

UNIVERSAL CITIZEN'S PENSION IN MEXICO CITY: AN OPPORTUNITY FOR DEBATE ON BASIC INCOME¹

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Towards the end of 2006, 410,000 people in Mexico City aged 70 and above are guaranteed a lifetime, unconditional monthly cash transfer regardless of gender, ethnicity, socio-economical status, religion, nationality or political affiliation. It is no contributory pension. This is one of the foremost achievements of the Mexico City government led by Andres Manuel Lopez Obrador and the Partido de la Revolucion Democratica (PRD) and which has placed the recognition of social rights, the universality of social policies and a rights-based focus on the public agenda as structural components of the new discussion on the social issue in the country. This paper intends to contrast the two differing concepts of social policy, that of the Federal Government and that of the Government of Mexico City, by comparing *Oportunidades* and the *Universal Citizen's Pension*, while at the same time pointing out how the latter is a basic reference for opening up debate on basic income, inexistent until now in Mexico.

Thinking Big

We must go back to thinking big about social policy. The nearly three decades of neoliberal adjustment have caused a profound conceptual change in ideas underlying social policy, and these must be thoroughly questioned.

The theoretical and political shifts of the last two decades have been very important. In the framework of adjustment policies, deregulation and liberalization of the economy in Mexico, key

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concepts like universality, guaranteed social rights, state responsibility, income redistribution and mitigation of poverty were abandoned and replaced with the concepts of subsidies, focalization and combating poverty.

In these past two decades, not only did the population become impoverished, so did the conceptual framework of social policy. Focus was shifted from the hard topics of inequality and social exclusion to compensatory policies for combating poverty. The focus was shifted from the logic of social rights to the operating of focused programs. The idea that social policy is not for society as a whole but only for the needy and those left out of the market game also emerged in this period. Social policy was assumed to be about governability, not about justice, cohesion or social inclusion.

Nevertheless, conditions for opening debate that allows for a definition of different social projects in social policy have been opening up. This is a conceptual clarification and an indispensable policy in order to think and build an alternative, because if anything is clear from these decades of impoverishment and deepening inequality is that social policy must be rebuilt on new basis in order to successfully confront the hard topics of inequality, exclusion, inequity, growing poverty and the breakdown of social cohesion.

Opportunities or Rights?

Broadly speaking, and allowing for many subtle nuances, we can point out that there are two basic concepts of social policy in Mexico.

In the first case, the concept that defines the Mexico City government which is founded on the recognition, exercise and demandability of social rights, the guaranteed character of state action and the recovery of its social responsibilities. This concept assumes the construction of citizenship as the process of exercising rights, and defends the universal character of rights and the need for building policies and programs accordingly. Likewise, this concept comes from the need to articulate social policy from rights and linking these policies to economical policy. Because of this, in this concept equality of rights is established as a fundamental value.

At the same time that this concept proposes the central character of equality it recognizes social diversity as a fundamental fact of contemporary societies. Accordingly, this view articulates the exercise of social rights (of an egalitarian nature) with the promotion of social equity. Thus, the promotion of equity is impossible to disassociate from the search for social equality: they are

complementary processes. Equity does not replace equality.

The articulation of equality and equity points to a public policy that seeks the achievement of complex equality as a guarantee of universality and, at the same time, of recognition of individuality. This is to say, equality in difference and diversity with rights.

This concept understands civil participation as a constituent element of social policy in a logic of daily accountability on the part of authorities and of growing participation from citizens in a perspective of demanding rights and of involvement in decision making on policies, plans and programs.

In the second case, the Federal Government's concept is based on targetting and is structured around policies of combating poverty, not of guaranteed universal rights but based of the principle of subsidiarity, designed with market categories (cost, benefit, incentive, human capital, social capital) and with a theoretical grounding in methodological individualism and the theory of rational choice. In this view, social policy is understood only as social programs that are disassociated from rights. Furthermore, social programs in education and health, for example, are regarded merely as services. The Federal Government's concept does not articulate social policy with economic policy, and assumes policies in matters of equity as disassociated from the building of an equitable society, in an exclusive logic of compensatory measures.

The Federal Government's position understands citizen participation as an abstract idea of co-responsibility in which the state's responsibilities are diluted and the population is caught up in a logic of counter-benefits, a sort of providing benefits of its own. In this view, the public sphere is understood as a zero sum game between the state and society. The state's proposal is based on achieving equal opportunity.

GOBIERNO DEL DISTRITO FEDERAL	GOBIERNO FEDERAL
Equality of Rights	Equality of opportunities
Social responsibility of the state	The state is co-responsible along with citizens

Universal access to, or territorial targeting	Individual targeting as the norm for all programs
Demandability of rights	Conditioned support
Institutionalization of rights	Transitory programs
Ample coverage	Limited coverage
Support equal to no less than half the minimum wage	Smaller support and household investment limit

These two concepts of social policy allow us to develop discussion not only on an abstract level, but rather rooted in the construction of programs and concrete policies in which these two concepts are materialized. The government of Mexico City adheres to the first perspective while the Federal Government follows the second one. And, in the case of Mexico City, the Social Development Law for Mexico City has institutionalized the focus by establishing as basic principles, among others, universality, equality and demandability, defined as follows in article 4:

Universality: Social development policy is aimed at every inhabitant of the city and has as its purpose the access for everyone to the exercise of social rights, to the use and enjoyment of urban goods and to an ever better quality of life for the population.

