

POVERTY IN OAXACA: A DIFFICULT PROBLEM TO SOLVE

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INTRODUCTION

About the persistence of poverty in Mexico, the Mexican Government has implemented various programmes aimed at poverty reduction; but the southern States still lagging behind and over 70% of the population gets low income and live in poverty.

According to the CONEVAL (2009), in 2005, 38.1% of the population was within the food poverty line, higher than the national average was 18.2%, occupying the third place, just below the states of Chiapas and Guerrero, with 47 and 42% respectively.

Poverty reduction means improving people's living conditions. In 1990, only district Centro showed low levels of poverty, while the districts of Tehuantepec, Juchitán, Huajuapán Teposcolula, Tuxtepec and Ixtlan placed with a moderate level; poverty levels while 23 districts were classified with high levels of poverty (Maldonado, 2000).

To compare districts classified with low levels of poverty and moderate poverty, the differences in water availability in housing was 9%; and 28% in availability of health systems. The illiteracy rate in population over 15 years was 12% higher in districts with moderate poverty; the population aged 6 to 14 who did not attend school was 5% in districts classified with moderate poverty. The difference in the number of doctors and nurses for every 10 000 inhabitants were important, this is 6 and 11% respectively (Maldonado: 2000).

Extreme poverty districts were characterized as population ejectors and 69% on average of the population is rural. In terms of the number of doctors and nurses for every 10 000 inhabitants the difference was 7 and 12% (Maldonado: 2000). Extreme poverty districts were characterized as high levels of emigration and 69% average of the population is rural. As the number of doctors and nurses per 10 000 population the difference was 7 and 12% (Maldonado, 2000).

These inequalities are caused by low economic growth and will undoubtedly impact on the level of income and the ability of people to satisfy adequately their basic needs: food, housing, education and health, particularly of the rural population, because can't access public services provided by the state (Maldonado, 2000).

To compare districts classified with low levels of poverty and moderate poverty, in 1995 minor differences are in water availability in homes with 2%; illiteracy in population over 15 years was 13%; and 4% in the population of 6 to 14 years who did not attend school. Largest differences occur in the availability of drainage, with 20%, the number of physicians and nurses per 10 000 population was 7 and 12% respectively (Maldonado, 2000).

Between 1990 and 1995, there was an improvement of dwellings increased with availability of water and drainage; the increase in the number of doctors and nurses and the improvement of education; this was not enough in some districts to reduce poverty. In this period, only the District Centro was placed with low poverty levels; the districts of Juchitan, Tehuantepec, Ixtlan, Huajuapán, Teposcolula and Villa Alta placed with moderate poverty levels and 23 districts were classified into low in both years, this demonstrates that the gap between the districts of Oaxaca, is considerable.

MATERIALS AND METHODS

In Latin America there was not, nor is there a welfare state. The productive apparatus in the region is heterogeneous and is characterized by the significant importance of an informal sector with low productivity, which workers have no access to social security (ECLAC, 2008).

The poor are those with more likely to have less access to education and be employed in the informal sector. The poor tend to have large family with a greater number of dependent and the family head may be illiterate or incomplete primary education. Children and young workers are more likely to be poor (IDB, 1998).

It is not possible to solve the problems of poverty, inequality and social exclusion only with social policies, it is very complicated problems whose solution requires more than compensatory policies. On the one hand must apply social policies to improve access to benefits, ensuring the soundness of institutions and ensure the degree of solidarity that they

demand. On the other hand, we must address the root causes of instability of growth and structural heterogeneity and promote productive development that would lead to growth of good quality, to improve the primary distribution of income with better jobs, more training and better conditions for members of vulnerable households to find work (IDB, 1998, Navarro 2005).

Overall, poverty is a situation in which a person is unable to satisfy their basic needs for food, housing and health, so that guarantee their survival. In a broader perspective, not only refers to basic needs unsatisfied, but extends to other aspects such as: personal self-fulfillment, freedom, human rights, participation in social integration mechanisms and decision-making, and cultural demonstrations (Corredor, 1999; Marley, 1997).

