



*“I will be the President who achieves Mexico’s economic transition, not only to a stable economy, but to an economy that creates jobs and well being for the country’s families.”*

*“The true source of economic growth and employment is not investment by the government, but investment by society.”*

Felipe Calderón’s vision for Mexico includes creating a more competitive economy, which can ensure every citizen a dignified, well paid, and stable job. The government’s role is to create the conditions that can make this happen: an environment that encourages private sector investment, increased opportunity for all Mexicans through health and education programs, and a fair, pro-growth regulatory framework.

Mexico wants to win in the global economy, not hide from it. Economic stability, respect for the rule of law, a competitive environment, regional development, and social investment are the five keys to competing successfully on the global stage. Economic growth, competitiveness, and an equitable distribution of wealth will bring about the true social transformation of the country—which is the only way Mexico and Mexicans can prosper in the 21<sup>st</sup> century.

Felipe Calderón’s program for economic transformation includes:

### **Protect economic stability**

- Sustain fiscal discipline, with balanced, sustainable budgets;
- Create contingency funds to maintain social investment in times of reduced revenue;
- Reform the public pension system to ensure solvency and expand coverage, transforming it to an individual account system with a minimum guaranteed pension, and allowing portability between all the pension systems;
- Respect the autonomy of Banco de México;
- Continue to reduce the size and cost of public debt;
- Respect the institutional framework created by Mexico’s international economic and trade agreements.

### **Promote the rule of law**

- Zero tolerance for impunity and corruption;
- Modernize the police forces and justice system;
- Fight against tax evasion and smuggling, while simplifying compliance;
- Increase the capability of the courts to deal with financial crimes;
- Enforce the new Competition Law.

### **Improve Mexico’s competitive position**

- Promote a more efficient tax system to strengthen public finances and boost investment and job creation:
  - Simplify tax legislation to increase compliance;
  - Adopt a flat tax rate, with an internationally competitive rate and with large exemptions to protect lower income households;
  - Simplify income tax filing, payments and refunds;
  - Increase efficiency and transparency at all three levels of government and in the use of public funds by political parties, unions, and civil society organizations;
  - Revise budgetary priorities to give preference to investment over current spending, to programs with proven social impact, and to programs that deliver results;

*“I will not privatize CFE or Pemex. Opening the sector to private investment is the way to get competitive prices without damaging public finances.”*

*“Funds for projects – like a highway or a factory in Guanajuato or Michoacan – can stop migration better than a wall.”*

- Increase fiscal federalism by revising the criteria for allocation of federal resources, decentralizing tax collection, and increasing the taxing power of the states.
- Improve labor market flexibility and boost job creation:
  - Promote the hiring of young people with employer tax credits for first-time hires;
  - Adopt a more flexible work week system, especially for working mothers;
  - Offer new and more widespread job training programs;
  - Increase opportunities for the elderly and handicapped.
- Increase the competitiveness and efficiency of the energy sector, in order to attract new investment, reduce prices, and create new jobs:
  - Create a market system that allows large consumers to buy electricity at competitive prices;
  - Implement best practices for management, governance and transparency in the state-owned energy companies;
  - Allow private investment in refining, natural gas, and petrochemicals to supplement public sector investment; enable PEMEX to form strategic alliances;
  - Change PEMEX's tax regime to increase its investment resources;
  - Strengthen the Energy Regulatory Commission to promote fair competition and regulate prices.
- Strengthen the financial system to be an efficient intermediary for national savings and channel for investment:
  - Strengthen the institutional framework to promote competition, increase transparency, and reduce the risk of financial crises;
  - Promote non-bank sources of financing through the securities market;
  - Establish the autonomy of the public financial agencies.
- Ensure a dynamic telecommunications sector, with fair competition under a strong regulatory authority and clear rules of the game:
  - Promote investment in the sector and eliminate barriers to competition;
  - Facilitate technological convergence between telecommunications and broadcasting;
  - Promote the broadest public access to information and communication technology.
- Support small and medium size businesses and integrate them into the mainstream:
  - Provide access to capital, technical and technological assistance, and training;
  - Create business incubators to support new companies;
  - Provide consulting services to help smaller companies bid for government contracts.
- Promote innovation and technology development:
  - Strengthen engineering and scientific education;
  - Establish strategic development zones with tax incentives;

*“This July 2<sup>nd</sup>, we are going to decide between jobs or debt, between economic stability or crisis, between clean hands or corruption, between uniting or dividing the Mexican people.”*

- Increase tax incentives for business investment in technology;
- Strengthen programs to encourage the repatriation of Mexican scientists.
- Streamline the government:
  - Eliminate the red tape that makes it difficult to open and operate a business;
  - Undertake cost benefit analyses for new regulations;
  - Establish new courts for resolving commercial disputes;
  - Harmonize regulations with those of other countries, starting with steel and automobiles.

### **Promote regional development**

- Promote tourism through integrated development zones and infrastructure investment;
- Modernize traditional agriculture by reducing red tape, improving rural infrastructure; increasing access to information and technology, opening up export opportunities, promoting environmental sustainability, using new financial instruments, and giving legal certainty to landowners.
- Invest in transportation (highways, airports, rail, and ports) and water infrastructure:
  - Use new infrastructure financing mechanisms to increase the opportunities for private investment;
- Promote sustainable economic development of forest and coastal regions for the benefit of their communities while protecting their fragile ecology.

### **Increase equal opportunity through social investments**

- Improve access to health care:
  - Move toward universal health insurance for children;
  - Provide high quality health services and infrastructure;
  - Promote programs to fight malnutrition.
- Increase education access:
  - Improve education quality at all levels, with access to the information technology needed to join the knowledge society;
  - Increase access to university scholarships.
- Increase availability of housing:
  - Support housing programs for lower income families;
  - Strengthen the mortgage market;
  - Create a unified property registry;
  - Reduce red tape for construction permits and real estate transactions.

*“Every person, and especially every child, should have the same opportunity to develop their aspirations fully, without regard to the region where they are born or the income of their parents.”*

*Felipe Calderón's complete job creation proposal (in Spanish) is available [here](#).*