

Stakeholder oversight of ASERCA's farm subsidy programs

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¹ This chapter summarizes the findings of a much more extensive, field-based study (Hevia de la Jara 2010). Translation by Jonathan Fox and Charlie Roberts.



Millions of pesos in farm subsidies are allocated and distributed through processes that lack transparency. Producers, citizens and their organizations have very limited channels for participation. The 2009 regulations for Mexico's main farm subsidy delivery agency, ASERCA [Agricultural Marketing Support Services] obliges its programs to deploy social oversight mechanisms through: the publication of their beneficiary lists, the launching of "citizen attention" programs to address the public's concerns, the creation of committees of beneficiaries to monitor program operations, the promotion of venues for dialogue between of public officials and beneficiaries, and coalitions with public interest groups for program monitoring and oversight. Nevertheless, this study found that ASERCA has not applied these measures to its programs, at least as of the middle of 2009.

Social oversight is defined as mechanisms of institutionalized citizen participation aimed at promoting accountability. In contrast to other mechanisms of citizen participation for planning, implementing, and evaluating policies, social oversight has focused its actions on the monitoring and oversight of the entire public policy cycle through various instruments, such as the establishment of committees of beneficiaries, "citizen attention" programs, and the participation of citizens in collegial government decision-making bodies. The institutional designs and performance of such arrangements may lead either to weak or to strong systems of citizen oversight (Hevia 2009). If the systems are to be strong, the groups that carry out the oversight must be autonomous, and they must have the necessary clout – both direct and indirect – to enable these groups to carry out their oversight tasks, which, by their very nature, are political. That is, they attempt to have an impact in the public sphere (Cunill 2009).

By merely taking into consideration what the regulations say, one can conclude that ASERCA's programs have serious institutional shortcomings when it comes to social oversight. As illustrated in Table 1, while all the problems meet the minimum requirements of transparency – such as publication of the beneficiary lists on the website – and the formal existence of common systems for citizen attention for all of ASERCA, operated by the internal oversight office, the more specific social oversight instruments, according to the relevant federal rules, such as social oversight committees, exist only for Procampo and Procampo Capitalizes, and then only on paper. The broader study reviews each of these instruments in greater detail (Hevia de la Jara 2010)

Table 1
SOCIAL OVERSIGHT ACTIONS IN THE ASERCA PROGRAMS

	ASERCA PROGRAMS	Transparency	Limited social oversight		Expanded social oversight	
		Public beneficiary lists	Citizen Attention programs/1	Social oversight committees	Link with CSO for oversight	Institutional venues for communication
PROCAMPO	CAPITALIZA	+	+	+/-/2	+/-/3	-
	PROCAMPO	+	+	+	-	-
	REGISTRO ALTERNO	+	+	-	-	-
	COBERTURA PRECIOS	+	+	-	-	-
APOYOS COMPENSATORIOS	APOYO A COBERTURAS	+	+	-	-	-
	INGRESO OBJETIVO	+	+	-	+/-/4	-
	CONVENIO CONCERTACIÓN	+	+	-	-	-
	ORDENAMIENTO MERCADO GRANOS OLEAGINOSAS	+	+	-	-	-
	ESQUEMAS DE COMERCIALIZACIÓN ESPECÍFICOS	+	+	-	-	-
	DIESEL AGROPECUARIO	+	+	-	-	-
PROMOAGRO	PROMOAGRO	+	+	-	-	-

NOTES: 1/These Citizen Attention programs refer to ASERCA's internal oversight office, as per its regulations (SAGARPA 2008). /2 The only mention of social oversight in Procampo Capitaliza is in its simplified procedure, which limits the function of the committees to acknowledging receipt of the "beneficiary lists" (ASERCA 2005). /3 In theory the State [level] Committee for Sustainable Rural Development has non-governmental representation and is authorized to rule on the technical feasibility of economic projects and to oversee their implementation (ASERCA 2009a). 4/This refers to citizen monitoring of the "citizen commitment letters" (ASERCA 2009b). Source: prepared by the author.

Up until 2008, only Procampo – and its spinoff program Procampo Capitalizes – included social oversight mechanisms in their design and operation. It was not until the administrative rules were amended in 2009 that the programs Promoagro and Apoyos Compensatorios (Compensatory Supports) were first required to put social oversight mechanisms in place.

In the case of PROCAMPO, a social oversight mechanism was included from the outset. Article 9 of its founding decree specifies:

The Ministry, in coordination with the Office of the Comptroller-General of the Federation, *under the social oversight mechanism, shall give participation to the producers in the oversight of the use of the resources and actions undertaken in PROCAMPO*, to which end the Steering Committees (Comités Directivos) of the Rural Development Districts shall promote the establishment of Oversight Committees (Subcomités de Control y Vigilancia) in their territorial districts, as well as the election and training of members of those committees (*vocales de contraloría social*) among the producers (Government of Mexico 1994. Article 9, emphasis added).

