

Excerpt from:

SHANGHAI POVERTY CONFERENCE: CASE STUDY SUMMARY

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Mexico's Oportunidades Program

Oportunidades is the principal anti-poverty program of the Mexican government (The original name of the program was Progresá; the name was changed in 2002). Oportunidades focuses on helping poor families in rural and urban communities invest in human capital—improving the education, health, and nutrition of their children—leading to the long-term improvement of their economic future and the consequent reduction of poverty in Mexico. By providing cash transfers to households (linked to regular school attendance and health clinic visits), the program also fulfills the aim of alleviating current poverty.

The program design was based on the idea that poor families do not invest “enough” in human capital and are thus caught in a vicious circle of intergenerational transmission of poverty. According to Oportunidades’s vision, poor families are aware of the benefits of investing in their children but cannot afford the monetary costs of attending school or the opportunity costs of sending children to school (the income or value of income that children would earn if they were working, rather than attending school). Since families need this income for current consumption, they take their children out of school at early ages and send them to work. Thus, the idea of Oportunidades is to provide parents the equivalent of that income to send their children to school instead.

Oportunidades provides monetary educational grants to participating families for each child under 22 years of age who is enrolled in school between the third grade of primary and the third grade of high school. The program began operating in 1997 in poor rural areas and recently expanded to cover urban areas. The number of families benefiting from Oportunidades has surpassed 4 million, with over 2.5 million families in rural areas and over 1.5 million in urban areas. Oportunidades also has won a significant commitment from the government, currently representing 46.5 percent of Mexico’s federal annual anti-poverty budget.