

A photograph of a slum with makeshift buildings and a person walking in the foreground. The buildings are constructed from corrugated metal and wood, with some having corrugated metal roofs. The ground is dirt and there are some trees. A person is walking away from the camera in the lower right foreground.

# POVERTY

## A crisis without a vaccine

MAY, 2021

**SIGNOS VIVIES**  
EL PULSO DE MÉXICO

<https://www.milenio.com/politica/COVID-19-aumento-pobreza-desigualdad-mujeres-coneval>

# POVERTY

## A crisis without a vaccine

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The social impact resulting from the COVID–19 pandemic is devastating, and its aftermath keeps getting deeper. It is estimated that the pandemic has left 70 million poor in Mexico. Hence if we are 126 million people, more than 50% of the current population cannot find the needed resources to cover their basic needs.

Unfortunately, the social policy of president Andrés Manuel López Obrador’s government is not fine-tuned. It is centered around direct money transfer programs but does not indicate comprehensive attention to avoid deficiencies in medical attention, income security, and human development.

## UNCOVERED DEFICIENCIES: CORONAVIRUS AND THE SOCIAL IMPACT

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The social inequality subject in Mexico is not new. The COVID–19 pandemic has had an overwhelming economic, sanitary, and social cost: it has left hundreds of fatalities and more than 12 million people in poverty, where even the middle and the upper class have suffered a decrease in their levels and quality of life (Vital Signals, 2020).

By early 2021, Mexico was among the first 15 countries with more total cases of COVID–19. It was the third Latin American country with more deaths per million inhabitants (1,036 fatalities per million inhabitants).<sup>1</sup> Just by past January 22nd, one Mexican was dying every 48 seconds due to COVID–19.

SARS-CoV-2 created direct and indirect impacts and deaths, just as much due to the pandemic associated with sanitary collapse, as for the decay and abandonment of primary health care. By prioritizing virus-affected patients and the pretensions on preventive and opportune risk and ailments prevention on their first stage, death has been the price of the health abandonment.

From the start of the pandemic, and to avoid the virus spread, confinement policies were implemented by the federal government under the “Quédate en casa” (“Stay home”) motto. This measure briefly triggered a contraction in economic activity, a fall in employment and household income, and with it an increase in poverty and social inequality.

<sup>1</sup> Closing by January 13th, 2021. Source: Worldometer Coronavirus cases.

## INCOME REDUCTION AND LABOR POVERTY

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Family income reduction related to the economic activity contraction has been severe, and it struck more than half the population.

According to ENSARS-COV-2 (SARS-COV-2 National Survey on the Population Features During the Pandemic for its acronym in Spanish), by May 2020, 63.4% of people said that some member of the household had a decrease in economic income (Shamah *et al.*, 2020). That information is corroborated in the ENCOVID-19 results, where it is indicated that by October, six out of ten households had an income reduction.<sup>2</sup> Also, 67% of the lowest Socio-Economic Level household had an income reduction (NSE for its acronym in Spanish) (AMAI [Mexican Association of Intelligence for its acronym in Spanish]) (ENCOVID-19 [COVID-19 Survey for its acronym in Spanish]). It was accounting for that the shortcomings in the general population are worsened. They have a more significant impact on the vulnerable groups.

