



MEXICO

EXTENDED TEMPORARY EMPLOYMENT PROGRAMME PROGRAMA DE EMPLEO TEMPORAL AMPLIADO (PETA)

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Structural unemployment, together with diminishing job openings during emergency situations or changes in production cycles, cause a fall in income and the wealth of low-income populations. This mainly affects such vulnerable groups as indigenous populations and others requiring priority attention, especially in highly marginal municipalities. To raise the income of these groups in the context of the financial crisis, in early 2009 the Government of Mexico launched the Extended Temporary Employment Programme (*Programa de Empleo Temporal Ampliado – PETA*). This programme extends the scope of the previous Temporary Employment Programme (*Programa de Empleo Temporal – PET*) to beneficiaries in rural and urban areas, as the latter currently shows the highest unemployment rate (6.09%). The Programme aims to provide temporary support for the income of these beneficiaries in times of low job demand, such as the present, and during natural emergencies, by participating in projects for the benefit the community or families, in the area of health care, education, and environmental preservation, among others. With a budget of 2,200 million pesos (equal to approximately USD 165 million), the Government expects to assist 250,000 beneficiaries.

1. Introduction

The economically active population stands at approximately 46.4 million people, of whom close to 2.4 million are unemployed;² the rate of unemployment is 5.14% for the second quarter of 2009. In addition, in urban areas, unemployment was 6.09%, in rural areas 4.19%.

Furthermore, throughout the year, job supply fell in some regions of the country on account of emergencies or the effect of production cycles, particularly affecting low-income populations, where income and wealth are significantly reduced.

Both situations justify enforcing social and economic policies designed to provide temporary support for the income of affected families, mainly those in highly or very highly marginal municipalities and in areas where the population is predominantly indigenous or requires priority attention.

The Temporary Employment Programme (*Programa de Empleo Temporal – PET*) was introduced in 1995 to provide temporary support to the income of men and women in times of low job supply and during natural or economic emergencies, supplementing the strategies of other social programmes through the development of basic social infrastructure and production activities.

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² According to the National Survey on Employment and Occupation (*Encuesta Nacional de Empleo y Ocupación – ENEO*) in the second quarter May-June 2009.

In response to various criticisms of the PET, claiming that it was insufficient to combat the high levels of unemployment, in terms of both amounts and coverage, the Operating Rules for fiscal year 2009 were amended by agreement among the members of the Programme Technical Committee, composed of the Department of Social Development (*Secretaría de Desarrollo Social – SEDESOL*), the Department of the Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales – SEMARNAT*), and the Department of Communications and Transport (*Secretaría de Comunicación y Transporte – SCT*).³

In early 2009, in the framework of the National Agreement in favour of Employment and Family Economy (*Acuerdo Nacional a favor de la Economía Familiar y el Empleo*)⁴ the PET, until then operating exclusively in rural and highly marginal areas, was extended for the first time to urban areas of more than 15,000 inhabitants, opening the possibility for over 60,000 families dwelling in cities to access a source of income.

The Extended Temporary Employment Programme (*Programa de Empleo Temporal Ampliado*) opened on February 23rd, 2009, aiming to face the current effects of international financial crisis by creating emergency jobs. The extended programme is not restricted to small rural communities but also covers urban areas. In addition, it covers development of new health-care, education, and environmental preservation projects. For this purpose it will have an additional budget of close to 500 million Pesos compared with the 2008 budget, totalling 2.200 million Pesos (equal to approximately USD 165 million).

2. Programme description

Aims

General

To contribute to abate the social lag of the population affected by low demand for labour, or by natural or economic emergencies, through the provision of temporary income support in exchange for participation in projects for the benefit of families or the community.

Specific

To provide temporary income support for men and women over 16 years of age to face an emergency or period of low labour demand, including gender and ethnic considerations.

Beneficiary population (criteria and requirements)

The Programme states that its target population is composed of men and women 16 years of age and over, who face temporary reduction of income owing to low demand for labour or the effects of emergency, and in order to carry out projects for the benefit of families or the community. The Programme places no restrictions on participation by more than one person per family. However, considering budget restrictions, this option is suggested, so that support may extend to the largest possible number of families.

The Programme fosters equal opportunity employment of men and women through gradual consideration of the gender perspective at various stages of operation.

To become a Programme beneficiary the applicant must submit a written application, stating the applicant's express agreement to share co-responsibility in a project for the benefit of families or the community, and that he/she is neither a civil servant nor a beneficiary of other federal programmes for the same purpose.

The activities concerned include pavement and building maintenance, care of the environment, preservation of rural roads, repair of public buildings (schools, hospitals, and others), ecotourism activities, and rehabilitation of areas of archaeological interest.

