministry of Agriculture. According to the manager in charge of payments, last year, a check could be held up for a year, then it was in transit, someone had it who did not cash it, and sometimes corruption was involved. For example, an official would say: “I’ll give you cash for your check if you give me 10%.” Certain interest group leaders complained for the same reason: “because there is no business in it anymore, because it was clientelistic: give me 20% and I’ll take care of your check, sometimes in collaboration with some corrupt administrator... Paying through direct bank deposit prevents this, because the producer receives their funds directly.” The managers emphasize that no producer has complained about the direct bank deposit process (which now covers more than 60% of the producers, according to the managers in charge.)

From the point of view of federal officials, the state governments also launched their offensive against changing the rules of Procampo and Ingreso Objetivo because their state agriculture secretaries (SEDAGROS) “have been fighting to be the ones who give out the money... to do politics left and right.” The federal coordinator of Ingreso Objetivo in the state of Veracruz reported the case of its farm machinery subsidy program, which “prohibits buying a certain tractor because it’s blue. It’s no joke. Fidel Herrera [the governor of Veracruz] does not fund the purchase of tractors if they are blue. They have to be green or red.”

Even though the controversial new operational rules propose greater decentralization, allowing state governments to manage more resources, SEDAGROS’ complaint was still in force, because the states are not only seeking more funds, but also more freedom to decide on how they are used. ASERCA officials’ position is that they are attempting to require a work plan, a project plan and an investment plan per state, as a condition to increase funding.

¹⁷ Transcribed interview with ASERCA managers: Gustavo Adolfo Cárdenas Gutiérrez, Coordinador General de Apoyos al Campo (PROCAMPO), Manuel Martínez de Leo, Coordinador General de Comercializaciones; Fidel Gaona Urbina, Director General de Programación y Evaluación de Apoyos Directos al Campo; Rubén Zamanilla Pérez, Director General de Medios de Pago; and Miguel Ángel Hernández Servín, Director de Seguimiento Operativo. February 27, 2009, Mexico City.

On the other hand, Gustavo Cárdenas, [then] General Coordinator of Agricultural Support, acknowledges that it is important to update the registry of Procampo beneficiaries, a position surely influenced by the fact that he is a PAN member and a federal congressman, on leave, from the state of Tamaulipas. He says that all the documentation regarding land possession and ownership is going to be digitized, including the plot georeference and the producer's personal identification and photo, thereby linking the land to the owner. And he adds, "There won't be any more confusion, this ambiguity about who is planting and who is the owner, which really hasn't helped us at all." Even though the updating of the registry was postponed until after the July 2009 elections, what follows is unlikely to be very different from what has become open dispute for the clientelistic control of the subsidies. In addition to the modifications proposed to the subsidy payment amounts for the larger plots and the resistance from the states that receive the most resources (such as Tamaulipas and Sinaloa), the clean-up of the beneficiary lists and its systematic and open disclosure will surely add new factors to the conflict.

Data offered by the Federal Audit Agency after its 2006 review of Procampo show diversion of resources, beneficiaries that received the money without having proven their work or who had not planted, huge uncashed checks, problems with bank reconciliation, duplicated and even fake beneficiaries.¹⁸ We may therefore assume that the opacity in ASERCA's information is not only a flaw derived from its ambiguous and imprecise design, or due to a poor bureaucratic operation, but it has also served to establish political networks and negotiations that for 15 years have prevented the disclosure of reliable information about who is benefitting from the subsidies and what interests are involved.

5. POOR RULES AND LITTLE TRANSPARENCY: THE DOUBLE DOOR TO CORRUPTION

Even though he has probably committed no crime, nor can he be accused of the intention to do so, it is worth pointing out the peculiar case of Mr. Jorge Kondo López, who until December, 2008 was the Sinaloa state Secretary of Agriculture. As has been noted before, he was also the chairman of the Association of [state] Secretaries of Rural Development, which so firmly opposed changing the operational rules of the farm subsidy programs. According to the official ASERCA data, available at www.subsidiosalcampo.org.mx, Mr. Kondo López – or someone with the same name – has received M\$1.7 million (according to an ASERCA official, maybe more). Manuel Martínez de Leo, an ASERCA official, remembers the prominent role that Kondo López played during the construction of Procampo's first registry:

I was working in the private sector then... in the National Farmers and Ranchers Council, and... he was the president of the Confederation of Agricultural Associations of the State of Sinaloa (CAADES) and agricultural vice-president of the National Farmers and Ranchers Council... He fought for Procampo to pay out by the ton and not by the hectare. That was the toughest issue...