Poverty is not only an economic issue (lack of goods and services needed to live such as food, water, shelter or clothing) is also a lack of skills and opportunities to change these conditions. Good health and longevity, an adequate education, access to land and credit and other productive resources, communities and strong families, the absence of discrimination, abuse and violence, and justice, are elements that are generally absent in the poor (IDB, 1998). The fight against poverty and social exclusion is possible with greater social cohesion and a strong sense of solidarity among different groups that form the national society and a widespread feeling of belonging to it (ECLAC, 2008).

Moreover, the production, distribution and consumption occur in family domestic units (Molina, 1987). Many young couples do not have real opportunities to form or maintain a family; so many families are destroyed before the face of poverty and inequality, others are degraded and others fail continue to constitute (Kliksberg, 2005).

Under pressure from the deficiencies, it opens a host of situations that severely affect children, create all kinds of conflicts within the family unit and prevent the family fulfills many functions, including the most important: education children in the formation of values and positive attitudes for life.

Poverty is a phenomenon associated with a set of social ills Therefore, the central problem is how to define poverty so cover all its facets and from this, establish measures indicating its length, depth and variation in time and territorial space (Foster and Szekely 2001).

Identify and establish who are the poor and those who are not, has been one of the major problems in the study of poverty. As a result, have arisen various approaches in their study

that attempt to explain the causes of this social problem. Below are the methods applied in the analysis of poverty:

Unsatisfied Basic Needs (UBN), emerges as a criticism of the approach of the poverty income or consumption. This approach considers poverty arises due to people unable to satisfy one or more basic needs and may not participate fully in society (Boltvinik, 1992).

This method identifies only households by the number of dissatisfaction, which prevents an assessment of the extent of poverty. Not allow measuring the necessary increase in income for overcoming poverty (income gap), or the differences between the levels of poverty of individuals (income distribution) (ECLAC, 2001: 25).

On the measurement of poverty by Poverty Line (PL), the poor are those people who have no income to guarantee minimum life conditions. This imposed serious problems of self-worth, education, occupational health, social and community integration (Arnanz and Ruse, 1996).

Poor families have insufficient income to satisfy basic food and minimum service expenditures. It should be noted that a person considered out of poverty by the method unsatisfied basic needs, may be poor by the Poverty Line Method.

The value of the basic food basket, is based on the definition of level and composition baskets which satisfy the nutritional needs prevailing in society (adjust to consumer preferences), in accordance with the domestic supply of food products and their relative prices. Prices of every article considered for the calculation of the price index for consumer are used for the valuation of basic food basket (ECLAC, 1991).

Empowerment is the expansion of the assets and capabilities of the poor to participate in negotiating with, influence, control and be responsible for institutions that affect their lives (Narayan, 2002). Opposite is the social exclusion, which is the inability of the individual to participate in the political, social and economic functioning of the society in which he lives (Tsakloglou and Papadopoulos, 2001). In more concise terms, is the denial of equal access to opportunities that certain groups of society impose on others.

The labour market is one of the weakest links between excluded groups and established society, so expand it can be an effective tool to combat poverty. Ownership of the land increases access to credit, that can be used as collateral. Another vehicle to increase access to capital is microfinance (Tsakloglou and Papadopoulos, 2001).

Opportunities, capabilities and solidarity are the three pillars on which build the future of societies (Marley, 1997). A fairer social in the field of learning and schooling, better housing conditions and a decline in radical forms of childhood malnutrition, are priority areas for improving the quality of life and the human capital of the poor (ECLAC, 2008).

Poor women and men need a number of assets and capabilities to enhance their well-being and safety, as well as their self-confidence, so that they can negotiate with the powerful (Raczynski, 2002;) Narayan, 2002; (ECLAC, 2008).

