Santiago Levy-Alzagi has been one of the main designers of poverty-reduction policies in Mexico since 1988. He has been involved in the implementation and evaluation processes of these policies during three consecutive administrations: Carlos Salinas de Gortari (1988-1994), Ernesto Zedillo Ponce de León (1994-2000), and Vicente Fox Quesada (2000-2006).

His most recent book, *Essays on the Economic and Social Development in Mexico*, is an essential reading for those interested in analyzing the fight against poverty in Mexico in recent years.

According to the author, his book has two objectives: 1) provide information and discuss the main challenges faced by Mexico to develop its economy; and 2) explain the rationale behind some of the most important economic and social policies implemented in Mexico during the administrations of Salinas, Zedillo, and Fox.

It is a 765-page book, which collects fifteen essays organized under four sections: 1) Fighting Poverty; 2) Rural and Regional Development; 3) Industrial Organization; and 4) Political Economy of the Federal Budget.

In particular, the First Section contains four articles in which Levy analyses the history of the main policies aimed at reducing poverty in Mexico, including the Programa Nacional de Solidaridad (Pronasol) under President Salinas, the Programa de Educación Salud y Alimentación (Progresa) under President Zedillo, and the Programa de Desarrollo Humano Oportunidades (Oportunidades) under President Fox.

The four essays of the Second Section provide some analysis on the impact of the North American Free Trade Agreement (NAFTA) on the regional economic development of Mexico, putting special attention to the effects derived from the U.S.—Mexico trade of corn, the development of labor markets and migration, and the challenges faced by the Southern part of Mexico.

In the last two sections, Levy analyzes the history of and the lessons derived from the implementation of the Competitive Market Economy Law (*Ley Federal de Competencia Económica*) (Third Section, two essays), and some of the most important changes in the federal budget during the last years (Fourth Section, five essays), including the allocation of fiscal resources for the social policy programs.

All the fifteen essays have a common perspective: the conviction that the harmonization of both economic and social policies is the only way to improve the economic conditions of the poorest people. “It is not enough, says Levy, to design and implement social policies that do not have a strong economic support, since they will not be sustainable in the long run. At the same time, it is
not enough to design and implement economic policies that are not able to improve the welfare of and the economic conditions of the vast majority of the population, since this situation is not politically sustainable in the long run. Thus the challenge is to find the right equilibrium between these two policies."

As Levy points out, during the last fifteen years Mexico has moved toward a more liberalized, open-economy, fostering the attraction of Foreign Direct Investment, reforming and reducing the size of the State, and improving the business environment. At the same time, there has been a continuous effort to improve the social, economic, and living conditions of the poorest people, since they are not able to enter into the evolving market in competitive conditions.

One of the main challenges for helping out these people is the fact that poverty is so diverse, that there is not a chance for a successful one—fits—all program/policy. Instead, the economic reality requires a comprehensive and diverse group of policies and programs that take into account the different types and degrees of poverty evolving in Mexico, as well as the impacts of the economic policy on this field. Fiscal resources are scared and limited, and an inaccurate definition of poverty can lead to a terrible waste of resources or to benefit the wrong social target.

In this sense, the author says that policy—makers should come up with a clear definition of poverty and a strong method for measuring it. Defining a clear distinction between “poor” and “extremely poor” people, as well as implementing measures to increase the income of the poorest people have been some of the key factors for reducing poverty in Mexico.

Another strategic element for reaching these results has been the continuity of the fighting—poverty programs along the last fifteen years, notwithstanding the political party changes in the federal administration. The accumulation of knowledge and the development of a strong and professional body of public officers in charge of these policies have been equally important. These last two elements are neither mentioned nor analyzed by Levy, which would be beneficial for the reader, since the weaknesses of the institutional capabilities of the State and the Public Administration is one the major obstacles for achieving successful results.

On the other hand, Levy does not discuss some of the current trends in the Mexican economy that may lead to an increase of the poverty, such as the low rates of growth of the national economy, the deterioration of the labor markets and the corresponding growth of the black markets, the increasing economic disparities between the North of Mexico and the rest of the country, or the way social policy—makers could take advantage of the remittances sent to Mexico by both legal and illegal workers—mostly from the United States—to finance the economic and social development of the poorest people and the poorer regions of Mexico.

Despite the lack of discussion of these topics, the essays collected by Levy provide a lot of insightful reflections on the challenges faced by policy—makers and the whole society to develop the economy and to level the playing field for the poorest human capital of Mexico. The lessons learned through the last
fifteen years in Mexico would certainly be useful for policy-makers in other countries with similar challenges and problems, although there is not a formal discussion on the issue of the transfer of knowledge or the transfer of institutional capabilities to other contexts/countries in the book of Santiago Levy.