But Kondo López's leadership among the Sinaloa producers not only allowed him to have significant influence on the procedures used to create Procampo's original registry, as well as on the criteria for allocating subsidies, but also permitted him to become a PRI federal representative in the LVI Legislature. Nevertheless, the policymakers in charge at that time (including Procampo's first director) managed to link Procampo payments to the land, rather than to individual producers or to their volume of production (though without an effective ceiling on the amount of land that could be subsidized). This approach allowed the government to balance the interests of large and small owners, in a context in which, as López Presa put it, "on the one hand, those CAADES (Confederation of Associations of the State of Sinaloa) producers were able to make a huge amount of noise and had a great deal of political clout... And on the other hand, there were subsistence producers who had no say, but for moral and economic reasons had to be indisputable beneficiaries." Moreover, in the international trade policy context, the fact that Procampo did not link payments to the volume of production gave the Mexican government certain prestige, because the approach was much more "market-friendly" than that of its OECD counterparts in Europe and North America.

The decision to allocate subsidies based on the number of hectares farmed rather than on the volume produced reflected an attempt to avoid even greater inequality in the distribution of subsidies. But this policy did permit that one individual (or organization) could register many different farms in various parts of the country, making it difficult to determine who is receiving exactly how much. Moreover, the system created the possibility of people receiving checks in the name of others. It was not until the public interest group Fundar launched the "Subsidios al Campo" website, when official beneficiary data became publicly accessible in practice, revealing the highly unequal distribution of farm subsidy payments. The website's search engine allows citizens to find out how much specific individuals have received, and in November 2008, several major newspapers reported the coincidence between the names of subsidy recipients and

relatives of several well-known drug dealers.¹⁸ All this can be true and, however, without violating the program's legality or its rules of operation because, as has been repeatedly noted, subsidies were linked to land and not to individuals. Nevertheless, the organization of the registry and the absence of an efficient, reliable system of targeted transparency have also created opportunities for direct corruption of program resources.

Yet the fact that agricultural officials in charge of those programs are listed in the registry and that they have been received program subsidies does clearly violate the current regulations, especially because the rules of operation, as modified on December 2007, explicitly forbid this. To explore this problem, we created a database with the names, positions and responsibilities of all federal, state and municipal agricultural officials, and we cross-referenced the information with the subsidy recipient data from Procampo registries (whose registry identification number also coincides with the ones from the Ingreso Objetivo program). This research produced 328 coincidences. We also noted that there are several numbers with different producer names and that apparently belong to the same person. So, we submitted 83 public information requests to ASERCA to determine whether these registrations with the same name, but a different producer number, belonged to the same person. The responses were mixed, although we observed a general trend of one registration per producer. But we also confirmed that there are cases in which the same beneficiary has multiplied his registries, by means of different producer numbers. The only way to confirm the correspondence between name, registry and person would be to access the full files of each and every one of the cases, with their official Individual Population Identification Number (CURP) and, moreover, the receipts issued (to see whether they actually cashed the payments). But these public information requests were denied, because they were considered to involve personal data. Overall, we found that at least 371 names and individual registrations that received subsidies in 2008 corresponded with the names of public officials involved with operating agricultural programs. Of these, we are sure of the coincidence in 292 cases (131 federal, 161 state), while the data was insufficient to confirm 55 registrations that coincide with the names of federal agriculture officials. And, of course, one of those cases is Jorge Kondo López, who has 89 registrations in the public farm subsidy roster. Yet we cannot be assured that the coinciding names necessarily refer to the same person, because they could be namesakes of the officials detected.

It is worth noting that even after the publication of the farm subsidy recipient data in the "Subsidios al campo" website, and with the access possibilities offered by Mexico's current transparency law, it is still not possible to confirm that more than 300 public servants are receiving prohibited benefits. What is clear is that the current operational rules and flaws in the integration and control of the registry make this possible. It is also clear that ASERCA has not met its strategic goal of "preventing and reducing corruption and making transparent the implementation and operation of its supports and services."