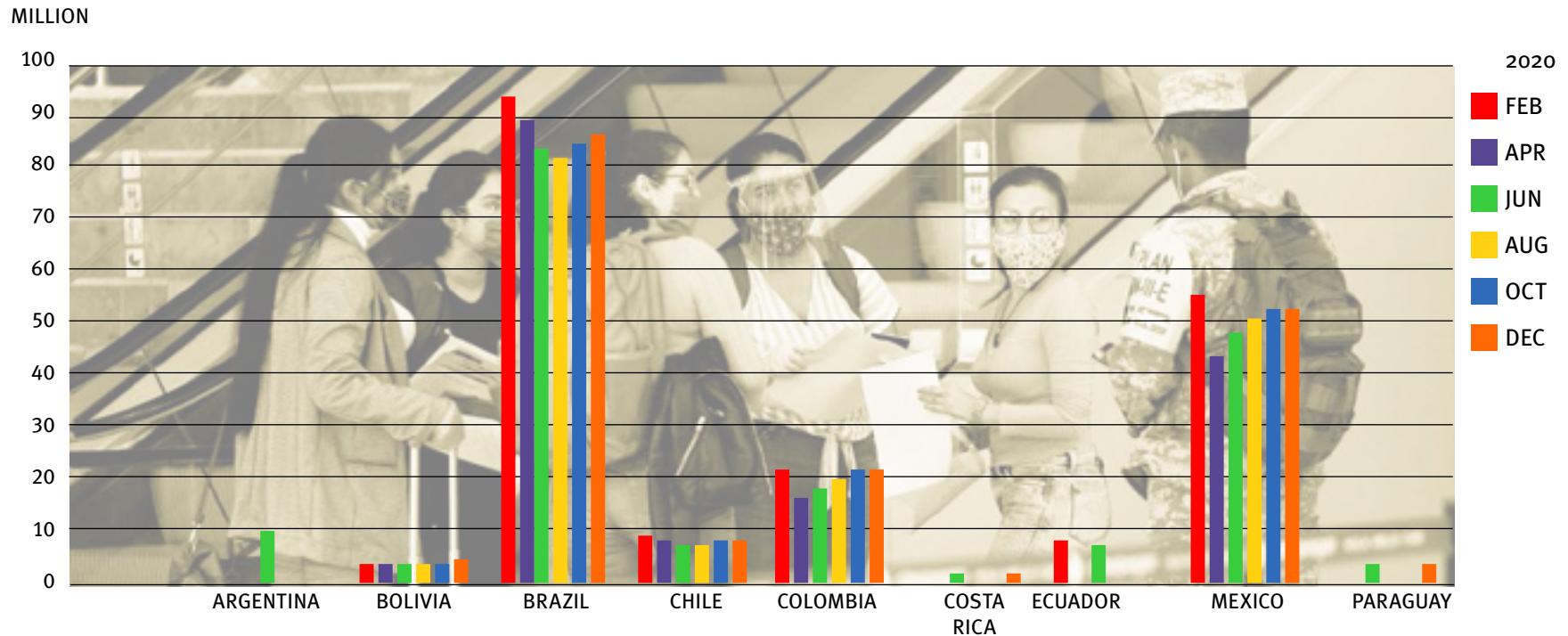
Likewise, the economic contraction and the employment fall affected labor poverty and show a complicated landscape for the next few years. While it seems to be a recovery in the employed people figure in Mexico (Graph 1), being just under Argentina and Paraguay, such figures do not reflect employment quality.

According to ETOE (Occupation and Employment Telephone Survey for its acronym in Spanish), by June 2020, more than half of the occupied population did not have access to healthcare as a labor benefit. Therefore, if they required medi-

<sup>2</sup> The percentage of households reporting an income reduction on the last month regarding February 2020

cal attention, they would have to use their income or savings to cover expenses caused by some ailment (CONEVAL 2020 [National Council for Evaluation of Social Development Policy]). This circumstance increases the number of occupied populations without healthcare access to 3.0 million.

