

## Who has the last word on public expenditure in Mexico?

The Constitution gives the Chamber of Deputies the power to modify the Federation's Project of Expenditure (PEF)\*. Once the Chamber receives the project from the Executive, it is then submitted to the Budget and Public Accounts Commission. The Commission's opinion is discussed, after which both specifics and generalities of the project are up for vote at the Chamber, until a majority approves the project.

The modifications made by the deputies have increased since the Opposition entered the Chamber, particularly since the year 2000. During the LVIII Legislature, there was a sustained increase in the total expenditure that was mostly allocated to salary provisions, to the fund for the States (PAFEF) and the agricultural sector. During this period the least favored branches were the judicial power, PEMEX (the Mexican petroleum monopoly), the Previous Exercises Debt (ADEFAS) and the public debt.

During the last Legislature, the increase to the total Federal expense has been worrisome, since it has taken place in a context in which the sustainability of the Country's public finances in the long term is weak, and in which there are increasing voices alerting to the lack of resources that can generate economic growth.

The PPGP recommends that deputies, especially those belonging to the Budget and Public Accounts Commission, provide citizens with information regarding the decisions made during their time at the Chamber. Information about which Deputies approved the cuts and reallocations made each year must become public domain.

Other suggestion from the PPGP are that deputies should be able to modify, but *not raise* the level of public expenditure or public deficit. A detailed discussion is also needed about whether the Executive should have veto power over the PEF that the Chamber of Deputy approves.

For more information, please visit "Who has the last word on Public Expenditure in Mexico?" at [www.presupuestocide.org](http://www.presupuestocide.org) or call 5727 98 23, Mexico City.

\*In Spanish, *Proyecto de Egresos de la Federación*