

Mexico Plans to Eliminate 246 Social Programs in 2016



Mexico City, July 2 (teleSUR-RHC)-- The Mexican Ministry of Real Estate and Public Credit (SHCP) handed lawmakers the new plan for 2016 on Wednesday, which reduces the number of existing social programs by 22 percent – from 1,097 down to 851.

The plan aims at rationalizing the budget, while it will affect above all social programs; for instance, the program on “food support,” supposed to improve access to food for underprivileged households, will be merged with a program called “Prosper,” which improves their access to food, health and education by providing cash, the ministry reported in a statement.

However, none of the state education programs have been eliminated. Concerning territorial and urban development, four programs will be reduced to one only, while two programs on public security will merge into one. In total, 261 programs will be merged into 99.

The Congress will be debating next year's budget in September. Earlier in June, the federal elections renewed federal representatives of the country. Conservative President Enrique Peña Nieto's party, the Institutional Revolutionary Party, retained a slim working majority, though with fewer seats than the previous term. This structural reform follows Peña Nieto's energy reform which plans to eliminate the oil incomes from the Budget of Expenditures in 2016, called “zero-based budget.” Because of the international drop of oil prices, Mexico was forced to re-adjust its budget “from scratch,” meaning without

counting on oil sector revenues.

In 2014, oil revenues represented about 30 percent of the total budget incomes, according to the SHCP. According to a recent Oxfam report, the wealth of the Mexico's 16 billionaires increases five fold each year, while the country's GDP increases by less than one percent annually. Mexico is among the top 14 richest countries in the world by GDP, yet over half its population, or 53 million people, live in poverty.

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