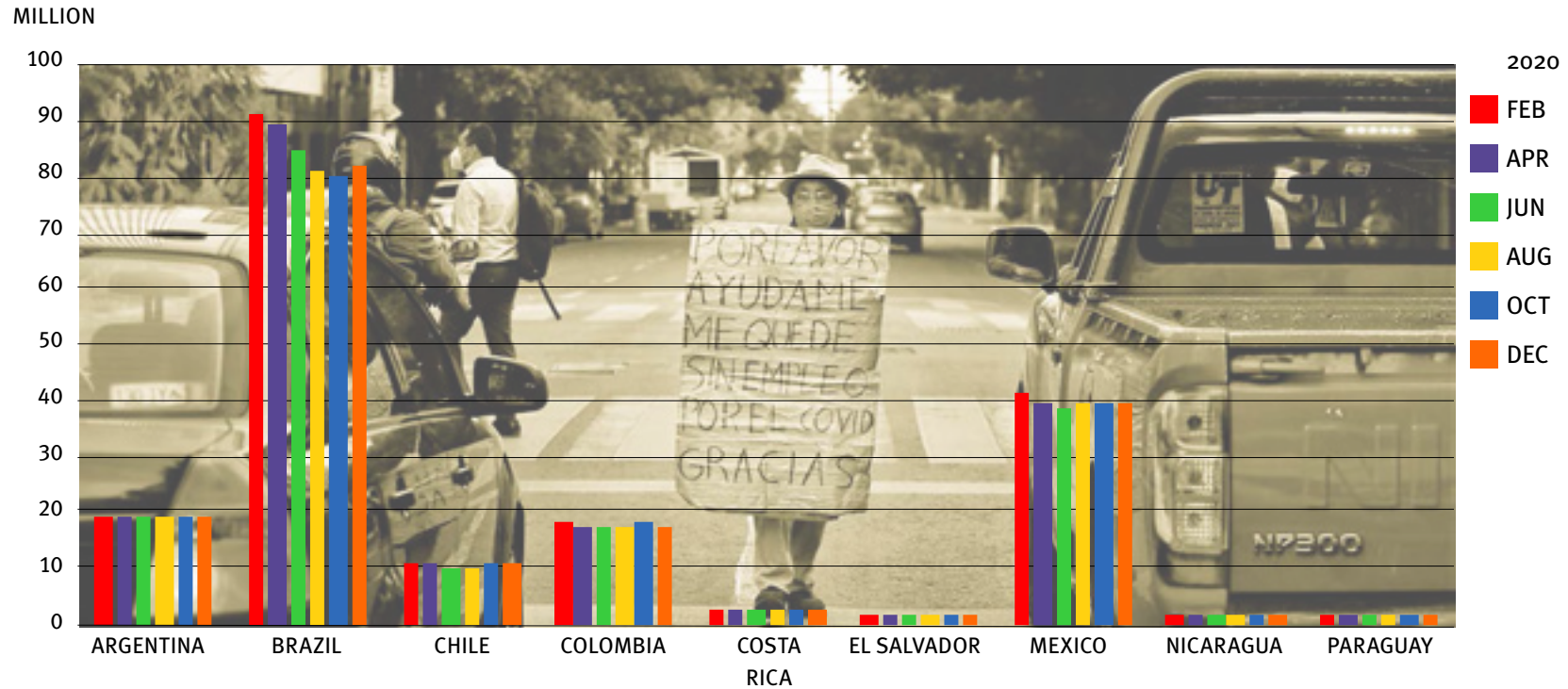
GRAPH 1. EMPLOYED POPULATION 2020, SELECTED COUNTRIES



Note: ETOE results for April are noted strictly tantamount to data from ENOE for March.

Source: In-house elaboration with data from BID (Inter-American Development Bank for its acronym in Spanish). The employed population according to each country's surveys. Image: [https://mexico.as.com/mexico/2020/06/01/tikitakas/1591026419\\_735606.html](https://mexico.as.com/mexico/2020/06/01/tikitakas/1591026419_735606.html)

GRAPH 2. CONTRIBUTING WORKERS 2020, SELECTED COUNTRIES



Note: ETOE results for April are noted strictly tantamount to data from ENOE for March.

Source: In-house elaboration with data from BID (Inter-American Development Bank for its acronym in Spanish). The employed population according to each country's surveys. Image: <https://www.jornada.com.mx/notas/2021/03/29/economia/la-cifra-de-pobres-en-mexico-aumento-9-millones-en-dos-anos/>

At the moment, more than a year after the virus onset, Mexico does not have an emergency plan that allows to re-establish employment quality and with it strengthen the vulnerable groups' weaknesses avoiding more people to fall into poverty.

## **POVERTY AND INEQUALITY: THE CRISIS WITHOUT A VACCINE**

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Poverty is directly associated with economic activity and inequality, and it is also reflected in health indicators such as public action efficacy and equity in health matters (Lustig, 2007). In the Mexican case, The COVID–19 pandemic has stripped not only the health deficiencies but as a by-product of the government’s bad decision making, recovery periods in almost all sectors, especially the social one, has been delayed.

According to CONEVAL (2019), the right to health can be understood as the highest level of physical, social, and mental health enjoyment (OHCHR, 1966). It implies primary health care and healthcare services extension, complete immunization against infectious diseases, treatment, prevention of endemic ailments, and higher risk groups healthcare needs fulfillment. Hence, the guarantee of rights to all Mexicans should not stay on the discourse only, but in the constant action against a crisis without a vaccine that retaliates against the sanitary emergency.

Since the start of the current administration, the Mexican state has publicly countersigned its conviction to “first attend the poor.” Before the sanitary crisis, there were a little more than 52 million people in poverty (CONEVAL,2019). Nevertheless, more than 12 million people have fallen in the last few months in the segment of whom labor income is not enough to acquire the food basket.