6. CONCLUSIONS

In this study we have tried to show that Procampo and Ingreso Objetivo have not met their official institutional goals. We have also seen that the lack of transparency in their operations and results has served other goals: to distribute public resources to maintain political stability and to build support for governments. The programs have not met their original goals because, among other reasons, from its design, the implementation network was in conflict with that possibility and favored the early capture of these public resources. As noted at the beginning of this study, the hard core of Mexican farm subsidy policy attempted to address many different and conflicting goals, but evaded a definition of the problems of agricultural production, productivity and competitiveness as a whole. At the same time, the policy established a series of rigid rules and procedures for the construction of the program registries that ended up becoming its own *raison d'être*. The program's *safety belt* cancelled out its *hard core*, and eventually favored the diversion and even corruption of public resources dedicated to the countryside.

That said, it is not evident that the farm subsidy programs were used openly to buy votes or to finance electoral campaigns (although there are signs that this may have occurred in certain elections). But there is sufficient evidence to state that these resources created social and political demands, supported by clearly identifiable networks, and that changing them would have political costs for any government. The main beneficiaries of the subsidy programs have not offered clear results in terms of increased production, productivity or competitiveness. But they have been very efficient at maintaining political pressure to avoid reducing subsidies over the past 15 years and to openly increase their profits. Notably, this has been the position that the National Farmers and Ranchers Council (CNA) has maintained ever since the subsidy program began.

¹⁸ See "Ayuda Procampo narcofamiliares", El Norte, Monterrey, Nuevo León, November 8, 2008, and "Piden limpiar el Procampo", El Universal, Mexico City, November 24, 2008.

At the same time, the less privileged beneficiaries with lower incomes and fewer hectares have not managed to improve their standard of living, nor have they increased their plots' productivity, nor has competition become more balanced as a result of the subsidies received. The per capita funding levels are so small that it would be impossible to achieve such an ambitious outcome. Nevertheless, the data do show that Procampo has played an important social function by mitigating the poverty of millions of peasants; it has made a modest monetary contribution by at least providing a reliable annual income to a broad segment of low income producers. This support has been insufficient to overcome their poverty, but has provided a minimum level of insurance for survival.

From another point of view, Procampo has also allowed social and political organizations claiming to represent those marginalized social groups to take advantage of their role as intermediaries with the program bureaucracy by charging producers substantial fees, and to use this role to put pressure on the government to allocate even more resources. The statements documented in this study and the data drawn from Procampo's registries tell us that, since the registry was first created, agrarian organizations (notably the National Peasant Confederation) had a strong influence on determining who was registered. To date, the programs' rules of operation still allow them to maintain a direct and active relationship with the subsidy beneficiaries. As a result, farm subsidies play a dual role, contributing to the survival of low-income peasants, while allowing interest groups to use them politically.

This study has shown that the hard core of the farm subsidy policy in Mexico should have achieved, at least, both an increase in production and productivity of large producers and an improvement in the standard of living conditions of low-income peasants. Yet, all external evaluations available agree that none of these goals has been met. They also note the lack of the systematic and complete data needed to make an assessment of their success or the diversions of the program. Even the Federal Audit Agency, the agency in charge of collecting direct information and reviewing the programs archives, was unable to establish the scope of the subsidy policy. In other words, Procampo is still in effect because it contributes to peasant incomes, but not because it has allowed the construction of a level playing field to compete with its two partners in the North American Free Trade Agreement.

Furthermore, this study has underlined ASERCA's lack of transparency, including the lack of certainty regarding the way in which some of subsidy payments are distributed to producers, those that are not yet delivered by direct bank deposit. According to Procampo's general director, Gustavo Cárdenas, as of early 2009, the program had only a list of beneficiaries, not a proper registry. Greater transparency in the subsidy payment process is certainly a plausible goal for the program's current managers, but the lag in achieving this speaks eloquently to the way in which the program has been implemented up until now. As this study shows, the data obtained through the analysis of the beneficiary registry are insufficient to confirm the identity of the people receiving payments, whether the issue is ruling out namesakes or revealing the aggregated amounts received by a single person, through the accumulation of different registered plots. The only thing that can be learned is that there is a name registered according to the programs' rules of operation and that people under those names receive farm subsidies.

