

## Economic Analysis

# Five social and labour programmes from the second public consultation would cost 198.562 billion Mexican pesos (0.85% of GDP) a year

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- **“Young people building the future”**: providing scholarships and job training to 2.6 million young people who have no opportunity to work or study (NEET) could cost 133.92 billion pesos, on average 22.32 billion pesos per year (about 0.1% of national GDP)
- **“Sowing Life”**: seeking to combat rural poverty and environmental degradation through agro-forestry plantations of timber, fruit and agro-industrial trees, as well as cornfields interspersed with fruit trees, could cost at least 13.2 billion pesos in its first stage in 2019 and 24 billion pesos in subsequent years (close to 0.1% of the national GDP)
- **“Pensions for the Elderly”**: doubling pensions and making them universal for adults aged 68 and over (and 65 or over for indigenous people) could increase the annual cost of the current programme from 39.473 billion pesos to 104.015 billion pesos (0.45% of GDP), that is, it will require about 64.542 billion pesos more than has been budgeted in 2018
- **“Benito Juarez Welfare Scholarships for Upper High School Education”**: granting a universal scholarship to upper high school students enrolled in public schools that will have an estimated annual cost of 32.939 billion pesos (0.14% of GDP)
- **“Pension for people with some form of disability”**: paying a pension to one million people with some form of disability could cost an annual 15.288 billion pesos (0.07% of GDP)
- Although the consultation indicates that the new refinery in Dos Bocas will cost 50 billion pesos (0.22% of GDP), we consider that it refers only to the first stage, since the incoming Secretary of Energy, Rocío Nahle, estimated that it would cost 160 billion pesos (0.69% of GDP) and would be completed in 3 years
- The consultation takes the view that the **“Mayan Train”** project will cost 150 billion pesos (0.65% of GDP) that would be covered by public and private investment

## Second consultation: Infrastructure, social and labour projects

Saturday 24 and Sunday 25 November held the second “National Citizens’ Consultation”, convened by the current President-elect, Andrés Manuel López Obrador to decide on the implementation of ten priority projects by the incoming Federal Government, including three major infrastructure works promised during the campaign: the Mayan Train, the Tehuantepec Isthmus Train and the Dos Bocas refinery in Tabasco (lopezobrador.org.mx, 2018a and 2018b). The public consultation will be financed by legislators from the National Regeneration Movement (MORENA), the President-

elect's political party, with the ballots counted by the Arturo Rosenblueth Foundation. This consultation is not official in nature and does not have the security, accuracy and transparency protocols that it would likely have if carried out by the National Electoral Institute (INE).

The organisers of the event have indicated that anybody with valid voting credentials can participate and that they would be monitoring the participation via a mobile phone application with internet connection and indelible ink. People must check "Yes" if they agree, and "No" if they disagree on each of the projects consulted. It was reported that the ballot boxes will be in the same locations used during the first consultation (regarding the cancellation of Mexico's New International Airport in Texcoco), which may be seen at <https://mexicodecide.com.mx> and that there will be more ballot boxes in the states where the infrastructure projects will take place. In total, more than 1,000 ballot boxes will be installed in more than 500 municipalities, with a participation of more than one million people expected throughout Mexico.

This study analyses five social and labour programmes submitted to this consultation and estimates the approximate amount of the budget required to implement them, namely:

- "Young people building the future".
- "Sowing Life" Sustainable Communities Programme,
- Pensions for the elderly,
- Benito Juarez Welfare Scholarships for Upper High School Education, and
- Pensions for people with disabilities.

## **A. "Young people building the future": scholarships and job training for young people who are not studying or working**

The "Young People Building the Future" (Jóvenes construyendo el futuro) programme is one of the first major projects of Andrés Manuel López Obrador's team after the presidential election in Mexico on 1 July 2018 which he won. On 4 July, the then-virtual president-elect announced an agreement with the Business Coordinating Council (CCE), in which he pledged to create this programme to seek to serve the young people who are not in education, employment, or training (NEET). Later, on 13 September, at a press conference and through digital media the President-elect and his team, announced the guidelines with which this programme would operate ([jovenesconstruyendoelfuturo.mx](http://jovenesconstruyendoelfuturo.mx), 2018a).