An education focused on strengthening the democratic system that considers their contribution to greater equity will allow the intensification of conflicts of governance, which question the stability of institutions (IDB, 1998). Educating for social justice, without improving the competitiveness and productivity, it impossible to produce the goods and services necessary to ensure that equity allows a rising standard of living of all people (UNDP, 1995).

Membership of a community is that ensures access to land, extra family labour, goods and services and assistance in times of vulnerability as illness and death (Spedding and Llanos, 1999, Dandler 1987). The sowing and harvest demand labour of men and women, after the harvest, the men are absent for a sell its workforce on other sides. Grazing is the main responsibility of adult women and children of both sexes. Trade activities, men and women participate in, with the latter.

Also temporary or permanent migration becomes increasingly an important strategy of survival and occupational diversification for the rural population seeking better conditions of work and income.

Within the structural heterogeneity, it is necessary to move the largest number of micro and small enterprises in the informal to the formal sector of the economy, enabling progress in the formalization of employment. Their incorporation into the formal sector would allow them to implement new activities and access to some degree of social protection for workers (ECLAC, 2007;) IDB, 1998).

The advantages of family business in the urban environment, is the flexibility to adapt quickly to changes in demand. Contraction of demand is confronted with the decline and in extreme cases, with interruption of production, which is made possible by the use of family labour. In times of contraction members seek other jobs to supplement the income family

and in the process, weakens labor specialization in general capabilities of workers and managers / owners (Wanderley and Archondo, 2005).

Culture does matter, Peyrefitte (in Wandereley, 2004), warns that along with capital and labour, should be put to culture as a key factor in growth and wealth generation. A society with a set of social relationships based on trust, solidarity, cooperation and reciprocity, will be better able to meet the economic challenges. The paradox of low confidence in the productive area and high confidence in other social areas hinders the formation and consolidation of business networks. This condition is called narrow base (Wanderley and Archondo, 2005), development model and a concept of broad social capital includes: institutions, relationships, attitudes and values that govern the interactions between people and can contribute to the economic and social development (Narayan, 1999;) (Woolcock, 2002).

Poor access to low-productivity jobs and are at greater risk of being unemployed. They live in homes and provide families with more economically dependent children while the participation rate in poor women's economic activity tends to be less than the men. Low productivity, low participation, frequent episodes of unemployment and the high dependence on the family contribute to triple the links of shortage in households living below the poverty line (ECLAC, 2008;) (Marley, 1997).

Poverty, in this paper refers to poor satisfaction of basic needs of the population that is generated by low levels of income.

Poverty, will be evaluated applying the method of unsatisfied basic needs (UBN) and the poverty line approach (LP); as direct and indirect methods of poverty assessment.

The indicators in the index of Unsatisfied Basic Needs (UBN) are: population aged 6 to 14 who do not attend school; illiterate population over 15 years; housing without sanitation; housing without water; houses with floor of soil; homes with one or two rooms; Open population (population without medical services) and rural population.

Income Poverty Index, is integrated by the percentage of population with an income below the poverty line.

Once defined the poverty indicators, the index is constructed using Cluster analysis with the following method:

- (a) Defining poverty index indicators.
- (b) Standardizing poverty index indicators:
- c) Determining the Euclidean distance (d_{ij}) with standardized values of poverty index indicators for each of the municipalities with better population life conditions.
- d) Obtaining the index, which is the square root of the sum of Euclidean distances:
- e) Classification of the poverty index (PI) in: low level of poverty (LLP), moderate poverty (MP) and extreme poverty (EP).

To determine poverty conditions, the indices are interpreted from low to high values: close to zero, indicating a low level of poverty; higher values make reference to population in extreme poverty.

The hypothesis, considered the number of municipalities in extreme poverty fell at least by 20%. To test the hypothesis, are considered separately, the results obtained by the application of the direct method: Unsatisfied Basic Needs (UBN) and indirect, Poverty Line (PL), measuring and comparing the results.

RESULTS AND DISCUSSION.