Beyond the registry issue, the subsidy programs have not internalized the concept and the goal of *open government* in other operational areas, such as decision-making. Moreover, the study found that the program procedures left room for the diversion of resources, including possible corruption in the case of numerous public officials who may be illegally receiving farm subsidies. While this study does not make legal judgements, it does show that there is evidence of the possibility that hundreds of public officials are receiving subsidies as owners of farms and are therefore involved in conflicts of interest.

In addition, we have presented enough evidence to show that state governments have openly supported those who defend the clientelistic networks that have been built around ASERCA's programs. When the federal government opened up the public debate about Procampo's future and suggested the possibility of changing the payment amounts and the rules for their allocation, the state governments not only came out in opposition, they also gave political backing to the interest groups that opposed any change because their subsidies would have been affected. In itself, this does not constitute evidence of any illegality, but the state governments clearly prefer the *status quo*, taking into account that some key state officials previously served as leaders of the agribusiness groups that would be most affected by a farm subsidy policy reform that would favor lower-income producers at the expense of the wealthiest producers.

Finally, we presented evidence showing that the means used so far by the state to correct or modify flaws in the design or implementation of farm subsidy programs have been insufficient, some even useless, in spite of the series of evaluations that have recommended attention to these problems. This suggests that the diversion in these programs' goals has, over the years, served the state's political interests. In other words, political stability in the Mexican countryside has taken priority over the program's initial (conflicting) goals.

In summary, the flaws in the definition of the problem that farm subsidy programs were supposed to address not only facilitated the early capture of resources, but these program's goals were also diverted, converting them into an instrument used by the Mexican state to sustain its political networks and base of support in the countryside. In the best case scenario, these resources can be seen as having contributed to social peace and greater political stability and dialogue with powerful agribusiness and peasant organizations. But they did not level the playing field between farmers in Mexico, the United States and Canada. That goal fell by the wayside.