**Target population.** 2.6 million young people between 18 and 29 who are neither studying nor working.

**Aims.** The document describing the "Young People Building the Future" programme sets out five aims:

- Training and providing the tools for a better life
- Offering access to university studies
- Keeping them away from unemployment and antisocial behaviour
- Accelerating their training so that they become the engine of Mexico's economic growth
- Including the private sector in their professional development

**Approaches.** The programme will have a two-pronged approach:

1. **Educational.** Aimed at supporting 300,000 low-income young people to pursue university studies through a monthly 2,400 pesos scholarship for the duration of their studies. This area will be coordinated and operated by the Ministry of Public Education (SEP) that will be in charge of Esteban Moctezuma Barragán.

2. **On-the-job training.** This will be coordinated and run by the Ministry of Labour and Social Welfare (STyPS) that will be led by Luisa María Alcalde Luján, and will seek to link 2.3 million young people with companies so that they can train, practice and acquire the skills they require to enter the labour market. The beneficiaries:
  - They will receive a monthly scholarship of 3,600 pesos per month for up to 12 months.
  - They will be assigned a tutor in the workplace who will monitor their performance.
  - They will have occupational risk and health coverage from the IMSS.
  - At the end of the training, they obtain a certificate of skills and abilities.

70% of young people will work with private companies, 20% in the public sector and 10% in the social sector. Young people interested in receiving training, as well as entities seeking to act as tutors and receive interns, may register for the programme. The transition team has recently enabled the internet site [jovenesconstruyendoelfuturo.mx](http://jovenesconstruyendoelfuturo.mx) to carry out pre-registration. Young people who register will be passed on to the available work centres while taking into account their interests and place of residence. Currently, the platform has eight areas of interest ([jovenesconstruyendoelfuturo.mx](http://jovenesconstruyendoelfuturo.mx), 2018b):

- Arts and sports
- Administrative
- Sales
- Services
- Farming
- Crafts
- Industrial
- IT and electronics

The document states that between 15 September and 30 November 2018, a door-to-door census will be carried out in poor and high-priority communities in order to measure and understand the specific needs of each region. During December, the formal registration of interested companies and young people will begin, as well as the signing of corresponding agreements required to start the programme in January 2019.

**Similar federal programmes.** Within the Ministry of Labour and Social Welfare's Employment Support Programme (Programa de Apoyo al Empleo, PAE), the Bécate sub-programme includes the "Mixed Training" and "Workplace Training" modes that allow people aged 16 or over to be trained within a working environment, while providing them with economic support (a training grant) of one to three times the minimum wage, as well as a transport allowance. The scholarship is awarded for a period of one to three months. While it is estimated that there will be very few beneficiaries for these two modes, as a whole the programme, with its multiple sub-programmes and modes benefited close to 180,000 people in 2017 (CONEVAL, 2018).

**Budget.** Without considering the cost of operation of the programme and of training courses on virtual platforms, plus the risk and disease coverage by the IMSS that will be absorbed by the Federal Government, the programme will have a total cost of 133.92 billion pesos, which, if spread over 6 years, will mean an average annual outlay of 22.32 billion pesos.

Table 1 Estimated cost of the “Young People Building the Future” programme

| Item  | Millions of pesos |
|---|-------------------|
| “Educational” Mode. 300,000 young people with 2,400 pesos per month, assuming an average university degree of 4 years (48 months) | 34,560            |
| “On-the-job training” mode. 2,300,000 young people with 3,600 pesos per month for up to 12 months                                 | 99,360            |
| Cost of IMSS occupational risk and health coverage [Not estimated]  | ???               |
| <b>Total cost of the programme</b>  | <b>133,920</b>    |
| <b>Average annual cost (spread across 6 years)</b>  | <b>22,320</b>     |

Source: BBVA Research estimate based on information from the programme. The operating cost of the programme was not estimated.

**Considerations.** Part of the implementation of the programme is contingent on the participation of the private sector, which, in principle, has no defined incentive schemes. However, one of the greatest challenges of the programme is to achieve job continuity for its beneficiaries. If the operational challenges are overcome, this could be a programme that achieves a greater insertion of young people in the labour market.

## B. “Sowing Life”, a programme to promote sustainable communities through agro-forestry plantations of timber, fruit and agro-industrial trees and cornfields interspersed with fruit trees

As the website explains, this is a programme based on peasant productivity and community generation that seeks to revive the countryside and reactivate the local economy, addressing two central problems – rural poverty and environmental degradation (sembrandovida.mx, 2018). The programme has two productive restoration axes. The first involves agro-forestry crops interspersed with timber, fruit trees and other harvestable species, with which it plans to generate income in the medium term through fruit trees and in the long term with timber. The second axis focuses on cornfields interspersed with fruit trees (the MIAF system) that will allow beneficiaries to have food security in the short and medium term. The programme will be run by the new Ministry of Welfare, headed by Maria Luisa Albores Gonzalez.