Equality: This is the main objective of social development and is expressed in the continuous improvement of the distribution of wealth, income and property, in the access to the set of public goods and to the abatement of the great differences between persons, families, social groups and territorial environments.

Demandability: Through a set of norms and procedures, inhabitants will access progressively demandable social rights within the framework of the different policies and programs of the available budget.

As an exercise in contrast I will compare the practical implications of the differing concepts of social policy of the Mexico City and the Federal governments by comparing the two central programs of

both policies: the program “Oportunidades” -Opportunities- of the Federal government, and the “Pensión Universal Ciudadana” –universal citizen pension- of Mexico City.

The program “Oportunidades”, a continuation by the way of the program “Progresa” of the Zedillo administration, is the star program of the Federal Government’s Secretaria de Desarrollo Social, (SEDESOL), which receives most of the secretariat’s resources.

Opportunities is a program designed and implemented by the Federal Government that involves actions related to health and education. The government started a modest version of this program in Mexico City, strictly under its own responsibility and without participation of the City government.

It is a program that aims to cover 5 million families throughout the country this year. It is characterized as a program destined to what has been called “the fight to stop intergenerational transmission of poverty and in favor of the accumulation of human capital.”

The Oportunidades program provides services to boys and girls from third grade of elementary school through the third year of secondary school via monetary transfers in amounts varying by school grade and gender, and the transfers are administered by the female head of the household. The selection of beneficiaries is done via means tested and decisions of inclusion or exclusion of beneficiaries are made by the authorities. It is thus a highly targeted program and with an essentially rural understanding of poverty and in the case of Mexico City highly punitive.

Numerous groups are excluded from the benefits of this program, such as residents of the over 180 thousand communities with population under 100 inhabitants, the vast majority of urban poor, those aged 23 and above, boys and girls aged 8 and under (except for the proportional part of a nutritional supplement and the 11 dollars per family for nutritional support) and all those that to the judgment of SEDESOL are above the poverty line that is also unilaterally defined by the government.

In addition to this targeting, the “Oportunidades” program defines that the monetary transfers to homes must be met with a “fulfillment of co-responsibilities” on the part of beneficiaries. This stipulation translates into measures such as children not missing school and that the women and families must go to the health center at least once. The transfers are cancelled if these conditions are not met.

Education and health are thus transformed from rights into obligations in exchange for a monetary transfer.

Thus, the state is no longer obligated to guarantee access to education and health, rather it is the citizens who are obligated to go to school and to the health center in exchange for the benefits of “Oportunidades.” It is not the citizens who exercise their rights, it is the State who obligates their participation in government services.

Here, of course, we are not speaking of building citizenship, but rather of a qualitative change in the relationship between the State and citizenship: from rights to services, from demandability to conditionality, from universality to targetedness, and from an autonomous citizenship to regulated obligations.

From a totally different standpoint, in 2001 the Mexico City government started the program “Pension Universal Ciudadana” –Universal Citizen Pension- for all persons aged 70. On November 18th, 2003 the pension was recognized in the city's legislation as a right, a new social right, as established by law.

LAW THAT ESTABLISHES THE RIGHT TO A FOOD PENSION FOR ADULTS AGED 70 AND OVER, RESIDING IN MEXICO CITY:

Article 1: Senior Citizens aged 70 and over, residing in Mexico City, are entitled to a daily food pension of no less than half the current minimum wage in Mexico City.

Article 2: The mayor of Mexico City must allocate enough of the budget to guarantee the right to the food pension to all persons aged 70 and over that reside in Mexico city.

Article 3: The Legislative Assembly of Mexico City must include in the yearly budget, enough resources to make the right to the food pension an effective right.

Article 4: The manner in which the food pension will be delivered, verification of residence, the

development and maintenance of the database of beneficiaries and other requirements for the exercise of the right defined in this law will be specified in the appropriate regulations.

Article 5: Public servants responsible for the implementation of this law, that do not comply with the obligation to act with adherence to the principles of equality and impartiality, will be punished according to applicable legal statutes.

The Citizen's pension, as indicated earlier, is a monthly transfer of half a minimum wage, around 65 dollars a month, for the entire population with effective residence of at least three years in the city and that are aged 70 or over. It is universal, unconditional and demandable as a right. An adult person has the right to refuse it, but it is an autonomous decision, not one that is made by the authorities.

