

14. MEXICO

OVERCOMING MISTRUST IN POVERTY AND EVALUATION FIGURES: THE CASE OF CONEVAL IN MEXICO

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INTRODUCTION

Usually, Latin American governments are not reliable about the information they deliver. Why? Because usually, Latin American governments lie about the information they deliver. We can modify the previous statement by saying that this is not the case for all Latin American governments in all periods, or that governments from other continents have also lied; this is true. But it seems difficult to disagree with the fact that, when it comes to official figures, the first reaction of citizens in many Latin American countries is disbelief. This holds for a range of indicators, including inflation, poverty, electoral results or the total wealth of politicians according to their public asset declarations.

The problem with lying even once (and being caught) is that it may take ages and a lot of effort to restore credibility. Perhaps for this reason, mistrust of official figures is difficult to eradicate.

However, it is also true that several things have improved in many Latin American countries, especially since the arrival of democracy. One of those changes, albeit slow, has been accountability. Authoritarian regimes have, by definition, more power to say whatever they want with almost no pressure from the society.

"What's the time right now?" asked the General.

"Whatever time you wish, General," replied the faithful assistant.

Direct democracy, and even today's social networks, sometimes transforms society into a more active one (and in a way this also means democracy), which increases the pressure on governments to be more transparent and accountable.

This paper is about one example of the effect of democracy on the credibility of poverty figures and social evaluation reports in Mexico. This story is a good example of overcoming mistrust of official figures. We cannot guarantee this will remain the case forever, because political phenomena change and transform suddenly, and we cannot predict what will happen. We can only examine the story as of today, and we hope that it will still be a success of transparency and accountability for coming decades.

SEVEN DECADES OF MEXICAN POLITICS

There are many things we can say about the period between the Mexican Revolution (1910 to 1921) and 1997. But here, we focus on one: not only did a single party control the government during this period, but, more importantly, this same party had a clear majority in congress. This means that the president had very few political obstacles. It might be difficult to establish that this was an authoritarian regime (we had elections, after all), but it is true that the degrees of freedom the president had were large. Congress could not—and did not—act as a check on the executive's power.

"Yes, Mr. President, it is 2 o'clock right now, if you say so."

This means, among other things, that there was no pressure to check whether official figures were the right ones, or if some figures were hidden from the public. The statistical office and the central bank worked under the supervision of the president. Civil society had neither enough power nor the organizational skills to ask for true figures or to question the ones published.

But things changed in 1997. The most important one for this paper was due to several changes in the electoral process. For the first time since the revolution, the party of the president did not have a majority in congress. For the first time, Mexico had a political balance of power between congress and the executive.

Congress began to demand transparency from the president. It is difficult to imagine today's institutions without an active congress: Due to these political changes, congress created the National Council for Social Development Policy Assessment (CONEVAL) in order to have more reliable figures for poverty and evaluation reports.

WHY THE CREATION OF CONEVAL?

The origin of external evaluations

As early as 1999, the elections to be held in 2000 were expected to be very tight. In the past, the government had resorted to clientelistic discretionary spending to win elections.

Opposition political parties in congress were asking for stricter control on the use of public resources by the executive for electoral purposes. One of those controls was to have external evaluations for all social programmes of the executive. The main idea was that an external observer could confirm that programmes were performing correctly and that fund allocation was driven by technical criteria, such as poverty or malnutrition, and not by political concerns. For the first time in Mexico's history, there was a clear mandate for external evaluations.

The election in 2000 was so tight that a new political party actually won the election. The majority of parties in congress did not belong to the new president, and Mexico had a plural congress (which it still has today).

The origin of official poverty estimates

In terms of poverty figures, before 2000 there were no official estimates; the new government decided, rightly, to determine poverty figures. For this purpose, the government hired excellent academics to elaborate a methodology to estimate poverty. With this method, official figures were released in 2002, which showed that poverty was reduced between 2000 and 2002. In 2004, the government announced that poverty had again fallen.

The power of congress

Despite these two achievements—the existence of external evaluations and the creation of an official poverty measurement—political parties in congress and opinion leaders did not believe in either (the reduction of poverty took place during an economic downturn). Due to the mistrust of social development figures (and other rationale), congress designed an independent institution. In 2004, congress issued the General Social Development Law. The law states that a new independent institution, CONEVAL, is responsible for both coordinating the evaluation of social programmes and creating a new method to estimate poverty at the national, state and municipality levels.