On the other hand, the dubbed Social Development<sup>3</sup> has not reflected the best results. The Social Development Index (IPS for its acronym in Spanish) 2020 from the “How are we doing, Mexico?” organization<sup>4</sup> shows that only eight states out of the 32 in the country bettered their population quality of life in the last two years. Three out of ten people live in a place where social development is addressed as a priority, leaving aside the poorer and vulnerable groups.

The IPS score increments match public policy projects and changes in the country to improve the population’s well-being. These score showed critical changes between 2011 and 2015, a 2.4 points increase, while between 2015 and 2020, the percentage increased only 1 point<sup>5</sup> (Graph 3).

The substantial Mexican economic fall rooted in the pandemic inflicted crisis in 2020 will cause regrettable aftermath in the people’s well-being and the country’s progress in 2021.

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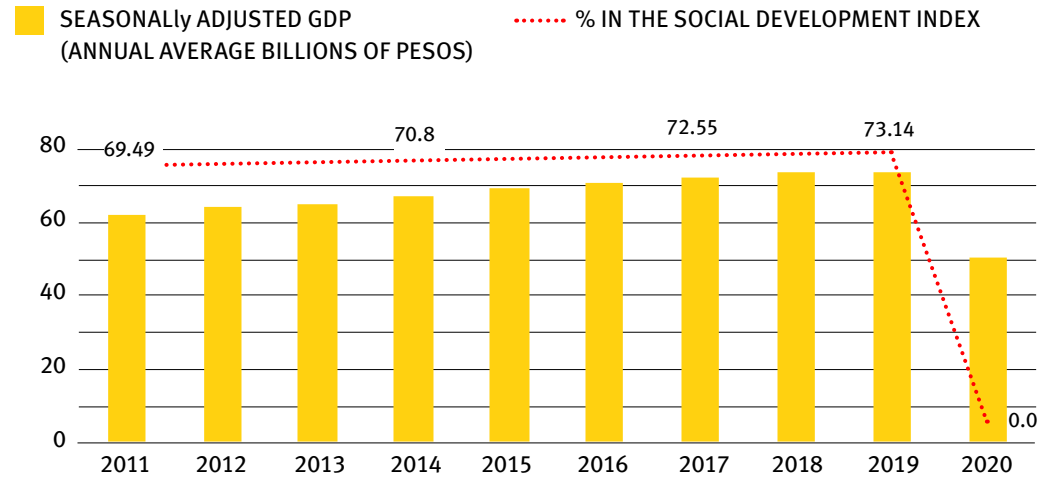
<sup>3</sup> The IPS measures the social and environmental performance of the world’s countries since 2013. In 2019, How are we doing Mexico? Allies with Social Progress Imperative and INCAE to create the state version of the Social Development Index for Mexico. How are we doing Mexico? Available at: <https://mexicocomovamos.mx/new/md-multimedia/1575405427-864.pdf>

<sup>4</sup> It incorporates 55 variables to quantify basic needs

<sup>5</sup> Mexican Social Development Index. Available at: <https://tinyurl.com/y6zorrn7>



### GRAPH 3. SOCIAL DEVELOPMENT INDEX EVOLUTION



Source: In-house elaboration with data from How are we doing Mexico?.



Image: <https://www.tabascohoy.com/generara-covid-mas-pobreza/>

## THE SOCIAL POLICY ABSENCE: DOES IT HELP VULNERABLE GROUPS?

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The most unfavored urgent demands keep going unattended by a government that from the start boasted of ensuring the future and the rights of the poorest. According to a national marketing study of the cities, four out of ten households receive some type of government support. This situation mainly happens in Mexico City, and the youngsters are the most benefited because they are given school scholarships. They are followed by support for the elderly.

The same study shows that two out of ten households state that the government support represents a 25% income increase. Also, four out of ten homes that receive some support save some, especially those with middle and upper incomes; this indicates that government support is not exclusively focused on the poorest.

Albeit (already existent) government support buffered the effects of COVID–19, the majority of this was aimed to acquire groceries and education (KANTAR. 2020). During the pandemic, 38% of families received government supports in advance or an extra amount (especially in the Valley of Mexico); nevertheless, 21% stopped receiving them or had some delay on their payment (especially in the Southeast). Additionally, 49% of the households modified the way the purchases emanating from this government support to be destined to buy a larger quantity of products or services; and the primary allocation of it was the acquisition of groceries, and the second one was education.