Poverty Line method shows the full extent of the ability of people to meet their basic needs for food, clothing, housing, education and health. Unfortunately for poor people, it is not possible to think of other goods that are taken into account in the basic package including: recreation, and others who contribute to improving family life.

Taking into account the loss of purchasing power of income, poverty line set at twice the minimum wage for 1990 and three for the year 2000, by the lost of purchasing power with 43 and 61% respectively, comparing the income earned in these years with the for the year 1980.

Making the analysis on the number of municipalities classified by level of poverty that is the economically active population earning less than or equal to the poverty line, we find that the number of those considered low levels of poverty increased 25, the moderate poverty increased by 33 and, in extreme poverty was a decrease of 58 municipalities (Table 1).

TABLE 1
MUNICIPALITIES CLASSIFIED ACCORDING TO POVERTY LEVEL
OAXACA STATE 1990 – 2000

POVERTY	1990	2000
POVERTY LOW LEVEL	5	30
MODERATE POVERTY	104	137
EXTREME POVERTY	461	403
TOTAL	570	570

Source: Elaborated with information of population census and population counts of Oaxaca State

As the percentage of economically active population earning less than or equal to the poverty line is the percentage of that which was considered low poverty levels, increased 11%, the moderately poor in 6% and the extreme poverty by 1%, indicating this widespread deterioration of income distribution (Table 2).

TABLE 2
PERCENTAGE OF POPULATION UNDER POVERTY LINE
OAXACA STATE 1990 - 2000

POVERTY	1990	2000
POVERTY LOW LEVEL	51	62
MODERATE POVERTY	72	78
EXTREME POVERTY	91	92

Source: Elaborated with information of population census and population counts of Oaxaca State

The deterioration in the income of the population considered with low poverty level is greater than among moderately poor and even minimal in the extreme poverty level, as shown in Table 2.

The percentage of municipalities with population below the poverty line and were classified with low levels of poverty, only covers the Istmo 12.1% of the population in these conditions, with rates of 5 to 10% are regions Papaloapan, Mixteca and Valles Centrales with 5, 5.8 and 8.3%, those regions with rates below 5% were Costa, Sierra Norte, and Cañada. The southern Sierra is not classified any municipality.

As for the classification of moderate poverty, with rates below 80% are the Istmo region, Valles Centrales, Mixteca, Costa and Sierra Norte. Finally, classification of extreme poverty in relation to income of the population with incomes below the poverty line, with percentages below 20% are the regions: Papaloapan, Cañada and Sierra Sur, while all other regions have lower rates of 31% , in order of importance are: Sierra Norte, Costa, Istmo, Mixteca and Valles Centrales. In these municipalities, income levels are weak and the population has no financial capacity to satisfy adequately their basic needs.

In poverty analysis, using the Unsatisfied Basic Needs method, the number of municipalities increased by 69 and 52 the low poverty label and moderate poverty and the municipalities classified in extreme poverty decreased by 121, as shown in Table 3 .

TABLE 3
NUMBER OF MUNICIPALITIES BY POVERTY LEVEL
UNSATISFIED BASIC NEEDS METHOD
OAXACA STATE 1990 - 2000

POVERTY	1990	1995	2000	2005
POVERTY LOW LEVEL	34	105	104	103
MODERATE POVERTY	373	440	390	425
EXTREME POVERTY	163	25	76	42
TOTAL	570	570	570	570

Source: Elaborated with information of population census and population counts of Oaxaca State

The reduction of 75% of municipalities with population in extreme poverty due to the implementation of social programs that have supported the population to make home improvements, as well as increasing attendance of children living in conditions poverty to educational institutions. It is important to note that, as subsidies are removed, the poverty will return with greater intensity. Other resources that have helped to offset the effects of

poverty are the remittances received by families, however, these have been reduced from anti-immigration policies implemented by the U.S. government.