**Target population.** 400,000 producers owning ejido cooperative and communal property and smallholdings, which cover an estimated 1 million hectares.

**Operation.** Each farmer will cultivate an average of 2.5 hectares. For their work they will receive a 5,000-peso wage per month and will be part of a “Rural Learning Community” made up of 25 farmers, who will receive training from a social technician, who will work to promote relations of cooperation, harmony and co-responsibility) and a production technician, who will offer consultancy advice on production techniques, types of soil and the best-adapted crops. There will also be three scholarship holders from the “Young People Building the Future” Programme who will participate in productive and social processes. The programme seeks to create employment, increased income for families,

production processes that strengthen trade, the conservation of forests and jungles and community pride and regeneration (sembrandovida.mx, 2018).

**Selection criteria.** Assemblies in priority areas of attention will be visited and a consensual selection will be carried out. The criteria for selecting the plots will take into account micro-basins – those with the greatest environmental, forest and economic productive importance – areas disturbed by fires, diseases, natural disasters or forest pests and soils which are degraded or have a loss of forest vegetation cover.

**Coverage.** The first stage, which will begin in 2019, will encompass 4 states: Chiapas, Campeche, Tabasco and Veracruz, over an area of 550,000 hectares with 220,000 peasants. According to the last Agricultural Census carried out in 2007, in these states there were 7,200 ejidos and communities with parcelled area, of which 3.3 million parcelled hectares were for agricultural use. In 2007, 633,500 ejidatarios – those with individual plots who work such communal land – were reported.

In 2020 the second stage will begin, which will also include the states of Colima, Chihuahua, Durango, Guerrero, Hidalgo, Michoacán, Morelos, Oaxaca, Puebla, Quintana Roo, San Luis Potosí, Sinaloa, Tamaulipas, Tlaxcala and Yucatán, meaning a total of 19 states that will benefit a total of 400,000 farmers and will cover one million hectares (Yañez, 2018).

Map 1. State coverage of the “Sowing Life” programme



Source: Prepared by BBVA Research

**Similar federal programmes.** Considering the selection criteria indicated on the programme's website, (sembrandovida.mx, 2018), the Ministry of Environment and Natural Resources (SEMARNAT) may feature aspects or components of its programmes, whose coverage and support may be similar, such as:

- **The Support Programme for Sustainable Forest Development (CONAFOR, 2017)** is designed to help Mexico's forest and preferential forest area to have the right conditions for its protection, conservation, restoration and sustainable use. The programme has a budget of 2.095 pesos billion for fiscal year 2018. Of the 6 components that it has, some similarities can be observed in the following two:
  - a. **Forest restoration and productive reconversion.** Its objective is to support actions and integral projects of forest restoration and productive reconversion, in order to recover the capacity and natural potential of forest soils and cover under deteriorating conditions, as well as the gradual recovery of the capacity to provide environmental goods and services. Among others, the target population are owners or possessors of forest lands whose lands show processes of deterioration due to soil degradation, loss of forest vegetation cover or areas disturbed by fires, forest diseases or pests and natural disasters, which are located in priority micro-basins due to their environmental and/or forestry-related importance. The maximum amounts of support for integral restoration are 7,836 pesos per hectare or kilometre, 5,222 pesos for complementary restoration, 3,000 pesos for focused restoration, 1,500 pesos for the maintenance of restored areas, 13,236 pesos per hectare plus 18,000 pesos per fenced-in kilometre where the restoration of priority basins is required, 4,772 pesos for agroforestry systems and up to 35,000 pesos for restoration in high priority areas. It also offers certified technical assistance.
  - b. **Environmental services.** The aim is to promote the active conservation of forest ecosystems through economic incentives to people or companies who own woodland and who voluntarily decide to incorporate areas into the payment for environmental services, as well as to encourage the concurrence of economic and operational resources of the National Forestry Commission (CONAFOR) and people who use environmental services. This is designed to incorporate good management practices to promote the conservation and sustainable management of ecosystems and to encourage the long-term provision of environmental services, such as water harvesting, maintenance of biodiversity, carbon capture and conservation. The target population are owners or possessors of woodland defined as eligible whose lands maintain forest cover in a good state of conservation, including those that have SEMARNAT-authorized forest management and exploitation programmes. Payments for these services may be assigned for up to five consecutive years and are 700 pesos for biodiversity conservation, 1,100 pesos for environmental hydrological services and 1,000 in the Lacandon jungle mode.
- **Conservation Programme for Sustainable Development (PROCOCODES).** One of its specific aims is to “promote the sustainable development of the towns/cities in the Priority Regions, encouraging the adoption and practice of productive activities appropriate to the ecological and economic characteristics of each region” (SEMARNAT, 2017). The programme provides support for technical studies for conservation and sustainable development, projects for natural resource and biodiversity conservation activities, ecological restoration or establishment, construction and/or conservation of environmental and productive infrastructure and training courses related to conservation and sustainable development. In 2018, SEMARNAT received 252.02 million pesos in the budget for all areas of this programme (SHCP, 2018a).

