24 years of wellbeing in Mexico: economic policy effects over social policy

Abstract

Mexico has transited, in the last 24 years, from a model of industrialization, which favored the growth of the domestic market and a robust welfare state model towards an open market model and a reduced state model. This change has been known as the neoliberal revolution. At this time, the incrementation of poverty and the reduced access to the goods produced by the market in terms of wellbeing in this period, suggest a failure in the economic policy which has had to be solved by the social policy. A change in the economic policy is necessary to avoid overburdening the State with the responsibility of social welfare through a virtuous couple with social policy.

Keywords: economic, policy, social, community, industrialization

Introduction

It is possible to affirm that the welfare of societies is linked to the conceptions about the nature and limits of the State. Although the bases of the liberal State, in the contractualist view, point out that the reason of the State is to provide security and welfare to the members of the political community, it is also possible to observe the existence of a great historical tension between the participation of the State in the generation of wealth and wellbeing. In this way, it is possible to understand the appearance and decline of the Welfare States in the 20th century. Until 1929 the economic liberalism had managed to generate a global market without frights; nevertheless, after World War II, the participation of the State in the generation of development and wellbeing took great importance. It is in the 80’s when an academic and economic elite movement generated a return to the models of free market economies generating again changes in the conception of the responsibilities of the State in relation to the tasks of development and welfare. Mexico, as well as various Latin American countries, turned towards the so-called neoliberal revolution, which demanded a reduction of the state apparatus through privatizations and a change in social policy, going from a robust social state to a reduced state with the minimum responsibilities on welfare. This article has as purpose understand the changes, results, and challenges of the social policy in México in the neoliberal era, the hypothesis is that México has transited in the last 24 years from an industrialization economic model to a free market economic model. This change meant reformulate social policy in the country concentrated the government efforts in the poorest under capacities paradigm leaving no poor people to satisfy their wellbeing from the market.

After time, it can be said that Mexican social policy, on one hand, has achieved some of its objectives on reduction in poverty, but on the other, under a focusing strategy has let the rest of population grow up in inequality and poverty. The challenge to the future is to explore another kind of social policy that can attend the whole population in improving wellbeing and equality.

Social policy and the state

Nature of social policy

Social policy can be understood as public policies related with social development that means, all actions taken by the State to generate wellbeing through at least access to housing, drinking water, basic food, and in an extended way to education, health services, and minimum income. Some scholars have developed more detailed definitions, for Anne Westhues it “social policy is a course of action or inaction chosen by public authorities to address an issue that deals with human health, safety or well-being.” In the same sense, Hugh Bochel affirms that social policy is related with the way in which wellbeing is distributed in a society; “social policy and administration is about the study of the distribution and organization of welfare and well-being within societies. Its focus is on the ways in which different societies understand and meet the needs of their populations”. Another way to understand Social Policy is related with the complexity human relations that intervene in the mechanisms to get wellbeing in societies, “the social relations necessary for human wellbeing and the systems by which wellbeing may be promoted”.3

Social state and typologies

The complete form of understanding the social policy of the State has been in the representation of the Social State or Welfare State, classic welfare state was often conceived of in relation to policies of income maintenance and social security, health care, the personal social services, education and training, employment, and housing; and social policy was widely seen as what the welfare state did.2

For Franoise Xavier Merrien,2 Social State is the result to understand public interest and social rights, “Bases its legitimacy on a new conception of the public interest integrating in a wide way the social rights of the citizens”. Strictly speaking Merrien talk about Social State is talk about the monopolization of solidarity, “the term means monopolization by the state of social solidarity functions”. The state of welfare, of Sozialpolitik or Welfare State.5 The providential state is of French origin and was born from the revolutionary movements of the eighteenth century and has had its heyday in the twentieth century from the total participation of the state in the generation of welfare, leaving aside the intermediation of social organizations that cannot provide it, “is the idea that in an atomized society where intermediate bodies, such as family or professional bodies, are not able to fulfill a role of solidarity, the state is necessarily called upon to intervene”.4

The German social state, Sozialpolitic, can be understood in the origin...
of the thought of Lorenz Von Stein, which has been attributed to the social meaning of the State, and the Otto von Bismarck to create a social security system, “the German welfare state is therefore the state which deals with the fate of the workers and who, in return, expects from them a loyalty to any event”.