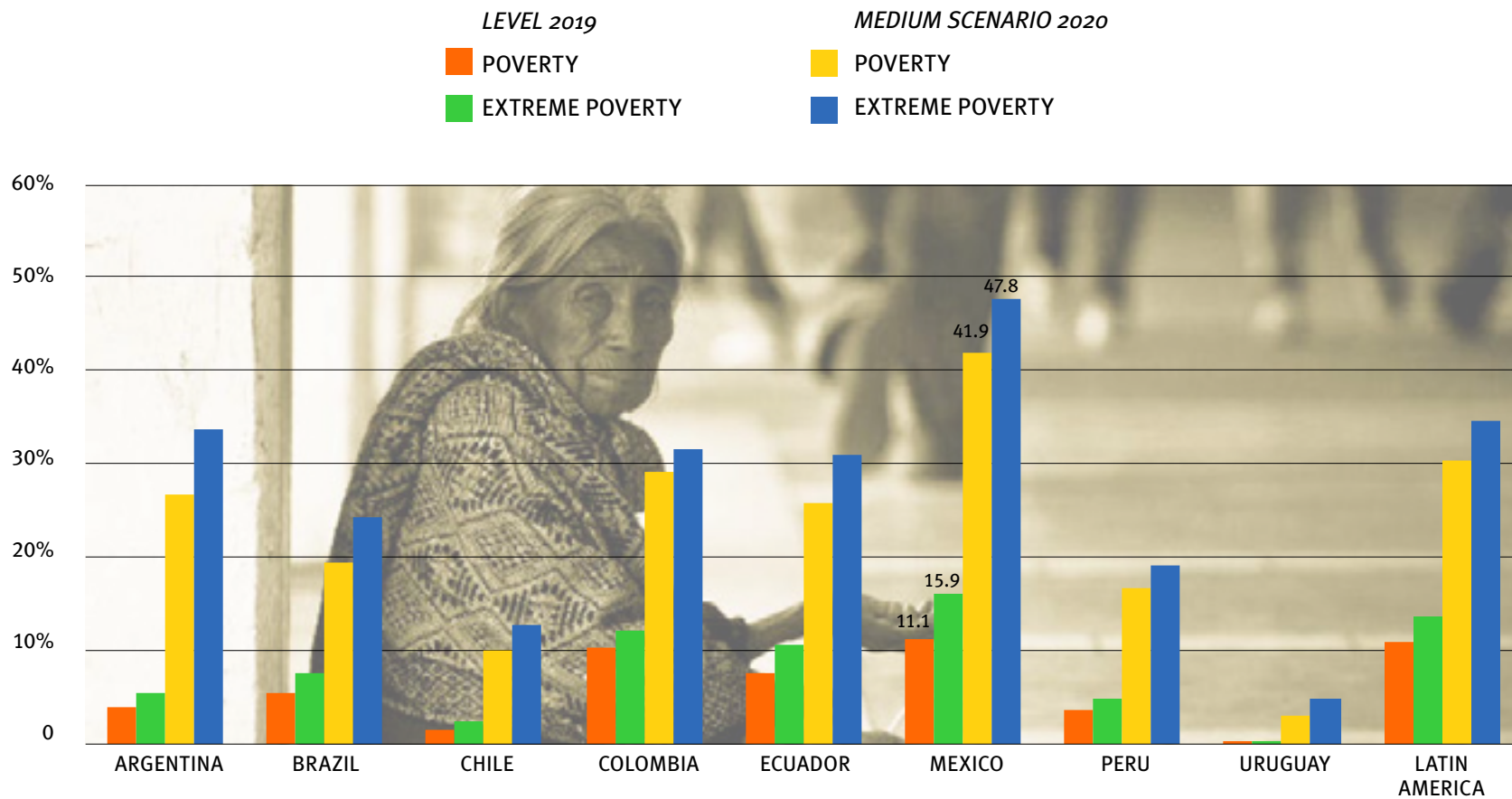
Under the current context, considering the consequences on the populations' well-being, the current government implementation of policies and social programs remains questionable since routes that trigger and boost economic growth in the families are not considered. The lack of interest is partially reflected in the way budgets and public resources have been handled, destined to “senseless” programs with political and electoral goals, not social. The saving government narrative that would destine large quantities of resources to alleviate the crisis effects in the most vulnerable population groups seems quite distant.