The oversight committees are made up of government representatives and producers, and have the following functions: receive and review the forms for the required annual renewal; physical and documentary verification of the applications for the annual renewal; and make recommendations on these applications to the Rural Development District and forward the documentation to the Rural Development District (ASERCA, 2009a). According to the Public Administration Ministry, as of 2000, a total of 192 Social Oversight committees were operating (one for each Rural Development District), with the participation of 712 members (one for each CADER [a smaller level of rural development district]) (SFP 2006:18).

In terms of these committees' autonomy, producers are under-represented while government officials predominate. Their functions – in practice – involve more administration than social oversight. Hundreds of agrarian communities are supposed to elect a single representative for region-wide committees that interface with the local branch of the Agriculture Ministry, known as the CADER. This system of representation discourages the emergence of independent leadership and favors the existing corporatist peasant organizations, which also participated in determining who was able to register for the Procampo program in the first place. This lack of autonomy is also reflected in the limits on the oversight committees' operations. For example, committee presidents are chosen by government officials. In addition, ASERCA controls the procedures for electing members and for renewing leadership, who are not allowed to join together with other committees (for example, in the same region) to be able to monitor more links in the chain of program implementation. Moreover, the committees are not allowed to change their structure, such as being tied to the CADERs, to bolster their capacity to represent agrarian communities, nor can they create independent working groups.

In terms of these committees' actual degree of influence over Procampo operations, these committees have formal veto power over some program decisions, notably which individual producers are "recommended" for their required annual renewal of access to Procampo resources. In practice, however, because government officials predominate on these committees, producers do not use these channels to monitor and oversee Procampo. With so little autonomy or power, these social oversight committees end up tending to oversee other producers more than they monitor program officials. As in the case of other conditional cash transfer programs, these committees lack the minimum degrees of autonomy and power that are necessary to be able to become citizen counterparts for oversight of government programs. Citizens are limited to addressing the opaque areas of ASERCA operations by informing the agency authorities of problems through its own complaint system and/or "internal control" office.

In terms of the dissemination of the program beneficiary lists, while all the ASERCA programs do publish such lists, they do not include consistent producer identification numbers, which prevents observers from adding up the subsidies that any individual producer receives from more than one of ASERCA's many programs (see Haight and Fox, this volume). In the case of Procampo, the dissemination technology is not user-friendly, which limits access to the lists in practice. The study also found obstacles in its effort to find key information regarding the processes through which producers are allowed to request access to ASERCA's other, less well-known subsidy programs, known as "complementary supports." The beginning and end dates for program sign-up are especially difficult for producers to find.

To comply with its mandate to create "citizen attention" programs, ASERCA developed a useful internal information system for receiving complaints. However, this study did not find sufficient evidence to conclude that these programs have actually encouraged institutional responsiveness or accountability. Like other systems for receiving complaints by telephone, this one faces legal constraints that limit its capacity to actually deal with problems and denunciations that are registered by phone.

Notably, ASERCA programs did not report any partnerships with public interest groups for the purposes of monitoring and oversight (with the exception of citizen monitoring through a small pilot initiative, the "citizen commitment letters" of the Ingreso Objetivo program). Nor has ASERCA created spaces of organized dialogue with beneficiaries, although they ostensibly became obligatory as of the 2009 program rules. Though the citizen commitment letters initiative should be followed up, their official scope is extremely limited and they have few prospects for having any impact in the short or medium term.

This analysis suggests that the principal mechanism for citizen monitoring and oversight of ASERCA is through public information access, through growing numbers of information requests.

Based on the analysis, it appears that the main mechanism for monitoring and oversight available to (and used by) citizens is access to information, by means of the growing number of requests for information. As shown based on a statistical analysis of information requests, their use turns out to be a necessary yet insufficient mechanism for monitoring the operation of these programs.

Analysis of a representative sample of ASERCA information requests showed that only 61.7% of agency responses could be considered “positive.” Requests involving Procampo account for 25% of information requests, and they receive the most positive responses. Another 25% were directed to the marketing support programs, and 40% went to ASERCA’s central offices. However, publicly available data does not permit any assessment of the degree to which public information requests contributed to specific oversight actions or oversight outcomes, with the exception of the Farm Subsidy website created by Fundar (www.subsidiosalcampo.org.mx). This public interest group used information requests as a tool to construct this public database, which has been widely covered in the national press.