The British social state, Welfare state, has its origin at the end of the Second World War and under the postulates of William Beveridge linked the Keynesian economy, which claimed for a participation of the State within the economic circle. It differs from the French and German conception in that the Welfare State in that it is not limited to the poor or to the workers but to all the citizenship, going through centralization and social planning. It is possible to affirm Welfare State was the most extended and known Social State version, especially because of the successful duel between social policies and economic policies.

It can be understood that the functions of the social state in all its manifestations are social protection or security; however, it is necessary to understand the differences that arise between insurance, assistance or universalization systems of social security. The population benefited from the social security systems are salaried citizens, while in the case of social assurance the poor is the benefited and in the universal, they are all citizens. In the same sense, the financing of the services comes in the first case of the salary of the insured workers, in the second of specific taxes and in the last one of general taxes of the citizens.

The Social liberal State is founded on a strong market economy and the social policies are limited to the poorest, and minimal transfers and social coverage’s. This regime can be found in United States, Canada, and Australia. The Social Conservative-Corporatist State focus on the social attention of the workers through health services and unemployment support. This kind of Social State is representative of France, Germany, and Italy. The Social-Democratic Social State could be considered as the most complete and universal due it is tied social rights and citizenship is financed by progressive taxes. We can place here Sweden, Norway, and Denmark.

The social state in the neo-liberal era

It is necessary to point out that in many ways the social state, as a social policy, is intimately related to economic policy, that is, dependent on the growth of the economy and the resources of the government, it is possible to consider the possibilities of social welfare. In the Latin American case, in the 1980s, the economic situation caused by the over-indebtedness of most of the developing economies, the excessive growth of the bureaucratic apparatus and the crisis of oil prices caused an insolvency of payments with international financial institutions. The response of the creditor agencies was a series of measures known as neoliberalism. This represented a radical change in economic policy based on the principles of point out that neoliberalism had two principal axes:

1. Free market.
2. The reduction of syndicalism and social State. In this last point, it is necessary to say, that the neoliberal philosophy established the moral bases of the State, leaving it with a limited responsibility for the welfare of societies.

The new dominant philosophy posits two axioms based on the theory of moral hazard:

a) Individuals are less tempted to look for work if they receive an allowance.
b) A large proportion of social recipients are profiteers.

In this way, it is possible to affirm that neoliberalism was not only a way of understanding the economic process in a different way but also the way in which welfare is distributed by modifying the moral bases of the State. It was an economic revolution that demolished the social state. With the fall of the Berlin wall and the proliferation of the neoliberal economy, most of the resistance, so to speak, of the social states, was quickly extinguished. In a matter of years, the social policy of a robust state changed to a type of sectorized policy focused on the most disadvantaged groups under the paradigm of human development. As for the policies of worker protection, these became the new functions of the State. One of the first measures adopted was the privatization of the pension system and subsequently the provision of health services. Currently, after a series of reforms to labor laws, most workers do not have social security because the neoliberal model seeks to eliminate the higher costs to companies to boost productivity. Social security has taken a place on the box of disease for the economies, “Public policies of social protection of workers, defended by the International Labor Organization, it’s the object of an intense campaign of delegitimation.

Social policy in México

Social policy and the industrialization model

As has been mentioned, after Great Depression and Second World War, most of the economies promoted an economic model based on the postulates of John M. Keynes. Especially in Europe, this economic policy consisted of an active participation of the state in the economy with the purpose of encouraging consumption to supply the demand equation and generate growth. México and Latin America historically have been considered in development, that is, without a robust equation and generate growth. México and Latin America historically have been considered in development, that is, without a robust industrial sector, as result, a model capable of denying growth based on industrialization was implemented after the Second War. What was sought was a way to convert them into developed countries, “in 1940, México, like many developing countries, adopted import substitution industrialization (ISI), an inwardly focused state-led plan designed to insulate the national economy form the pressures of the global market during Great Depression”.

From 1940 to 1970 Mexico managed to form an industrial sector that allowed growth at rates of 6% per year on average with respect to GDP. During this period the Mexican State had a very strong participation in the promotion of development, starting from the warranty of high salaries, price control, and exchange rate. During this period and thanks to the benefits of the industrialization model, it was possible for the Mexican State to promote a robust social policy. The first great success began in 1939 with the agrarian reform, which was a policy of President Lazaro Cardenas that allowed a redistribution of land ownership, which had been a great debt to the peasants inherited from the 1910 revolution. This fact, by itself, allowed access to work the land for a large number of Mexicans. However, in strict terms of social policy, the first major decision in social policy was the creation in 1943 of the Mexican Institute of Social Security (IMSS) and the Institute of Security and Social Services for State Workers (ISSSTEE) in 1959, first one for private worker sector and second one for public worker sector, which granted, for first time, to all Mexican workers access to health and housing services, and pensions. Under this two institutions, the majority of Mexicans get to improve their
material life conditions until 1989, México’s social welfare system is comprehensive: it includes old-age and disability pensions for insured workers; pensions for wisdom and dependent children; workers’ compensation; medical care for insured workers and their families; child care for insured female workers; cultural, sports, and recreations centers; and low cost housing financed with low-interest funds.  

