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## **Finance Secretary, Others Accused Of Receiving Questionable Pension**

by LADB Staff

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One of President Ernesto Zedillo's most influential Cabinet members, Finance Secretary Jose Angel Gurria Trevino, has been sharply criticized for receiving a pension while still employed. The pension came to light in mid-November while members of the finance committee (Comision de Hacienda) of the Chamber of Deputies were reviewing President Zedillo's budget proposals for 2000, including funding levels for specific government agencies. The committee discovered that at least 185 former employees of government lender Nacional Financiera (NAFIN) have been receiving pensions even though they have not yet reached retirement age and continue to work for the government in some capacity.

Included on the list are Gurria and Tourism Secretary Oscar Espinosa Villarreal, who are each receiving more than 80,000 pesos (US\$8,450) monthly in addition to their salaries. Gurria, 49, is scheduled to receive a salary of 1.5 million pesos (US\$158,000) in 2000. The initial criticisms about Gurria's pension prompted the Zedillo administration to seek an opinion from the Secretaria de la Contraloria y Desarrollo Administrativo (SECODAM) about the legality of the payments. SECODAM ruled in favor of Gurria, but this did not quell the criticisms.

Deputy Marcelo Ebrard Casaubon of the Partido del Centro Democratico (PCD), who brought the NAFIN pensions to the attention of the finance committee, said the pension has raised Gurria's annual salary above that earned by the president. "You are costing us the equivalent of two presidents," Ebrard told Gurria at a hearing on the proposed budget. Gurria initially did not respond to Ebrard other than to defend his pension as legal.

The finance secretary later wrote to Congress accusing Ebrard of blindsiding him and hiding behind congressional privilege with false insinuations. But congressional pressure continued. Grupo Reflexion, a faction of the governing Partido Revolucionario Institucional (PRI), called on the finance secretary to forego the pension and become "an example of integrity" for the nation.

### ***Congress to investigate government pensions***

In early December, legislators from the PRI, the center-left Partido de la Revolucion Democratica (PRD), and the conservative Partido Accion Nacional (PAN) announced the creation of a seven-member commission to investigate pensions awarded by NAFIN. The committee is expected to expand its investigation later to other government entities, including the Banco de Mexico (central bank).

PRD Deputy Jesus Martin del Campo, who heads the commission, said he hoped the investigation would lead to legislation to eliminate loopholes that allow government agencies to provide privileges to a few bureaucrats. "Our country has very weak legislation, which allows discretionary

agreements that give high pensions to some people at a very young age when most people are tightening their belts and just surviving," Martin del Campo said.

The Gurria case brought strong protests from the government-workers union (Federacion de Sindicatos de Trabajadores al Servicio del Estado, FSTSE) and organizations representing the interests of retired workers. Gurria's NAFIN pension, which is adjusted to inflation, is in stark contrast to the meager pensions received by most former government workers.

Alonso Tejeda, director of the Movimiento Unificador Nacional de Jubilados y Pensionados (MUNJP), said most retirees in Mexico's social security system receive only 80 pesos (US\$8.45) to 250 pesos (US\$26.40) monthly, compared with Gurria's 85,000 pesos (US\$8,975). Unlike Gurria's pension, the ordinary retirement payments do not contain automatic protection against inflation. "There is an inequality that offends the more than 1.7 million retirees," Tejeda told the weekly news magazine *Proceso*.

On Dec. 7, following weeks of protests about his pension, Gurria announced he would donate all retirement funds received from his tenure at NAFIN to two charities as long as he is employed. One recipient charity will be the Asociacion Pro Personas con Paralisis Cerebral (APAC), which serves cerebral palsy victims. The other is Recuperacion Total (Reto), which provides support to women with cancer. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Dec. 8, reported at 9.47 pesos per US\$1.00] (Sources: *Proceso*, 12/05/99; *Reforma*, 11/17/99, 11/24/99, 12/03/99, 12/07/99; *Reuters*, 11/17/99, 12/07/99; *La Jornada*, 11/17/99, 11/23/99, 12/03/99, 12/07/99, 12/08/99; *El Universal*, 11/17/99, 12/03/99, 12/08/99; *Novedades*, 12/07/99, 12/08/99; *Los Angeles Times*, *Excelsior*, *El Economista*, 12/08/99)

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