RECOMMENDATIONS

These findings are the basis for the following recommendations about how ASERCA could improve its social oversight systems:

- To implement systems for social oversight, ASERCA should coordinate with the Public Administration Ministry’s Adjunct General Directorate for Social Oversight. This would permit access to training, best practices, an integrated information system and coordination that would facilitate the promotion of committees in rural area, as well as coordination with municipal and state government-led social oversight programs.
- Set up Social Oversight Committees, based on the functions specified in Art. 20 of the Public Administration Ministry’s official guidelines for social oversight programs.² In addition to the “citizen attention” systems, this would involve the committees having actual powers and autonomy in their composition and operation. This would require clear procedures for the selection of committee members, for specifying committee functions and powers, as well as operational manuals and training for program beneficiary spokespeople.
- Launch programs to encourage the participation of civil society organizations in citizen monitoring. The involvement of public interest groups in oversight of ASERCA programs could be promoted directly, through opening a new line of support through the co-investment program of INDESOL, and/or through an Agriculture Ministry program to encourage participation. These promotional programs, which are mandatory according to the LFF (Federal Law for the Promotion of Civil Society Organizations) should be carried out through public grant competitions that would make awards based on the decisions of joint government-civil society assessment bodies that operate according to clear rules.
- Create joint government-civil society committees to assess funding proposals. As already exists in several Social Development Ministry and Agriculture Ministry programs, technical committees, including non-governmental representatives, can participate in reviewing producer requests in order to make resource allocation decisions more transparent.
- Improve public access to the lists of ASERCA program beneficiaries, using the work of Fundar as a reference point. With the goal of making public reliable data on the lists of individual producers, by state and municipality, ASERCA should use the methodology of Fundar’s “the Farm Subsidy Database,” with the goal of making the information transparent and keeping the roster up to date.
- Have all agricultural programs use the same producer reference number. This would allow the aggregation of information about all the federal subsidies that each producer receives.
- Update the Procampo beneficiary list in real time, with open enrollment. This how other income transfer programs work, such as the Cadastro Único in Brazil or SIBSEN in Colombia, where the updating of the roster is automatic and access is not constrained by limited time windows. The agricultural census or other mechanisms can serve to verify the data and to establish checks and balances.

For local civil society organizations and agrarian communities interested in monitoring and oversight of ASERCA’s farm subsidy programs, recommendations include:

² See SFP (2008)

- Encourage the horizontal and vertical networking of Procampo's existing citizen oversight committees. Bringing together beneficiary spokespeople who deal with the same regional Agriculture Ministry offices (CADER) and rural development districts (DDR) would bolster their capacity to oversee the chain of ASERCA's farm subsidy program decision-making.
- Monitor the existing Procampo citizen oversight committees, especially their "recommendations" for beneficiary renewal, by calling for decisions to be made in public, by participating as observers in these meetings and by following up on problems that emerge in these committees.
- To raise public awareness among stakeholders, disseminate information about other ASERCA programs, such as the "Compensatory Supports" program, via community radio and other rural communications media.
- Participate in the generation and training of citizen oversight committees, to build their capacity to monitor ASERCA program operations.
- Participate in the citizen monitoring of the operation of ASERCA programs.
- Follow up on complaints and denunciations of abuses presented to ASERCA's official "internal control" office and/or its information and complaints system.

BOX 9: MONITORING PRODUCERS "FROM ABOVE"

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Being registered in the list is not enough to receive Procampo subsidies. Each season, the producers have to apply for the subsidies during the periods when the windows are open at the CADER, or local branch office of the Agriculture Ministry, in their locality. A producer's ability to receive subsidies depends on this action. The administrative procedure entails filling out a standard application and submitting it to the CADER, specifying the total number of hectares to be planted and the total amount of land available. If the producer's file has been modified – as a result of transferring the rights of some parcel of land, for example – s/he has to update their data at the CADER within the established timeframes.

In these processes, one critical area of corruption is the difference between what each farmer says he is going to plant, and what is actually planted. The main "anticorruption" actions reported by ASERCA have to do with this point, introducing the use of satellite photography for verifying the total area actually planted. According to the Inter-Agency Commission on Transparency and Fighting Corruption (CITCC, 2006): For verifying *ejido* properties, the Agriculture Ministry, as of yearend 2004, attained 100 percent coverage of plots with satellite images, making it possible to identify whether a given property is or is not planted, and whether it complies with the rules [in this case, whether it is planted in legal crops], and to determine the changes in area planted or harvest by parcel, owner, and producer. This system confers certainty and transparency when subsidies are granted by the Programa de Apoyos Directos al Campo (Procampo).

The satellite images make it possible to determine the area actually planted and whether the crop is or is not legal. For example, according to Juan Antonio Fernández Solís, then director of Procampo, "in 2001, 300,000 hectares were taken out of the program, most because the area had been set aside for growing narcotics; supervision will now be stricter, since it has the satellite images of the Ministry of National Defense, the Navy, the Ministry of Interior, and the Environment Ministry, among another 26 government offices" (Pérez 2001).

This procedure involving horizontal verification using satellite images is supplemented by reviews of the files and field visits by the CADER staff to deter this practice. Nonetheless, the field visits have diminished in number over time. According to our sources, at present physical inspections of the parcels are allowed for only four reasons: when an increase in land to be covered is sought of more than half a hectare; when the land is for common use; when the lands have not been previously included in the program; and due to citizen complaints channeled to the Oversight Committee and/or the Internal Oversight Office. Physical visits to the properties depend on the operational capability and human resources available at each CADER.

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