Social policy during Neoliberal model  

In 1989, President Carlos Salinas, imported to México neoliberal economic model. The first changes were privatization of public sector, transition from industrialization model to open economic model, and a big change in social policy. Among these changes, in this period, began the process to privatization of pension system, The new program eliminates the pay-as-you-go scheme based on publicly administered common funds with guaranteed annuities; it replaces it with a mandatory program of individual retirement accounts managed by private financial intermediaries, The Retirement Fund Administrators (AFORES). The amount in the account varies depending upon an individual’s savings and is therefore uncertainty.  

The next step in the dismantling of the Mexican Social System was the reform of labor laws since the creation of social system all workers had access to social security. The IMSS was a virtuous cycle by which social security was financed with contributions from the workers, companies and the state. The new law approved in 2012 allowed companies to hire workers without having granted access to IMSS services, that is, the majority of workers Mexicans today do not have access to social security and in consequence their families. In next table, we can see the diminution of workers covered by the social security in the state agency IMSS (Table 1).  

Table 1 insured worker at IMSS (Data from National Institute of Geography, Statistics and Information, INEGI)  

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>69%</td>
</tr>
<tr>
<td>1980</td>
<td>62%</td>
</tr>
<tr>
<td>1985</td>
<td>63%</td>
</tr>
<tr>
<td>1990</td>
<td>57%</td>
</tr>
<tr>
<td>1995</td>
<td>63%</td>
</tr>
<tr>
<td>2000</td>
<td>56%</td>
</tr>
<tr>
<td>2005</td>
<td>55%</td>
</tr>
<tr>
<td>2010</td>
<td>52%</td>
</tr>
</tbody>
</table>

In the same sense, today, According to the National Institute of Statistics, Geography, and Informatics (INEGI), 80% of the population of retirement age does not have social security. To cover those results, especially the access to health services, in 2000, President Vicente Fox created the program Popular Insurance, “Seguro Popular”, whose objective is to offer access to medical services to all Mexicans free of charge in basic consultations and coverage in some types of diseases. The operating rules state the objective for the current administration as follows: The main objective of the popular insurance is to protect all the population that does not already have a social insurance of medical expenses, looking for this way that all the members of the families affiliated with the popular insurance have access to health, medical, hospital services, pharmaceutical and surgical.  

Additionality, In the same logic, in 2007 President Felipe Calderon created the Program for a Universal Pension, “65 y mas”, for those who do not have the benefit of a pension, the income consists of approximately $72 CAN ($1,092 MX) per month. The objective of the program is, Contribute to providing social security schemes that protect the socio-economic well-being of the population in a situation of deprivation or poverty, by improving the economic and social well-being of the adult population over 65years of age and older who do not receive a pension or retirement type contribution above $1,092 per month.  

Oportunidades the Social Program against poverty  

As has been mentioned, the new economic policy of neoliberalism brought a new way of conceiving poverty and social policy. The great international organizations promoted the idea that the most solid government programs should be focused on the population most in need in order to generate conditions to break with the generational transmission of poverty through equality of capabilities. These ideas were based on the proposal of the economist Amartya Sen and the paradigm of human development. This way in 1994 was created the social program “PROGRESA” which was the more ambitious of the new social policy. “PROGRESA (National Education, Health and Nutrition Program), which provided direct assistance to poor rural households for health care, education, and child nutrition.” Untill 2018 this program has changed the name and some aspects but continue practically equal in essence. In 1994 was named PROGRESA, in 2000 OPORTUNIDADES and in 2012 PROSPERA, essentially the program has three main components: Nutrition, education and minimum income.  

Program objectives  

The official operating rules of the program established that the program rests on the premise that inequality in income and opportunities in access to minimum satisfaction of well-being are determinant in the intergenerational transmission of poverty, “This inequality in the distribution of income and access to opportunities has generated a circle vicious, in which the members of the families face greater difficulties in developing the full potential of their capabilities, which makes it impossible for new generations to overcome the condition of poverty.”  