**Budget.** The President-elect's presentation indicated that the programme would cost between 12 billion and 15 billion pesos (Yañez, 2018), although operationally it is necessary to consider the volatility of seed and/or tree prices and operating costs in general. However, we estimate that for the first year of operation (2019) the programme would have a cost of at least 13.2 billion pesos and, from 2020, will cost 24 billion pesos for the transfer of wages to beneficiaries alone.

Table 2. Estimated cost of the “Sowing Life” programme

| Item  | Millions of pesos |
|---|-------------------|
| 400,000 farmers with 5,000 pesos per month for 12 months<br>(In 2019 in its initial stage will support 200,000 farmers, so the required budget would be 13.2 billion pesos) | 24,000            |
| Cost of social technicians and production technicians<br>[Not estimated]  | ???               |
| Costs of inputs for productive restoration (seeds, fertilisers, pest control) [Not estimated]   | ???               |
| <b>Annual cost</b>  | <b>24,000</b>     |

Source: BBVA Research estimate. The operating cost of the programme was not estimated.

**Considerations.** The following are the main challenges that we consider the implementation of the programme could have:

- It remains to be defined who will be responsible for other expenses:
  - The selected producer will receive 5,000 pesos per month for his work, guaranteeing him a job, although there is no mention of paying taxes or social security.
  - It is necessary to define who will be in charge of other types of production costs, such as fertilisation or storage.
  - The programme seeks to ensure a higher income for the families, although it should be remembered that the income that the producer obtains will be subject to: (1) The costs it has to incur and (2) the price at which it manages to sell its product, considering that price volatility is one of the problems affecting most agricultural commodities.
- Some operational issues remain to be defined:
  - It is not specified under which scenarios a beneficiary's support may be taken away. One of the characteristics of agricultural activities is that they are susceptible to climatic effects, pests and diseases that diminish or wipe out crop yield. Under such scenarios, will the monthly fee continue to be paid?
  - In the long term, for the formation of timber trees there is no mention of who will be responsible for matters related to the issue of SEMARNAT forestry and soils (2018).
- Seasonality. An important challenge facing such projects is the allocation of resources at the right time, since one of the historical constraints presented by agricultural support is that the release of the budget is not always aligned with the time to start with the crop cycle.

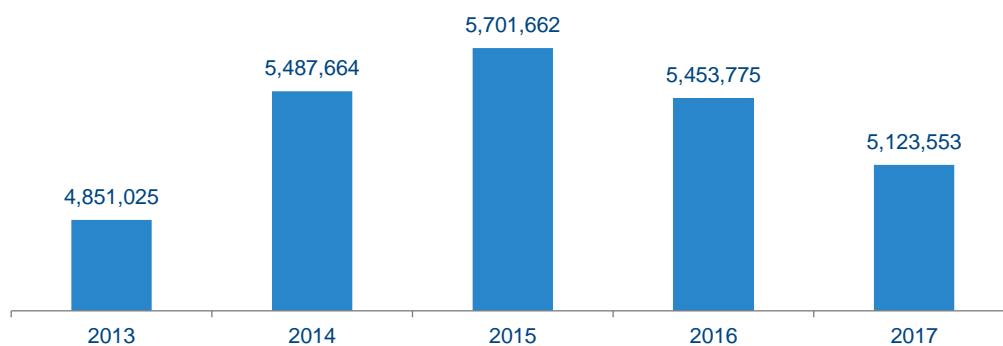
### C. “Pensions for the Elderly”: doubling pensions and making them universal for adults aged 68 or over (65 or over for indigenous people living in indigenous communities and towns)