BIBLIOGRAPHY

- ASERCA (2008). "Evaluación de consistencia y resultados del Programa de Apoyos Directos al Productor por Excedentes de Comercialización para Reconversión Productiva, Integración de Cadenas Agroalimentarias y Atención a Factores Críticos," México: ASERCA.
- Auditoría Superior de la Federación (2008). *Informe del Resultado de la Revisión y Fiscalización Superior de la Cuenta Pública 2006*, México vol. IV. www.asf.gob.mx (Informe de Auditorías).
- CEDRSSA (Centro de Estudios para el Desarrollo Rural Sustentable y la Soberanía Alimentaria) (2008a). *Análisis en materia rural de la revisión de la cuenta pública 2006*, May, <http://www.cedrssa.gob.mx/?doc=1568>.
- (2008b). *Reporte Rural de Coyuntura*, Centro de Estudios para el Desarrollo Rural Sustentable y la Soberanía Alimentaria (CEDRSSA), No. 38, September.
- Cerón Monroy, Hazael (2008). "El Programa de Apoyos Directos al Campo (Procampo) y la reconversión de cultivos básicos en México. Un modelo de sobrevivencia," México, El Colegio de México, Centro de Estudios Económicos, master's thesis.
- Claridades Agropecuarias, No. 121, September 2003.
- CONAGO (Conferencia Nacional de Gobernadores) (2008) "Declaratoria de la Trigésima Quinta Reunión Ordinaria de la Conago," Álamos, Sonora, September 26, <http://www.conago.org.mx/reuniones/FB-2008-09-26.aspx>.
- Consejo Nacional Agropecuario (2008) "Problemática del sector agropecuario y PEF 2009," *Boletín Informativo*, No. 199, October.
- Durán Fernán, Pedro, Rita Schwentesius Rindermann, Manuel Ángel Gómez Cruz and Juan de Dios Trujillo Félix (2007) "Análisis de tres evaluaciones oficiales de Aserca del Programa de Pagos Directos (Procampo) a la agricultura mexicana," México, Universidad Autónoma de Chapingo.
- González, Alejandro, et al. (2009). *Índice de Calidad de Diseño de programas públicos*, GESOC, México, www.gesoc.org.mx.
- González Gómez, Mauricio (2008). "Evolución y perspectivas Procampo", Consejo Nacional Agropecuario, December, 2008.
- Grupo de Economistas y Asociados (GEA) (2006). "Estudio sobre la evaluación del desempeño del Programa de Apoyos Directos al Campo (Procampo): año agrícola 2006," Mexico, noviembre http://www.aserca.gob.mx/artman/uploads/evaluacion_pv_2006_final-proteccion.pdf.
- Fox, Jonathan (1990). "La dinámica del cambio en el Sistema Alimentario Mexicano. 1980-1982", Hugo Azpeitia, Carlota Botey, et al. (eds.), *Historia de la cuestión agraria*, vol. 9, Mexico City: Siglo XXI Editores.
- (1992). *The Politics of Food in Mexico*, Ithaca, Cornell University Press, www.books.google.com.
- (1995). "Governance and Rural Development in Mexico: State Intervention and Public Accountability", *Journal of Development Studies*, 32(1)
- Hewitt de Alcántara, Cynthia (2007). "Ensayo sobre los obstáculos al desarrollo rural en México. Retrospectiva y prospectiva", *Desacatos*, 25.
- López Pesa, José Octavio (2002). *La rendición de cuentas en la política social*, Mexico, Auditoría Superior de la Federación (Serie Cultura de la Rendición de Cuentas, No. 3).
- Majone, Giandoménico (1997) *Evidencia, argumentación y persuasión en la formulación de políticas*, Mexico: Fondo de Cultura Económica/Colegio Nacional de Ciencias Políticas y Administración Pública.
- Merino, Mauricio (2003). *La transición votada. Crítica a la interpretación del cambio político en México*, Mexico, Fondo de Cultura Económica.
- (2006). "La importancia de las rutinas: Marco teórico para una investigación sobre la gestión pública municipal en México", Andrew D. Selee y Leticia Santín Del Río (eds.): *Democracia y ciudadanía. Participación ciudadana y deliberación pública en gobiernos locales mexicanos*, Washington, D.C., Woodrow Wilson International Center for Scholars.
- (2008a). "La importancia de la ética en el análisis de las políticas públicas," *Revista CLAD Reforma y Democracia*, 41, June, pp. 7-32.
- (2008b). "La transparencia como política pública", John M. Ackerman (ed.), *Más allá del acceso a la información: transparencia, rendición de cuentas y estado de derecho*, Mexico, Siglo XXI Editores.
- (2009). "Los programas de subsidios al campo: Las razones y sinrazones de una política mal diseñada," *Documento de Trabajo*, DT/DAP 229, Mexico: CIDE, September [also reprinted as *Mexican Rural Development Research Report*, No. 1, Woodrow Wilson International Center for Scholars, 2010, www.wilsoncenter.org/DesarrolloRuralMexicano]
- (2010, in press). "La importancia de la ética en el análisis de las políticas públicas," *Enfoques de políticas públicas* (collective volume) Mexico, División de Administración Pública, Centro de Investigación y Docencia Económicas (CIDE).

- Rello, Fernando (2008). "Inercia estructural y globalización: la agricultura y los campesinos, más allá del TLCAN", Grupo de Trabajo sobre Desarrollo y Medio Ambiente en las Américas, Trabajo de Discusión, No. 20, July.
- Sagarnaga Villegas, Myriam (2007). "Evaluación de consistencia y resultados de Programa de Apoyos Directos al Campo (Procampo) para el ejercicio fiscal 2007," Mexico, Servicios Profesionales para el Desarrollo Económico.
- Sagarpa (2008). *El Procampo: Operación e impactos. La nueva visión de un viejo reto*, Mexico City, February.
- Scott, John (2007). "Procampo, eficiencia con equidad," unpublished document, 2007.
- Secretaría de Agricultura y Recursos Hidráulicos (SARH) (1993). *Procampo. Vamos al grano para progresar*, Mexico City.
- UNDP (2009). *Indicadores de Desarrollo Humano y Género 2000 y 2005*, United Nations Development Programme.