The objective of the program then is to increase the possibility to access to nutrition, education, and income, The Oportunidades Human Development Program since its inception has aimed to increase the capacities in education, health and food of the members of the households in condition of poverty, who with their effort, and with the support of society and the three orders of government, access to better levels of well-being.  

Thus, there are three areas in which the program focuses  

Food, promoting access to correct nutrition, meeting the minimum requirements nutrition, as well as food orientation for a healthy diet and promotion of lifestyles healthy. Health, through health promotion actions for the prevention of diseases, as well as the impetus for access to quality health services, and Educational, through greater educational coverage, with the granting of scholarships as an incentive to stay and advance school. The program in its educational section seeks to encourage assistance to schools by children from poor families granting scholarships that are delivered directly to parents as an incentive to allow their children to attend school. In Mexico it is common for this type of infants to work in family tasks such as
planting or harvesting, additionally, with the purpose of encouraging the educational achievement of scholarship holders and education scholar’s higher average students are given a monetary incentive to complete this level of education. In what respect to young people who finish secondary and/or high school, through accreditation to through the recognition of acquired knowledge, monetary support can be granted to the certification of those levels. Likewise, scholarship holders and scholars of upper middle class may be granted support from transport. The health component seeks that children obtain health services to cure certain diseases that cause mortality in people living in poverty through a basic health protection. Also, the program try to prevent obesity and malnutrition, the rules of operation of the program are detailed as follows:

a) Provide free of charge the Guaranteed Basic Health Package.

b) Promote the best nutrition of the beneficiary population, especially to prevent and address poor nutrition (malnutrition and obesity) of children from the gestation stage, through surveillance and monitoring nutritional status, as well as the delivery of food supplements to children under five years, pregnant and lactating women and control of cases of malnutrition.

c) Encourage and improve the self-care of the health of the beneficiary families and the community through the educational communication in health, prioritizing nutritional food education, the promotion of health, the prevention of diseases and the attachment to the treatment of chronic patients. In the third component, economic transfers, the program offers a series of economic benefits for families for each child who enroll in the program.

It is also possible that monetary transfers are a bit larger when it comes to a female beneficiary. It is also possible that old people receive an income. The maximum total amount of transfers a family can receive is $90 CAN ($1350 MX), the objective is also to strengthen the purchasing power to buy the minimum necessary food, “The Program grants monthly direct monetary support to beneficiary families, to help improve the quantity, quality, and diversity of their feeding, seeking in this way to improve their nutritional status, by feeding correct.”

**Progresa eligibility criteria**

As already mentioned the program is of a focalized nature and is not applied throughout the whole Mexican territory. Even in the beginning, it was limited to rural areas, leaving aside people living in poverty in urban areas. Also, the main element of eligibility to enter the program is to have children under the age of 22, leaving aside families that do not have children. This can be understood because the program focuses precisely on breaking the cycle of poverty in the new generations and not those who already live it. The families eligible to enter or re-enter the Program are those whose monthly income per capita estimated is less than the Minimum Welfare Line (LBM). Once the eligible families have been identified, the Program will incorporate those, for which there is a capacity of attention of the health services and accessibility to the primary and secondary services.

Applying the following priorities:

a) Households whose estimated monthly per capita income is below the well-being line minimum and have members under 22 years.

b) Households whose estimated monthly per capita income is below the well-being line minimum and have women of reproductive age. Likewise, they are eligible to remain in the Program households whose estimated monthly per capita income is less than the Permanent Verification Line of Socioeconomic Conditions (LVPCS).

Both for the admission, re-entry and permanence in the Program, it is a requirement for families to provide information about their socioeconomic and demographic characteristics through a survey as established in these Operating Rules.

**Impact of the Mexican social policy and the effects of economic policy**

Social policy in Mexico can be described from three major programs. The first and perhaps most important of the three is the “Opportunities Program” today called “Prospera”. The second, the program of universal oversight of health “Seguro Popular” and the third the pension program for older adults “65 y más”. The three programs as a whole have come to cover the strong inequalities caused by the new model of market economy initiated in the 80s but formalized in the presidency of Ernesto Zedillo in 1994. During these 24 years, although some of the index offer information to think there are important achievements in terms of social policy, on the other hand, there are indicators that show the problems derived from the economic policy, which makes necessary to rethink the sufficiency of the social policy to reduce inequality and poverty derived from inertia of the Mexican economy.