In the 2007 financial year (DOF, 2007), the “Attention to Elderly People over 70 in Rural Areas Programme” was launched. That year, the target population of the programme was adults aged over 70 in towns of up to 2,500 inhabitants, with the main support taking the form of a monthly 500-pesos pension, paid bimonthly. In 2013, the programme changed its name to “Pensions for the Elderly” (Pensión para adultos mayores). That year, the sum paid rose to 525 pesos per month for people over 65 who did not receive income from retirement payments or contributory type pension, through economic support, as well as social participation and protection. In 2018, the programme has kept its name, with the pension now 580 pesos per month. It is paid bimonthly to people over 65 with a minimum residence in the country of 25 years and who do not receive a pension greater than 1,092 pesos per month as a retirement or contributory-type pension. It should be noted that, to date and among other benefits of the programme, support continues in the form of single 1,160 pesos death payments to family members for the death of the beneficiary, as well as social protection and community participation programmes (DOF, 2017). The plan is to cater for all elderly people by 2019 and to double the pension for adults over 68 (over 65 for indigenous people living in indigenous communities and towns). The programme will be run by the new Ministry of Welfare, which is headed by Maria Luisa Albores Gonzalez.

**Target population.** Taking information from the INEGI 2015 inter-censal survey and the CONAPO demographic indicators (CONAPO, 2018), a target population for 2019 of 6.8 million people was calculated. This took into account three elements: (1) According to the inter-censal survey, in 2015 there were 7.14 million elderly people (6.54 million people aged 68 and over, and 0.5 million between 65 and under 68 who, according to their culture, were “considered” or “partly considered” indigenous). (2) with the information from demographic indicators, it can be seen that, from 2015 to 2019, there has been an increase of 1.2 million people aged 65 and over. (3) This increase in population was reduced by 17.5% – those who, based on the information from the inter-censal survey, were aged between 65 and 67 years and not considered indigenous.

**Operation.** One of the changes that the programme will incorporate, as well as making it “universal” and the amount, is the delivery of support “without intermediaries”. As a result of the comments made in different interviews (XEU News, 2018), the programme will seek to eliminate the delivery of cash supports, relying solely on electronic transfers.

Figure 1. Population covered by the “Pensions for the Elderly” programme, 2013-2017



Source: BBVA Research based on information from CONEVAL



**Coverage and selection criteria.** The programme will have national coverage and cater for people aged over 68, or 65 in the case of indigenous people living in indigenous communities and towns. From 2013 to 2017, the programme has served an average of 5.32 million people per year. If the changes are implemented, the number of people catered for will increase by 30.7% to 6.8 million people.

**Budget.** It is estimated that 104.015 billion pesos per year will be spent on the implementation of the programme. If the changes are made, the budget will increase by 164% with respect to the 2018 amount.

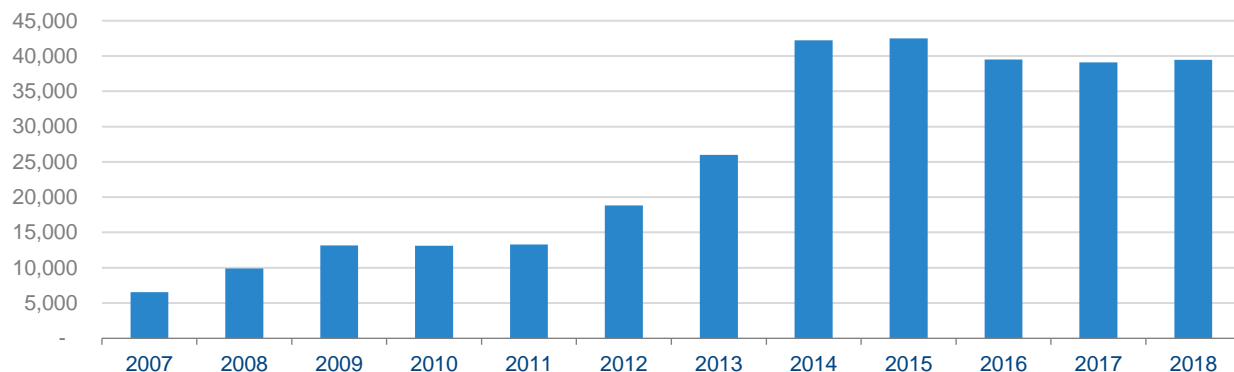
Table 3. Estimated cost of the Pensions for the Elderly programme

| Item   | Millions of pesos |
|--|-------------------|
| 6,803,765 people paid 1,274 pesos per month for 12 months per year | 104,015           |
| <b>Annual cost</b>   | <b>104,015</b>    |

Source: BBVA Research estimate. The operating cost of the programme was not estimated.