3 Diario Oficial, 29/12/2008, Section 7, SEDESOL.

4 On January 8 2009, Governors, Legislature, social, business, and labour organizations, including the Federal Executive signed the "National Agreement in Favour of Employment and Family Economy" (*Acuerdo Nacional a Favor de la Economía Familiar y el Empleo*). Government action is organized in five main directions: (i) Support for employment and workers; (ii) Support for family economy; (iii) Support for competitiveness and SMEs; (iv) Investment in infrastructure to encourage competitiveness and employment; and (v) Action to promote more transparent and efficient public spending.

Coverage

The target envisaged is to cover approximately 250,000 persons in 2009. This figure could vary under budget amendments, together with beneficiaries remaining in the Programme on account of the special characteristics of each project. Some beneficiaries may have different ranges of permanence; they may also drop out of the programme in the event that they find a job.

The Programme operates nationwide in places with up to 15,000 inhabitants, preferably in places with not more than 5,000 inhabitants in the municipalities defined in the guidelines of each Department. By decision of the PET Technical Committee, during the current fiscal year the Programme is authorized to operate in places with over 15,000 inhabitants.

Economic support for beneficiaries (amounts)

Beneficiaries receive economic support (invariably in cash) for having fulfilled their co-responsibility, in the form of wages equal to 99% of the general daily minimum wage in effect in the area of the project. Support is provided in money with an annual ceiling of 176 daily wages per beneficiary, subject to technical validation of the project and acceptance by the regulatory authority. Although the rules of operation set a ceiling of 176 days, the PET Technical Committee subsequently decided to limit the benefit to 132 wages per year, so as to benefit a higher number of people. Permanence of beneficiaries in the Programme depends on the project, with the 132-day ceiling; provision of support is not based on the time elapsed but on the number of days required by the project.

Institutional framework

In the interests of good intersectoral coordination, the Programme Technical Committee was set up with the agencies involved: Department of Social Development (*Secretaría de Desarrollo Social – SEDESOL*); Department of Communications and Transport (*Secretaría de Comunicación y Transporte – SCT*); Department of the Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales – SEMARNAT*), which issue the rules governing Programme operation; and Department of Labour and Social Welfare (*Secretaría de Trabajo y Previsión Social – STPS*), involved in Programme coordination, SEDESOL, SCT, and SEMARNAT are responsible for the creation of temporary jobs, whereas the STP is in charge of identifying and channelling applicants for jobs, potential PET beneficiaries.

Programme implementers may include federal, state, or local government agencies or departments, or civil society organizations funding or investing to provide services and/or support obtained through inter-institutional coordination and agreement.

The specifics of Programme operation in each department will be outlined in the appropriate guidelines, and published in the CIPET website (www.cipet.gob.mx).

3. Outcomes

In 2009 PETA extended its sphere of action from rural settlements covered previously to include urban population, as a way to attenuate the unemployment brought about in Mexico by the international financial crisis. The Programme was granted a significant increase in funding, from 1,523 million Pesos in 2008 to 2,200 million Pesos in 2009.

Between January and July 25, 2009, PETA had completed 13,084 community projects with an expenditure of 1,637 million Pesos, which benefited 505,808 unemployed men and women.

SEDESOL benefited 124,508 persons, mainly through basic infrastructure projects. SEMARNAT extended its field of action to places with more than 15,000 inhabitants, including beneficiaries in urban areas, with whom reforestation, waste management, and green area maintenance projects were conducted, benefiting 80,040 persons. SCT performs rural road conservation and reconstruction, using local labour; in the first months of 2009, the benefit reached 301,260 persons.

4. Conclusions

In crisis situations such as the one Mexico is currently undergoing as a result of the international financial crisis, it is considered appropriate to protect the most seriously-affected vulnerable groups via direct employment programmes that provide an income while simultaneously engaging in an activity of social value. Extension of the Temporary Employment Programme should be viewed in this context; it is operating from the beginning of this year, attempting to encompass the most seriously affected rural and urban populations.

The experience of applying this instrument has expedited implementation of numerous projects across the country. In turn, inter-institutional coordination has allowed projects for basic infrastructure, reforestation, maintenance of green areas, and conservation of rural roads, all labour-intensive activities, to be developed, thereby including a significant number of beneficiaries of limited resources.

It is worth noting that PETA has also been an important instrument of government policy with which to moderate the loss of income among people affected by the recent epidemiological emergency in Mexico, which had a significant negative effect on the economy. Although the number of jobs created by this Programme is much less than the 2.4 million unemployed reported in June, it must be recognized that without this contribution the 5.14% unemployment index would be higher.

It is estimated that in 2009 there will be an employment deficit of over one million jobs. Obtaining and keeping a job is one of the major challenges that vulnerable families have to face. In such situations it is justified to create social and economic policy instruments aiming to provide temporary support to the income of families affected, as PETA has done. However, the problem of lack of production options and job opportunities for thousands of Mexicans must be dealt with comprehensively; therefore, it is necessary to improve mechanisms for coordination and collaboration with other programmes and departments.

References

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