Congressional power in terms of accountability reaches beyond the creation of CONEVAL. Today, Mexico has an autonomous statistical office, an independent office of Transparency and Access to Information, a similar electoral institute, a quite rigorous law for budget and fiscal responsibility, and an autonomous central bank (the latter since 1994).

CONEVAL

CONEVAL was created in 2006 as a result of the Social Development Law. Perhaps the most important element of the institution is the way congress structured its governance bodies. CONEVAL has a board with eight seats; two belong to officials from the Ministry of Social Development and the Finance Ministry, and six are for independent researchers who are elected by a body of 44 votes, where the states, congress, municipalities and the executive are represented.

This means that the main decisions on the evaluation of social programmes and the measurement of poverty are taken, in fact, by the majority of researchers who are elected, not appointed by the president or by the Minister of Social Development. This characteristic

has given CONEVAL effective independence from both the executive and congress.

Since 2006, CONEVAL has published around 1,500 evaluations of specific federal social programmes, a number of comprehensive reports of the state of social development policy, two reports analysing M&E at the state level, and five sets of poverty estimates spanning federal, state and municipal levels.

CONEVAL estimated that poverty decreased nationally between 2004 and 2006, but it increased between 2006 and 2010.⁷⁰ The latest set of figures, for 2012, shows a decrease in the percent of poor persons, but a small increase in their absolute number.

The way CONEVAL proceeds in order to assure citizens that the figures are credible is as follows: The basic information is taken from a household survey produced by the autonomous statistical office. The entire survey (including the micro data) is public. CONEVAL applies the poverty estimation programme to the survey (the publicly available programme can be run on STATA, SPSS and R statistical packages). With this procedure, everyone can replicate the figures. Anyone can check for themselves whether the poverty formula may suffer any change.

CONEVAL has hired external institutions twice (Mexican universities, poverty institutes and UNDP) to carry out independent mirror runs of the poverty estimates before publication. CONEVAL felt that these mirror runs, in addition to helping detect mistakes, would also serve to certify that the measurement did what it was meant to do without any sleight of hand. Today, however, there are hundreds of 'mirrors' all over the world, and individuals routinely carry out modifications to check what would happen to a measurement if they modify the script. CONEVAL provides advice to anyone wishing to test the programme or to perform additional statistical tests and calculations.

Our hypothesis is that without institutionalizing this process, and without a majority of independent researchers on CONEVAL's board, it would be difficult for the government to accept the release of these figures, especially when poverty rises.

MANAGING THE PROCESS OF CREATING A RELIABLE EVALUATION SYSTEM

The same is true for the evaluation of social programmes. CONEVAL believes that programme evaluations have two important objectives: programme improvement and accountability. Taxpayers have the right to know if the social programmes they finance have results or if improvements are needed. For this reason, the evaluation reports coordinated by CONEVAL publicly show programmes' strengths and weaknesses. Without the autonomy of CONEVAL, it would be unlikely that governments would willingly publish evaluation reports that include programmes' flaws. This actually happens in countries and regions where the evaluation process is controlled by the president or local governments.

The level of independence provided by elected academics is certainly a factor in the increasing international recognition of CONEVAL. However, CONEVAL has also managed the process of strengthening the credibility of information. In 2007, CONEVAL detected a

70 See [coneval.gob.mx/Medicion/Paginas/Medición/Pobreza 2012/Pobreza-2012.aspx](http://coneval.gob.mx/Medicion/Paginas/Medición/Pobreza%202012/Pobreza-2012.aspx).

number of earlier evaluations in which consultants had written the same text to evaluate two different programmes over the course of three years—one text for six evaluations, six contracts, six large checks.⁷¹ No one had noticed until a single, technically competent, independent agency, such as CONEVAL, took charge of the evaluation system. CONEVAL had to ask a ministry to refrain from working with some evaluators, but essentially we had to convince evaluators, the evaluated and the public that the process was in fact rigorous, transparent and useful: that the rules had changed. Evaluation cannot proceed without everyone's cooperation.