As the following graph shows, the authorised programme budget (SHCP, 2018a) has had two stages: (1) from 2007 to 2012 with an average budget of 12.475 billion pesos and (2) from 2013 to 2018, with an average budget of 38.134 billion pesos.

Figure 2. Authorised budget for the Elderly Subsidy Programme (millions of pesos)



Source: BBVA Research based on data from SHP and CONEVAL

**Considerations.** The consultation does not indicate whether the current programme will continue with its death financial support or its social protection and community participation initiatives. If this is the case, the budget does not cover an increase in the demand for these services, such as “rehabilitation, conditioning and equipping of Elderly Day Care Centres” or services or support for the reintegration and inclusion of the elderly in the community. We believe that it is appropriate to grant financial aid to those older adults who, having worked in the informal sector, do not have access to a pension. We also feel that at this stage of their lives it is too late to launch incentives to migrate to the

formal sector. We believe that this programme should be accompanied by measures to increase contributions to the retirement savings system and also to encourage formality.

## D. “Benito Juarez Welfare Scholarships for Upper High School Education”: scholarships for all Mexico's public upper high school students

As part of the strategy to reduce school drop-out at the upper high school level, the new administration will open up the “Benito Juarez Welfare Scholarships for Upper High School Education” (BBBJEMS) project to consultation. The initiative includes scholarships for all students at the public upper high schools in the country and counts on the participation of the beneficiaries in activities for the improvement of their community (becasbenitojuarez.mx, 2018).

**Target population.** Students enrolled in a public upper high school who do not have another type of scholarship or stimulus.

**Similar federal programmes.** Upper High School Education Scholarship Programme (PROBEMS). Since 2014, Mexico has had a National Scholarship Programme (PNB) in place that combines much of the support given to students with different educational levels. Within this national programme is PROBEMS which, along with other project support programmes, offers support to students at this level.

PROBEMS includes a whole range of financial support ranging from 650 to 1,500 pesos to assist disadvantaged and vulnerable children and young people (SEP, 2017c). These include reducing school dropout levels, improving the completion rate at each educational stage and ensuring inclusion and equity in the education system, among others.

The programme budget in 2018 was 4.123 billion pesos, 36.8% of the PNB budget. In the last two years, PROBEMS has attended to an average of 946,700 people per year, as the following table shows.

Table 4. Upper High School Education Scholarship Programme (PROBEMS)

|   | 2018      | 2017      | 2016      |
|---|-----------|-----------|-----------|
| Approved budget ( <i>millions of pesos</i> )      | 4,123     | 3,981     | 4,801     |
| Potential population* ( <i>number of people</i> ) | 4,307,814 | 4,165,665 | 4,057,227 |
| Population served ( <i>number of people</i> )     | 319,625** | 881,568   | 1,047,867 |

Source: BBVA Research estimate based on SEP (2018b, c) and SHCP (2018b) information.

\* National registration at upper high school level in public education.

\*\* Data corresponding to the first programme quarterly report in 2018.

In addition to PROBEMS, similar programmes exist at a state level, such as the “Prepa Sí programme” in Mexico City, as well as scholarship programmes from private institutions.

**Estimate of the budget taking into account similar schemes.** The details of the BBBJEMS programme have not been specified, that is to say, the amount and duration of the scholarships and the annual cost that is estimated to have such support have not yet been clarified. However, an estimate can be made based on the federal PROBEMS programme, in which an estimated 32.939 billion pesos would be allocated for 2019.

To perform the calculation, the total number of people enrolled in 2019 in public upper high schools was used, for which the National System of Educational Statistical Information was revised, indicating that for the 2018-2019 school year there are 4,319,884 people with such characteristics. Subsequently, the average amounts and duration of the PROBEMS “Scholarship for Continuing Studies” (SEP, 2018a), which encourages students to enter and stay in the education system, were taken as a reference. The scholarship includes amounts differentiated by sex and school year which range from 650 pesos to 875 pesos, giving an average monthly support of 762.5 pesos. With respect to the duration, the scholarship offers support of up to ten months per year, the same amount as used in the estimate.