Newspaper References

- "Acaparan 5 estados 50% de apoyo," *El Universal*, November 24, 2008.
- "Ayuda Procampo a narcofamiliares," *El Norte*, Monterrey, Nuevo León, November 8, 2008.
- "Conforman agricultores de Tamaulipas frente contra el nuevo Procampo," *La Jornada*, September 11, 2008.
- "Gasta Sagarpa sin 'ton ni son'," *Reforma*, January 23, 2009.
- Knochenhauer, Guillermo, "Procampo renovado," *La Jornada de Morelos*, August 29, 2008.
- Martínez, Verónica, "Baja Procampo apoyo a estados norteros," *Reforma*, Mexico City, August 20, 2008.
- Pardinas, Juan E., "¿Pronarco o Procampo?," *Reforma*, Mexico City, November 23, 2008.
- "Piden limpiar el Procampo," *El Universal*, Mexico City, November 24, 2008.
- "Rechaza CNC propuesta de Sagarpa del nuevo Procampo," *Imagen agropecuaria*, September 22, 2008.
- "Ricos y pobres con acceso al Procampo, dice Cárdenas," *El Siglo de Durango*, November 20, 2008.
- "Ven irregularidades en subsidios al campo," *Reforma*, October 14, 2008.

Governmental Decrees and Rules of Operation (chronologically)

- "Acuerdo por el que se dan a conocer los productos elegibles y los montos del ingreso objetivo mínimo para los ciclos agrícolas del otoño-invierno 2008/2009 al primavera-verano 2013," *DOF (Diario Oficial de la Federación)*, January 2, 2009.
- "Acuerdo por el que se modifican y adicionan diversas disposiciones de las Reglas de Operación del Programa de Apoyos Directos al Campo, denominado Procampo," *DOF*, April 8, 2009.
- "Decreto que regula el Programa de Apoyos Directos al Campo denominado Procampo," *DOF*, July, 1994.
- "Ley de Capitalización del Procampo" *DOF*, December 31, 2001.
- Manual de Operación de Procampo*, SARH, internal document, 1993.
- "Modificaciones y Adiciones a las Reglas de Operación al Programa de Apoyos Directos al Campo (Procampo), para los ciclos agrícolas Primavera-Verano 2002 y Otoño-Invierno 2002/2003," *DOF*, February 21, 2003.
- "Normas de Operación para el Ciclo Agrícola Otoño-Invierno 95/96 del Programa de Apoyos al Campo (Procampo)," *DOF*, February 16, 1996.
- "Normas de Operación para el ciclo agrícola Primavera-Verano 1996 del Programa de Apoyos al Campo (Procampo)," *DOF*, May 21, 1996.
- "Normas de Operación del Programa de Apoyos Directos al Campo (Procampo) para los ciclos agrícolas Primavera-Verano 2001 y Otoño-Invierno 2001/2002," *DOF*, February 15, 2001.
- "Procampo O, Normas de Operación Otoño-Invierno 94/95," internal document, January 12, 1995
- "Reglas de Operación del Programa de Apoyos Directos al Campo (Procampo), para los ciclos agrícolas Primavera- Verano 2002 y Otoño-Invierno 2002/ 2003," *DOF*, February 20, 2002.
- "Reglas de Operación del Programa de Apoyos Directos al Productor por Excedentes de Comercialización para Reconversión Productiva, Integración de Cadenas Agroalimentarias y Atención a Factores Críticos," *DOF*, June 17, 2003.
- "Reglas de Operación del Sistema de Garantías y Acceso Anticipado a Pagos Futuros del Procampo," *DOF*, December 23, 2003.
- "Reglas de Operación del Programa de Atención a Problemas Estructurales (Apoyos Compensatorios)," *DOF*, December 31, 2007.

Interviews

- Interview with José Octavio López Presa, Mexico City, February 27, 2009.
- Collective interview with Gustavo Adolfo Cárdenas Gutiérrez, Coordinador General de Apoyos al Campo (Procampo), Manuel Martínez de Leo, Coordinador General de Comercializaciones; Fidel Gaona Urbina, Director General de Programación y Evaluación de Apoyos Directos al Campo; Rubén Zamánilla Pérez, Director General de Medios de Pago; y Miguel Ángel Hernández Servín, Director de Seguimiento Operativo, Mexico City, February 25, 2009.