Mexico lacks policies that effectively tumble poverty, in contrast with Argentina and Brazil, where social assistance significantly counter the economic crisis impact (Lustig and Martínez, 2020). Likewise, it has been found that the worst effects of an adverse impact like COVID-19 are procured in the poorest, but in people within vulnerable groups by falling underneath the well-being line (Lustig and Martínez, 2020).



*Image:* <https://expansion.mx/economia/2020/05/21/12-millones-de-mexicanos-en-riesgo-de-pobreza-extrema-por-crisis>

GRAPH 4. IMPACT IN POVERTY AND EXTREME POVERTY IN SELECTED COUNTRIES OF LATIN AMERICA



Source: In-house elaboration with data from CEPAL. Image: <https://www.razon.com.mx/negocios/coneval-estima-mas-de-10-millones-de-pobres-en-mexico-por-pandemia-de-COVID-19/>

It is forecasted that countries in Latin America like Colombia and Mexico, they could face the highest rise in the number of people in poverty, and Argentina and Mexico in extreme poverty, compared with countries like Chile, Peru and Uruguay, and even the rest of Latin America (CEPAL) (Graph 4). Nonetheless, the amplified social assistance introduced by the Argentinian and Brazilian governments in response to the crisis has been found to have a compensating effect. On the other hand, in Colombia, mitigation is pretty modest, while regrettably, in Mexico is null: the federal government has not provided additional social assistance due to the crisis (Lustig and Martínez, 2020).

According to the Latin American second-quarter Consumer Insights, the pandemic has forced governments to deploy the greatest economic stimulus package in history. Never before an initiative with this scope and from all countries at the same time had happened. By the size of the support, Brazil is highlighted, but Chile, Argentina, and Peru also have important programs as a GDP percentage.

The support that stood out was the money transfers to acquire massive consumption products (KANTAR, 2020). For instance, in Brazil, 65 million people have received \$100 US dollars month support since March. This cash infusion has increased the benefitting almost a quarter, instead of the expected 20% fall caused by the pandemic, had there been no support.

Although Mexico has the highest poverty rates in Latin America, its concrete eradication has not become a governmental priority. On the contrary, it has been villainized with failing social support attempts, forgetting there is no dignity in lacking. The federal government social programs have become a pro-

spective source of corruption. In its last report, CONEVAL points out mishaps of the programs, the opacity of the beneficiary roll, the under qualification of the Servers of the Nation, and the fact that such programs almost exclusively manage money distribution cash without enough checks.

## **SOCIAL THERMOMETER:**

### **INSUFFICIENT PERFORMANCE OF THE PROGRAMS**

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Facing a lower budget labeled to face the sanitary crisis effects, the possibilities to move forward decrease. CONEVAL itself pointed out on the Budgetary Process Considerations (CPP for its acronym in Spanish) 2021 that there are programs contemplating economic support for contingencies or emergencies that could be useful at this moment,<sup>6</sup> direct economic support to vulnerable or poor people due to scarcity was not identified. Hence the efforts did not translate into a quality of life increase for the people.

In the document mentioned above, monitoring the performance indicators enables a continuous result follow-up reached by social programs, reflecting the following: 2020 had a total budget of 1,063,219.6 million pesos for 149 social programs. The unit with the highest budget is SEP (Secretariat of Public Education for its acronym in Spanish) (\$315,116 million). INMUJERES (National Institute

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<sup>6</sup> Like the Elisa Acuña Scholarship program or the Wellbeing program for people in social and natural emergencies.

for Women for its acronym in Spanish) has the lowest with \$365 million.<sup>7</sup> According to CONEVAL, budgetary allocation does not necessarily match the performance reached by social programs to achieve goals.

The 15 current priority programs in 2020 have, together, a 135,475 million pesos budget. Notwithstanding, only two (13%) reached an appropriate performance, being: “Youth building the future” (Jóvenes Construyendo el Futuro) with a \$24,956.7 million budget and “Community Culture” (Cultura Comunitaria) with a \$600 million budget; both accomplished an 81% average of their goals.