Table 5. Estimated annual cost of the “Benito Juarez Welfare Scholarships for Upper High School Education” programme

| Item  | Millions of pesos |
|---|-------------------|
| 4,319,884 people enrolled in public upper high schools in the 2018-2019 period, with a monthly grant of 762.50 pesos* for ten months. | 32,939            |
| <b>Annual cost</b>  | <b>32,939</b>     |

Source: BBVA Research based on information from the SEP (2018c). The operating cost of the programme has not been estimated.\* It is possible that the allocation of support is similarly differentiated by sex, semester, grades or other.

**Considerations.** As part of programme implementation, there is the challenge of defining eligibility and maintenance criteria for beneficiaries, such as average, non-attendance limit, behaviour, etc.

## E. Pensions for people living with some form of disability

This initiative, another of the projects proposed by the current President-elect during his campaign, seeks to provide a direct monetary pension to one million people living with some form of disability in addition to providing them with specialist medical care.

**Target population.** One million people with some form of disability. Priority will be given to children, adolescents and young people living in indigenous and highly marginalised urban areas.

**Similar federal programmes.** There is currently no federal programme for direct cash transfers to people with disabilities with similar characteristics. There are several entities that have programmes of direct monetary support to this population. For example, the Comprehensive Mexico City Family Development System (DIF-CdMx) includes the “Economic Support Programme for Persons with Permanent Disabilities” launched in 2001, which provides a monthly 800-peso pension to people with permanent disabilities under 68 years of age. This is a universal programme that in 2017 had a budget close to 783 million pesos and benefited more than 81,000 people with a permanent disability in Mexico City (DIF-CdMx, 2017).

**Budget.** Although the amount to be given to pensioners with disabilities has not been specified, the President-elect stated that it could be the same amount that will be given to elderly people, i.e. a monthly pension of 1,274 pesos per month (Indigo Report, 2018).

Table 6 Estimated cost of granting pensions to people with some form of disability

| Item  | Millions of pesos |
|---|-------------------|
| 1,000,000 people, considering a support similar to that of elderly adults of 1,274 pesos per month, for 12 months | 15,288            |
| <b>Annual cost</b>  | <b>15,288</b>     |

Source: BBVA Research estimate. The operating cost of the programme was not estimated.

**Considerations.** According to data from the National Programme for the Development and Inclusion of Persons with Disabilities 2014-2018 by the National Integration Council for Persons with Disabilities (CONADIS, 2014), it is estimated that there are more than 7.7 million people in Mexico with some type of disability, half of which have no income. Within the target population of the new programme, only one million people will be reached, that is, about 13% of the population in the country with a disability, with priority given to children, adolescents and young people living in indigenous areas and highly-marginalised urban areas.

As indicated in a study by the Centre for Social Studies and Public Opinion of the Chamber of Deputies, it is difficult to ascertain information in order to carry out accurate analysis Mexico's with a disability. It therefore recommends: (a) establishing a disability certificate with national validity, (b) creating a national registry of persons with disabilities, and (c) strengthening the information system on disability (López Vega, 2017).

## Final Considerations

In addition to the cost of the five social and labour programmes analysed in this document, consideration should also be given to the outlays on the other consulting projects, especially the large investments that infrastructure projects will require. Data from the consultation shows that the “Mayan Train” project will cost 150 billion pesos, to be covered by public and private investment. Although the report indicates that the new Dos Bocas refinery will cost 50 billion pesos, we consider that this refers only to the first stage, since the future Minister of Energy, Rocío Nahle, estimated a cost of 160 billion pesos which would end after 3 years (El Financiero 2018).

All the programmes described here have desirable social goals. The challenge will be to finance them without creating pressure on public finances – a challenge that is far from simple. We will have a fuller assessment when the 2019 fiscal budget is approved.

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**Appendix**

Image 1. Ballot to be used during the second consultation, 24 and 25 November 2018

# CONSULTA NACIONAL

## 10 Programas Prioritarios

- 

1

**El Tren Maya** recorrerá más de mil 500 km y conectará los estados de Chiapas, Tabasco, Campeche, Yucatán y Quintana Roo. Fomentará la economía y el turismo.