Initially, CONEVAL restricted the freedom of both public officials and consultants. It produced very restrictive evaluation syllabuses with very little room for interpretation. There were two objectives: to lay a level ground for all programmes, and to convince everyone that spinning the facts into 'acceptable' assessments (or not doing the work) was no longer allowed.

At the same time, public officials and consultants were only allowed to use documents that had been posted on a special Web page. Positive or negative assessments had to result from documentary evidence that could be checked by anyone involved. In keeping with its transparency policy, CONEVAL initially designed this Web page as entirely public, but ministries noted some documents were restricted and public officials demanded protection, so access to the page was restricted. Later, however, many more documents were made publicly available.

Because CONEVAL had insisted that even the simplest of evaluations be performed by top academics specializing in the appropriate fields, our evaluation staff had to manage tensions between the three main parties involved. Public officials often felt consultants were not adequately expressing certain positive aspects of evaluated programmes. Academics working as consultants felt that they needed more freedom to express their expertise and their opinions. Both felt CONEVAL was placing a straitjacket on evaluations. CONEVAL discouraged private meetings between them.

We often heard complaints in the sense that evaluation was just another bureaucratic hurdle providing nothing useful. Because communication between officials and consultants was often formal and tense, officials sometimes blacklisted good academics in order to bar them from evaluating their programmes ever again. In addition to being patently unfair, blacklisting further narrowed the very small evaluation market in Mexico. Fortunately, the situation has evolved.

Evaluations can be funded and hired by ministries or by CONEVAL. Ministries have, in fact, retained their evaluation budget. Nevertheless, they have to plan their evaluations and submit their terms of reference documents to CONEVAL, which then reserves the right to oversee the process and to participate in progress meetings. Also, all evaluations hired and paid directly by CONEVAL are not only overseen by CONEVAL, but also all meetings between consultants and federal agencies take place in the presence of a CONEVAL representative. This

71 The minister receiving these evaluations had complained that he believed they were not useful. Clearly, if the procedures that produced the evaluations were faulty, the resulting evaluations were, in fact, useless.

has helped reduce the occurrence of private agreements between consultants and agencies and has avoided the appearance of false allegations against evaluators who honestly point at significant areas of opportunity or aspects requiring urgent attention.

This is not a definitive solution; powerful ministries can still influence evaluators. CONEVAL staff read all evaluations (approximately 160 annually) to suggest improvements and, if necessary, to point out inconsistencies among evidence, analysis and conclusions. Negotiation is necessary in some cases, when ministries would rather not publish an evaluation. Nevertheless, we believe the situation is entirely different from that of 2006. Evaluators feel they are backed by an institution that asks them to be constructive but critical whenever necessary. Evaluators are currently far more independent. Institutions, on the other hand, feel they have an arena in which their opinions matter, if correctly argued. Institutions can be supported by CONEVAL if they have a case. A positive byproduct is that ministry staff has to acquire and exert skills in creating and using evaluation information.

Because CONEVAL knows all the heads of evaluation teams, it has become a powerful market agent. A CONEVAL recommendation is highly valued, and we believe this has influenced the quality and impartiality of evaluations in a positive manner. Nevertheless, we acknowledge the fact that the market still needs to grow much more, particularly because state governments are now significant clients and skilled evaluation teams have become scarce.

CONEVAL does as it preaches: it has asked consultants and officials to assess the evaluation process. Feedback has resulted in substantial improvements, and CONEVAL's marks have risen continually among both. CONEVAL has also carried out a series of meta-evaluations in order to highlight areas that are in need of improvement. These meta-evaluations have also helped modify evaluation processes.

Institutionalizing evaluation processes was possible because of the creation of an independent institution with a strong mandate, but two other elements should be acknowledged. First is the full respect the executive has had for CONEVAL work. We have not perceived, so far, an attempt to convince CONEVAL to change figures or ideas. The second element is the high professional standards for the social programme in charge of the evaluation process. We believe that it would have been difficult to finish and use so many evaluations without support from the programmes themselves.

CONCLUSION

Democracy in the form of a balance of power between congress and the president contributed to the credibility of information in the area of social development in Mexico. But the task is not done. There is still more to achieve among state and local governments, where independent evaluations and transparency, with very few exceptions, have not yet arrived.

We also have to be aware of changes in the future. Political powers can sink any vessel. We hope civil society can keep an eye on this one.