The universal citizen's pension stems from the need to build an effective security and social protection net that is universal in character. A vital underlying idea is that social rights are for society and not for subsets of people that authorities decide need or do not need them. This piece of legislation has also been complemented with another law that establishes the right to medical services and free medicine for anyone, regardless of age, who has no social security coverage. These measures are all aimed at achieving universality in matters of health and social protection.

Accordingly, the citizen's pension is designed with the logic of recognition and social solidarity. The policy mandates universal coverage assuming that all senior citizens –through various means-gave of themselves on a daily basis in order to build the city and to keep it running, just as they gave to their communities and their families.

This policy is a first step in the direction of social recognition of the invisibilized domestic work of thousands of women, of the community service of innumerable men and women and, also, of the contribution of people aged seventy and over that came from other countries and have worked for the advancement of Mexico City and of all of Mexico.

The citizen's pension in Mexico City proves that the City is also a creator of citizenship, of a new urban citizenship. This is particularly noteworthy in that the right to the pension is not restricted to Mexican nationals, but rather is available to all Mexico City residents who are over the age of 70,

regardless of nationality.

An outstanding element of the citizen's pension –one that comes out of the various evaluations done of the program- is the impact it has had on improving the nutritional intake of senior citizens, their access to goods that would otherwise be beyond their reach, and on their access to better health care. However, changes brought about in the social dynamic are equally important.

Very likely the most lasting and profound effect of the citizen's pension will be the increased autonomy of the city's senior citizens, the greater respect they acquire in the family environment, their greater visibility in the public space, improvement in their self-perception and the social respect and dignification that is expressed in many ways in the daily life of Mexico City. Because a social policy anchored to a perspective of rights seeks two fundamental purposes: abating inequality in society and enlarging the autonomy and freedom of citizens.

In summary, “Oportunidades” and the “Pension Ciudadana Universal” clearly illustrate the two prevailing concepts in matters of social policy in Mexico. Both imply monetary transfers, but while the Federal Government's program is individually targeted, the Mexico City government program provides universal coverage for a whole social group; Oportunidades is conditioned and the pension program is demandable; the Oportunidades is a temporary program whereas the universal pension remains in place as long as the senior citizen is alive; the federal's program implies obligations for the citizen, the City's program involves obligations for the State. Whereas the Federal Government's Oportunidades reproduces the logic of social subordination, the Mexico City policy builds citizenship and social autonomy. In summary, “Oportunidades” is a top-down government program, centralized and conditional, while the “Pension ciudadana Universal” is a new institutionalized social right.

Citizen's Pension and Basic Income

The Mexico City citizen's pension is limited to a specific group of the population and is not, rigorously speaking, a basic income for all citizens. Nonetheless, the policy is based on the core principles of universality, non conditionality, permanence and demandability.

For Mexico the citizen's pension meant restoring to the public agenda the perspective of the

universality of social policy and the demandability of rights. However, the path for the social appropriation and its institutionalization of this policy has been complex.

In the first years of the policy's implementation it was rejected by sectors of the middle and upper classes who protested their incorporation to the program because of they refused to be considered or labeled as poor. But two years later it was these very senior citizens who demanded to be incorporated. The refusal rate for the pension is 2% of the senior citizen population of the city.

In a perception poll conducted in 2003 only 30% of senior citizens regarded the citizen's pension as a right and the majority saw it as "government support." But by the beginning of 2006, 78% of senior citizens considered the pension a right.

On the other hand, the Federal Government systematically criticized the citizen's pension, branding it as populist and paternalistic. But in 2006 --which by the way has been an election year--the government started its own program for supporting senior citizens, but targeted only at senior citizens in families in the "Oportunidades" program. They began to offer around 22 dollar a month, slightly more than a third of the amount provided by the Mexico City government and conditioned to the senior citizen's assistance to healthcare services.

The citizen's pension rapidly conquered a great social and citizen approval in Mexico City and it obtained considerable national resonance that forced candidates from the other political parties in the recent electoral campaign to include it in their proposals.

Mexico City has made a relevant contribution in the discussion of the social policies by building a new social right, that of the citizen's pension, that is enjoyed today by 410,000 people each month, the entire population aged 70 and over.

This experience has also demonstrated that universal policies build citizenship and social cohesion, unlike targetted policies which divide communities. The arguments that this type of policies are "populistic" and "paternalistic" were shot down, and this approach has acquired a new social legitimacy in favor of the universalistic and guaranteeing approach to social policy.

In Mexico the proposal for basic citizen income or universal citizen income is practically unknown and thus no debate has taken place. Fortunately, we can now turn to the universal citizens pension as a successful experiment, with high social legitimacy and institutionalized as a right.

Dr. Asa Cristina Laurell, the Secretary of Health for Mexico City during Lopez Obrador Administration and who designed the pension program for senior citizens, probably did not realize that this program was going to make a great contribution towards opening the door to the debate over basic income in Mexico.

This is an urgent debate and to this end we seek to our effort for a return to thinking big on social policy, with demandable universal rights, not conditioned opportunities