No afectará el medio ambiente. Se hará sobre los derechos de vía existentes del tren, carreteras y de líneas de electricidad. Su costo se calcula en cerca de 150 mil millones de pesos, que se cubrirán con inversión pública y privada.
- 

2

Desarrollar el **Istmo de Tehuantepec** modernizando los puertos de Salina Cruz, Oaxaca y de Coatzacoalcos, Veracruz, comunicando al Océano Pacífico y el Atlántico por medio de una vía de tren. Así se reactivará la economía en el sureste. Se consultará a las comunidades para incorporarlas a los proyectos de desarrollo.
- 

3

Con una inversión de 50 mil millones de pesos, construir una **Refinería en Dos Bocas, Tabasco**; para producir gasolina a menor costo en beneficio de la economía nacional. La nueva refinería estará lista en 2021.
- 

4

La **reforestación** de selvas y bosques generará bienestar para las comunidades. Se propone plantar árboles frutales y maderables en un millón de hectáreas del sureste. Con ello se crearán 400 mil empleos permanentes.
- 

5

Aumentar al doble y garantizar la **Pensión a todos los adultos mayores** de 68 años. En el caso de los indígenas, será a partir de los 65 años para quienes vivan en comunidades y pueblos originarios. La pensión será de mil 274 pesos mensuales y se entregará directamente a los beneficiarios, sin intermediarios.
- 

6

**Jóvenes Construyendo el Futuro.** Se atenderá a 2.6 millones de jóvenes de 18 a 29 años que no tienen oportunidad de estudiar o trabajar.

A 2.3 millones de jóvenes se les dará una beca de 3 mil 600 pesos mensuales, hasta por un año, para iniciar su experiencia laboral como aprendices en un centro de trabajo.

A 300 mil jóvenes de escasos recursos se les otorgará una beca de 2 mil 400 pesos mensuales para estudiar en una universidad.
- 

7

**Becar a todos los estudiantes** de escuelas públicas de **nivel medio superior** del país. Los estudiantes recibirán una beca para frenar la deserción escolar.
- 

8

**Pensionar a un millón de personas con alguna discapacidad.** Se dará prioridad a niños, niñas, adolescentes y jóvenes que viven en zonas indígenas y de alta marginación urbana. Se les canalizará para una atención médica especializada.
- 

9

Garantizar **Atención Médica** a la población que no cuenta con servicios de salud. En las instituciones públicas de salud los medicamentos serán gratuitos.
- 

10

**Acceso a internet** en forma gratuita a nivel nacional con una cobertura de acceso libre en carreteras, plazas públicas, centros de salud y escuelas en todo el país.

## CONSULTA NACIONAL 10 Programas Prioritarios

El próximo Gobierno Federal propone llevar a cabo los siguientes proyectos prioritarios.

Instrucciones: Se deberá marcar SÍ en caso de estar de acuerdo, o NO en caso de estar en desacuerdo en cada uno de los proyectos.

|    |  | SÍ                       | NO                       |
|----|--|--------------------------|--------------------------|
| 1  | Construir el <b>Tren Maya</b> que conectará los estados de Chiapas, Tabasco, Campeche, Yucatán y Quintana Roo, lo que fomentará la economía y el turismo.    | <input type="checkbox"/> | <input type="checkbox"/> |
| 2  | Conectar por medio de un tren los océanos Pacífico y Atlántico para desarrollar el <b>Istmo de Tehuantepec, Oaxaca</b> y reactivar la economía en la región. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3  | Construir una <b>refinería en Dos Bocas, Tabasco</b> , para producir gasolina con el petróleo extraído por PEMEX.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4  | <b>Plantar</b> árboles frutales y maderables en un millón de hectáreas, creando 400 mil empleos permanentes.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5  | Aumentar al doble la <b>pensión a todos los adultos mayores de 68 años</b> (desde los 65 años en regiones indígenas).  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6  | Otorgar <b>becas y capacitación laboral</b> a 2.6 millones de jóvenes que hoy no tienen oportunidades de estudiar ni de trabajar.                            | <input type="checkbox"/> | <input type="checkbox"/> |
| 7  | <b>Becar</b> a todos los <b>estudiantes</b> de las escuelas públicas <b>de nivel medio superior</b> del país.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 8  | <b>Pensionar</b> a un millón de <b>personas</b> que viven <b>con alguna discapacidad</b> .   | <input type="checkbox"/> | <input type="checkbox"/> |
| 9  | Garantizar <b>atención médica</b> y medicinas a toda la población que no cuenta con servicios de salud.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 10 | Proveer <b>cobertura gratuita de internet</b> en carreteras, plazas públicas, centros de salud y escuelas en todo el país.                                   | <input type="checkbox"/> | <input type="checkbox"/> |



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