By contrast, the Benito Juarez Universal Scholarship for Highschool and Higher Education Students (Beca Universal para Estudiantes de Educación Media Superior Benito Juárez) program has the highest budget, \$28,995 million pesos. Nonetheless, its performance was inadequate, with 73.5% (CONEVAL, 2020). For its part, the Youth Writing the Future (Jóvenes Escribiendo el Futuro), with a 7.776 million pesos budget (corresponding to 25% of the Universal Highschool Scholarship), reached a 78.2% goal accomplishment.

From the start of this administration until 2019, the social actions and programs reached a 66% performance average,<sup>8</sup> which was qualified as inadequate (CONEVAL, 2020).

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<sup>7</sup> Even if SEP has the highest budget, its programs on average only accomplished 63% of their goals. By contrast, INPI (The National Institute of Indigenous People for its acronym in Spanish), with the third-lowest budget, recorded an appropriate 85% goal accomplishment.)

<sup>8</sup> The average performance was calculated, including all indicators from all levels of MIR (Result Indicator Matrix for its acronym in Spanish)

## HUNGER:

### DIETARY SCOPE OF THE GREAT CRISIS

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Poverty tends to translate into a social well-being absence which implies a lower survival rate in the first five years of life. Dietary and health deficiencies, loss of quality education access, raising the propensity to develop in violent and exploitative environments, as well as precarious future labor offers (Carmona, 2019) are just a few of the repercussions the virus is leaving in its wake.

In a sanitary crisis such as the one the country is going through, one of the determining factors of the population's well-being is food deprivation or dietary deficiency.<sup>9</sup> As stated in the previous report,<sup>10</sup> according to the Food and Agriculture Organization of the United Nations (FAO), Mexico is one of the countries with a more significant number of people with undernourishment prevalence.<sup>11</sup>

The problem is not exclusive to Mexico. Globally, the FAO estimates an increase of 130 million people affected by chronic hunger by the end of 2020 in the world. In the country, an increment of seven million Mexican added to the almost 10

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<sup>9</sup> According to FAO an adequate analysis to consider said deficiency requires the study of two indicators: 1) the undernourishment prevalence and 2) food insecurity prevalence (FIES).

<sup>10</sup> *Sickened Mexico: Indications of a Totalitarian Regime*, p. 73. Available at: <https://tinyurl.com/yysj44hf>

<sup>11</sup> According to FAO said, the indicator pertains to the people ratio in a population total that does not count with sufficient food to satisfy the energy needs to carry an active and healthy life.



million already in dietary deficiency is foreseen, pointed out by Lina Pohl, Mexican representative of the Food and Agriculture Organization of the United Nations (FAO) (*La Jornada*, 2020).

The nutritional vulnerability raise in Mexico is a real threat in the COVID–19 context, and only immediate and coordinated action on social protection policies could restrain it. Since last year’s May, this was pointed out by the Pan-American Health Organization/World Health Organization (OPS/OMS for their acronym in Spanish), the Food and Agriculture Organization of the United Nations, and the United Nations International Children’s Emergency Fund (UNICEF).<sup>12</sup>

The three UN organizations highlighted that Mexico is going through the COVID–19 pandemic in a context where more than 50% of its households suffer some kind of food insecurity. Its population is affected by the triple malnourishment burden (malnutrition, micronutrient deficiencies, and overweight/obesity): roughly 15% of children under five years of age in locations with under 100 thousand inhabitants suffer from chronic malnutrition. Nationally, 38% of children within 12 to 14 months suffer anemia, and 36% of schoolchildren suffer from overweight and obesity (UN Mexico, 2020).

The National Survey on the Population Features During the Pandemic (EN-SARS-CoV-2), performed by the National Institute of Public Health (INSP for its acronym in Spanish), indicates that one out of three Mexicans has had food insecurity experiences during the contingency. More than 90% of the surveyed credited the pandemic, primarily for resource scarcity .

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<sup>12</sup> UN Mexico. Available at: <https://tinyurl.com/y2o4va05>

Not facing the potential growth of food vulnerability at the national level –understood as the acute decrease in access to food– its negative impact on well-being, nutrition, and health will sear the future of millions of Mexican families.



*Image:* <https://perspectivas.mx/pandemia-aumenta-dia-a-dia-pobreza-hambre-e-inseguridad-alimentaria-unam/>



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