**Indicators on social problems: poverty**

As of 2010 in Mexico, the paradigm of multidimensional poverty was implemented in order to measure well-being. Since then, the available information shows advances in social issues from the analysis of 7 components: income, educational lag, and access to health services, social security, and access to food, housing, and drinking water services. In this way the population is classified within poverty and extreme poverty according to the lack of any of the mentioned components and their combination with the level of income, Poverty: A person is in a situation of poverty when they have at least one social gap (in the six indicators of educational lag, access to health services, access to social security, quality and housing spaces, basic services in housing and access to food) and their income is insufficient to acquire the goods and services required to satisfy their food and non-food needs.

**Extreme poverty:** A person is in extreme poverty when he has three or more deficiencies, of six possible ones, within the Social Privation Index and which, moreover, are below the minimum welfare line. People in this situation have such a low income that, even if they dedicate it completely to the acquisition of food, they could not acquire the necessary nutrients to have a healthy life. As we can see in the next table, in the last years can be appreciated a sustained maintenance in the number of people considered in the poverty level and a decrease in those who are considered extremely poor (Table 2).

**Table 2: Millions of persons (Data from National Council for the Evaluation of Social Policy, CONEVAL)**

<table>
<thead>
<tr>
<th>Index</th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate poverty</td>
<td>39.8</td>
<td>41.8</td>
<td>43.9</td>
<td>44</td>
</tr>
<tr>
<td>Extreme poverty</td>
<td>13</td>
<td>11.5</td>
<td>11.4</td>
<td>9.4</td>
</tr>
<tr>
<td>Total</td>
<td>52.8</td>
<td>53.3</td>
<td>55.3</td>
<td>53.4</td>
</tr>
</tbody>
</table>

(46.1%) (45.5%) (46.2%) (43.6%)
Also in next table, we can observe in relative’s number the people who are in poverty by income, that’s means that lives with an income below wellness line. This index is defined as follows. The wellness line refers to “Monetary value of a basket of basic food, goods, and services”, and minimal wellness line refers to “Monetary value of a basic food basket”, $70 CAN ($1074MX) per month (Table 3).12

Table 3 Data from National Council for the Evaluation of Social Policy, CONEVAL

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimal wellness line</td>
<td>16.80%</td>
<td>19.40%</td>
<td>20%</td>
<td>20.60%</td>
<td>17.50%</td>
</tr>
<tr>
<td>Wellness line</td>
<td>49.00%</td>
<td>52.00%</td>
<td>51.60%</td>
<td>53.20%</td>
<td>50.60%</td>
</tr>
</tbody>
</table>

Indicators on economics: income

As mentioned from the beginning of this investigation, the relationship between economic policy and social policy is quite strong. It is possible to affirm that the first is the independent variable and the second the variable dependent. In the Mexican case, the neoliberal economic policy reconfigured the social policy, granting to the market some of the social responsibilities that were in the hands of the State. This has brought as a consequence that in the face of market failures the challenges of social policy are even greater. To give an example it is necessary to mention that the Mexican population lives with an income that is insufficient to pay for the welfare offered by the market. In the following table, it is possible to observe that 80% of the population lives with an income lower than $855 CAN and almost 50% with $342 CAN (Table 4). The failure in the purchasing power of income in Mexico is a serious problem for a population that acquires the products for food satisfaction and services from abroad at international market prices. Next, it is possible to observe a comparison in terms of hours of work that people need to acquire some products, for example, a worker in Mexico have to make 3.3 hours of works to get a Big Mac whereas in Canada the same worker only needs 23 minutes(Table 5).

Table 4 Data form National Institute of Geography, Statistics and Information, INEGI and (Date: April 2018, exchange rate $.66 MX/$1 CAN, the calculus are based on minimal wages)

<table>
<thead>
<tr>
<th>Minimum Salary</th>
<th>% of population</th>
<th>$ MX/month</th>
<th>$CAN dollars/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>6.12</td>
<td>2 650.8</td>
<td>171</td>
</tr>
<tr>
<td>1</td>
<td>14</td>
<td>5301.6</td>
<td>342</td>
</tr>
<tr>
<td>01-Feb</td>
<td>26.53</td>
<td>7 952</td>
<td>510</td>
</tr>
<tr>
<td>02-Mar</td>
<td>12.24</td>
<td>13264</td>
<td>855</td>
</tr>
<tr>
<td>03-May</td>
<td>80.32</td>
<td>less than 13264</td>
<td>less than 855</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>855</td>
<td>855</td>
</tr>
</tbody>
</table>