With the reduction in the number of municipalities with population in extreme poverty, there has been an increase in those classified with low levels of poverty and moderate poverty. If this situation was the result of increased incomes of the population, there is scope to revive the domestic market to increased consumption via income; as it is not the case, it is expected that reductions in state and federal budget as well as sending remittances will cause a considerable deterioration of living conditions of the population and increase poverty levels in the state.

Discussion of Results

Cluster analysis is a method of grouping used for poverty assessment by the Unsatisfied Basic Needs method, gave results that allow for proper classification of municipalities according to conditions of poverty.

In relation to the number of municipalities classified by level of poverty that is the economically active population earning less than or equal to the poverty line, the number of those considered to be low levels of poverty and moderate poverty increased by 25 and 33 respectively, corresponding to the reduction of 58 municipalities in those classified in extreme poverty.

As the percentage of economically active population earning less than or equal to the poverty line, we find that the percentage of the population was considered low poverty levels, increased 11%, the moderately poor in 6% and extreme poverty by 1%, demonstrating a general deterioration in the distribution of income, according to results achieved at regional level.

Poverty Line refers to information for the Population and Housing Census of 2000, however, it is important to clarify that even though a decade has passed, we expect a minimum variation in behavior of this indicator.

In the poverty analysis, using the Unsatisfied Basic Needs method, the number of municipalities considered in moderate and extreme poverty, increased by 69 and 52

respectively, which corresponds to the decrease of 121 municipalities with a population in extreme poverty.

Importantly, the reduction of 25% of municipalities with population in extreme poverty due to the implementation of social programs that have supported the population to make home improvements, as well as increasing attendance at educational institutions children living in poverty. This suggests that once the subsidies for these programs are removed, it can be assumed that poverty will return with greater intensity, a situation that could jeopardize political and social stability not only of Oaxaca State but all the country. While remittances sent by migrants to their families have helped to offset the effects of poverty, from the anti-immigration policies of the U.S. government has been significantly reduced remittances.

A reduction in the number of municipalities with population in extreme poverty, there has been an increase in those classified with low levels of poverty and moderate poverty. If this situation was due to increased income of the population, there is scope to revive the domestic market to increased consumption via income, as it is not, it is expected that the budget reductions in state and federal social policies as well as remittances will cause the deterioration of living conditions of the population and increase poverty levels in the state.

Taking into account the economies of the least prosperous regions were predominantly agricultural, it is considered pertinent to address the issue of production, particularly of products produced for own people to improve their incomes and living conditions, in order to reduce poverty.

Regarding entrepreneurship, micro and small enterprises dominate commercial, service and manufacturing industries, which also is relevant activities to guide farmers on marketing their products, rescuing them from profiteers who pay ridiculous prices for their products.

95% of the municipalities in Oaxaca State, have low levels of growth and require government intervention to stimulate economic growth by supporting private investment. Necessary, train the workforce as the production profile of the regions, it is also important to train managers and entrepreneurs of micro, small and medium enterprises in making decisions with regard to management, production and marketing of its products. This action must be supported by improved infrastructure, tax incentives, improving roads and ensuring a suitable environment to conduct business.

It is also necessary to support productive projects in rural areas to improve income and living conditions of the population, for it is required to provide infrastructure and agricultural equipment to regions with the productive vocation which will support increased food production and backyard livestock. These actions reinforce the markets, provided to increase the participation of the poor to satisfy the demand for agricultural products. This action must be supported by networks of production and marketing, to rescue them from the profiteers who paid low prices for their products.

As above, it is necessary to visualize the problem of poverty as lack of capacity to undertake by itself the great challenge of overcoming, for this we must focus on a better quality education and protect the health of the population by improving nutrition, housing and access to medical services.

It is important that the poor people change their attitudes, values and expectations for a positive attitude, an ingredient needed to escape poverty. In this regard, the government is in a position to bridge the existing gaps in infrastructure, public and private investment, fostering education, controlling population growth, keeping the public budget under control to improve the terms on which economic growth is taking place.

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