

French government to cut social welfare spending in 2019 budget



Paris, August 27 (RHC)-- French President Emmanuel Macron's government is to cut its social welfare spending, including its housing, family, and pension benefits, in the next fiscal year's budget as part of controversial reforms that have made him unprecedentedly unpopular among the French people.

The plan was announced by French Prime Minister Edouard Philippe in a Sunday interview published by *Le Journal du Dimanche*. The government has decided to reduce its spending on subsidized jobs and housing, which Philippe called "ineffective" policies.

According to the prime minister, the family welfare benefits, pension payouts, and housing allowances would increase only 0.3 percent in 2019 and 2020, which is far less than the average inflation rate of 1.5 percent expected for 2019 and 1.8 percent for 2020.

The government also plans to decrease the unemployed people's jobless benefits over time. That will come as part of a plan to reform unemployment insurance.

Philippe said Macron's government is not going to back off from its reform drive despite criticisms and a record decrease in his popularity after a year in office.

The French president, who is under fire for his aloof leadership style, has turned a deaf ear to criticisms raised against his reforms, claiming that they will ultimately boost the country's economic growth.

However, the French prime minister says the growth rate in 2019 will be weaker than expectations. According to Philippe, the government has developed its 2019 budget based on a 1.7 percent growth forecast, which is 0.2 percent lower than earlier forecasts.

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