Table 5 Date: April 2018, exchange rate $.66 MX/$1 CAN, the calculus are based on minimal wages

<table>
<thead>
<tr>
<th>Index</th>
<th>(Price SCAN)</th>
<th>MX hours of work</th>
<th>(Price SCAN)</th>
<th>CAN hours of work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Mac</td>
<td>2.23</td>
<td>3.3</td>
<td>5.99</td>
<td>23 minutes</td>
</tr>
<tr>
<td>Starbucks</td>
<td>2.26</td>
<td>4</td>
<td>2.6</td>
<td>9 minutes</td>
</tr>
<tr>
<td>Iphone 6 (16G)</td>
<td>699</td>
<td>3.9 months</td>
<td>599</td>
<td>20 days</td>
</tr>
</tbody>
</table>

Another index that is of great importance and interest is that of the purchasing power of the food basket. It is possible and surprising to note that in the last 24 years, the neoliberal era, this has largely faded. While in 1987 a Mexican worker needed to work 5 hours to acquire the food basket in 2018, he needs to do 24 hours. This in terms of political economy means that the population has been impoverished to a great extent since it requires working 400% more time to acquire the same products (Table 6).

Table 6 Data form National Institute of Geography, Statistics and Information, INEGI

<table>
<thead>
<tr>
<th>Year</th>
<th>Hours of work</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>5</td>
</tr>
<tr>
<td>2006</td>
<td>13</td>
</tr>
<tr>
<td>2012</td>
<td>20</td>
</tr>
<tr>
<td>2015</td>
<td>23</td>
</tr>
<tr>
<td>2018</td>
<td>24</td>
</tr>
</tbody>
</table>

Conclusion

The main objective of this research was to reflect on social policy in Mexico during the last 24 years. It is possible to affirm that this period has been in which neoliberalism has been implemented with its greatest strength in Mexico. Its main result has been an economic policy with low growth that has resulted in the precarization of Mexican workers and therefore an increase in poverty. Likewise, neoliberalism brought along a new way of conceiving social policy, focusing efforts on the most disadvantaged groups of society considered in extreme poverty. For this reason, this work was guided by the hypothesis that the transit to the neoliberal economic model brought with it substantial changes in the way of conceiving and defeating social policy, but that in the end, given the deterioration of economic conditions, it has been insufficient for generating welfare face the market failures. In this way, through this research, the theoretical conceptions of what is social policy and the social state were first exposed, the three types that have been historically conceived, the French Providential State, the German Social State and the British Welfare State. Later, a historical description was made of the economic and social policy in Mexico before the arrival of neoliberalism, the vicissitudes of the market economy in the 1980s and the new economic and social policy that came with it. In the same sense, we showed the three great social programs in Mexico consist of: “Opportunities Program” today called “Prospera”, the program of universal coverage of health “Seguro Popular” and the pension program for older adults “65 y mas”. In the final section we have shown data that allow inferring that the social policy for the fight against poverty has had meager results in terms of access to the basic satisfaction of welfare, but compared to the results in wage precarization there is a great gap given the higher levels of monetary poverty which puts population in a state of inability to acquire social welfare from market opportunities.

Finally, the challenges to the future of social policy can be explained in two main dimensions. The first one is to achieve the dissociation of the neoliberal paradigm in order to understand that monetary poverty is a very important factor in the generation of poverty by capacities on which the current social policy is based. It can be inferred that the first one causes the second. The second dimension is that face to market failures, that is, precarization of wages and lack of social security for

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workers, the current social policy will continue being insufficient in the generation of welfare. In terms of the generation of wellbeing, it is important to stress the need for a successful couple between economic policy and social policy. However, in view of the current economic policy, it is very necessary to reconfigure a non-targeted social policy to attend the demand for well-being that will increase. A great limitation of this is the financing of the Social State derived from the thinning of the State and the neoliberal reconfiguration of property relations, that is, today the state is not able to generate wealth and spend it. However, as it has worked in other countries, a tax reform that allows the progressive taxation in which those who have more pay more would be a good mechanism in a country like Mexico where 80% of wealth is concentrated in 10% of the population.

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Conflict of interest

The author declares that there is no conflict of interest.

References