



Discussion Paper BRIEFS

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Discussion Paper 118

Is PROGRESA Working? Summary of the Results of an Evaluation by IFPRI

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The Programa Nacional de Educacion, Salud y Alimentacion (PROGRESA) is one of the major programs of the Mexican government aimed at developing the human capital of poor households. Targeting its benefits directly to the population in extreme poverty in rural areas, it aims to alleviate current poverty through monetary and in-kind benefits, as well as reduce future levels of poverty by encouraging investments in education, health, and nutrition. This document summarizes 24 months of extensive research by the International Food Policy Research Institute (IFPRI) designed to evaluate whether PROGRESA has been successful at achieving its goals. The evaluation analyzes what has been the impact of PROGRESA on education, health, and nutrition as well as in other areas, such as women's status and work incentives.

How the Evaluation Was Conducted

The evaluation is based on data collected from seven states that were among the first to receive PROGRESA benefits, including Guerrero, Hidalgo, Michoacán, Puebla, Querétaro, San Luis Potosi, and Veracruz. A total of 24,000 households from 506 localities in these states were interviewed periodically between November 1997 and November 1999. Focus groups and workshops with beneficiaries, local leaders, PROGRESA officials, health clinic workers, and schoolteachers were also carried out.

Findings on PROGRESA's

Education and Health Benefits as Well as Its Costs

The majority of the evaluation findings suggest that PROGRESA's combination of education, health, and nutrition interventions into one integrated package has a significant impact on the welfare and human capital of poor rural families in Mexico. The initial analysis of PROGRESA's impact on education shows that the program has significantly

increased the enrollment of boys and girls, particularly of girls and, above all, at the secondary school level.

Most of the increase in school enrollment for boys takes place by working less. Evaluation finds that enrollment of girls in secondary school increases by as much as 14 percent. The results imply that children will have, on average, about 0.7 years of extra schooling because of PROGRESA, although this effect may increase if children are more likely to go on to senior high school as a result of PROGRESA. Taking into account that higher schooling is associated with higher levels of income, the estimations imply that PROGRESA children can have lifetime earnings that are 8 percent higher due to the education benefits they have received through PROGRESA.

As a result of PROGRESA, both children and adults are also experiencing improvements in health. Specifically, children receiving PROGRESA's benefits have a 12 percent lower incidence of illness as a result of the program's benefits and adults report a decrease in 19 percent of sick or disability days. In the area of nutrition, PROGRESA has had a significant effect on reducing the probability of stunting for children aged 12 to 36 months.

PROGRESA has also had important impacts on food consumption. Program beneficiaries report

higher calorie consumption and eating a more diverse diet, including more fruits, vegetables, and meat. The program is also found to have no apparent effects on the work incentives of adults, while the award of the cash benefits to mothers in beneficiary households appears to have led to the empowerment of women.

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A detailed cost analysis of the program also provides strong evidence that the program is generally administered in a cost-effective manner. For every 100 pesos allocated to the program, 8.9 pesos are “absorbed” by administration costs. Given the complexity of the program, this level of program costs appears to be quite small and definitely relatively low compared to the numbers for roughly comparable programs.

Discussion and Recommendations

The findings from IFPRI’s evaluation also suggest that there is considerable room for improvement in some of the structural components and the operation of the program. For example, the program was found to have no measurable impact on the achievement test scores of children in beneficiary localities or on their regular school attendance. This suggests that if the program is to have a significant effect on the human capital of children, more attention needs to be directed to the quality of education provided in schools.

Enrolling in and attending school regularly are only necessary conditions for the improvement of children’s human capital. Currently the award of PROGRESA’s educational benefits is conditional on regular school attendance but not performance. There may be considerable improvements to be attained by linking benefits to performance, such as granting bonuses to encourage successful completion of a grade, or linking benefits with other programs.

It is also important to find ways to maintain and improve the quality of the information provided to

beneficiaries. Although the targeting of households within poor marginal communities may be a source of more social tensions than social benefits, there is no doubt that if PROGRESA were to expand in urban areas, some form of targeting has to take place. Better alternatives to the current reliance of PROGRESA on reported income include the use of household consumption as a measure of poverty.

Whether the vicious cycle of poverty and its intergenerational transmission are indeed broken can only be determined by continuing with PROGRESA and continuing to evaluate in the medium- and long-term its impact on the livelihood of Mexico’s poor. The possibility of expanding the coverage of PROGRESA to poor households in urban areas implies that there is opportunity to use program evaluation, such as the one presented herein, as a means to adapt some of the components of the program to suit the needs of households in different environments. Mexico’s policy leaders are encouraged to capitalize on the innovative precedent established by PROGRESA and to consider program evaluation as an indispensable component of all social policies.

Keywords: Mexico, poverty, welfare, human capital

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