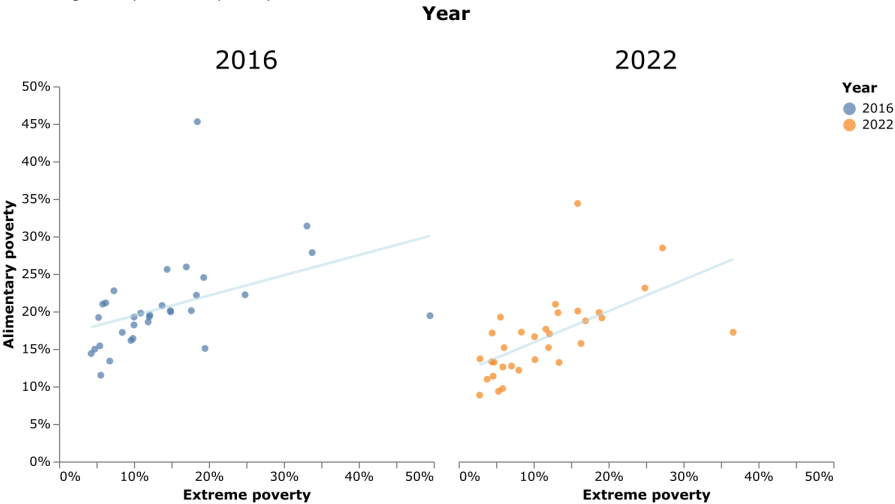


# Did Mexico decrease poverty In the last six years?

The last administration has been controversial in several topics, one of them is the multiple monetary transferences programs they launched. Many opposition politicians and policy analysts claim that these programs have been useless. A criticism about these policies has been that the programs were not effective. Another one is that maybe they addressed one type of poverty while other types have remained constant. Finally, many argue that they will only be effective in the short run.

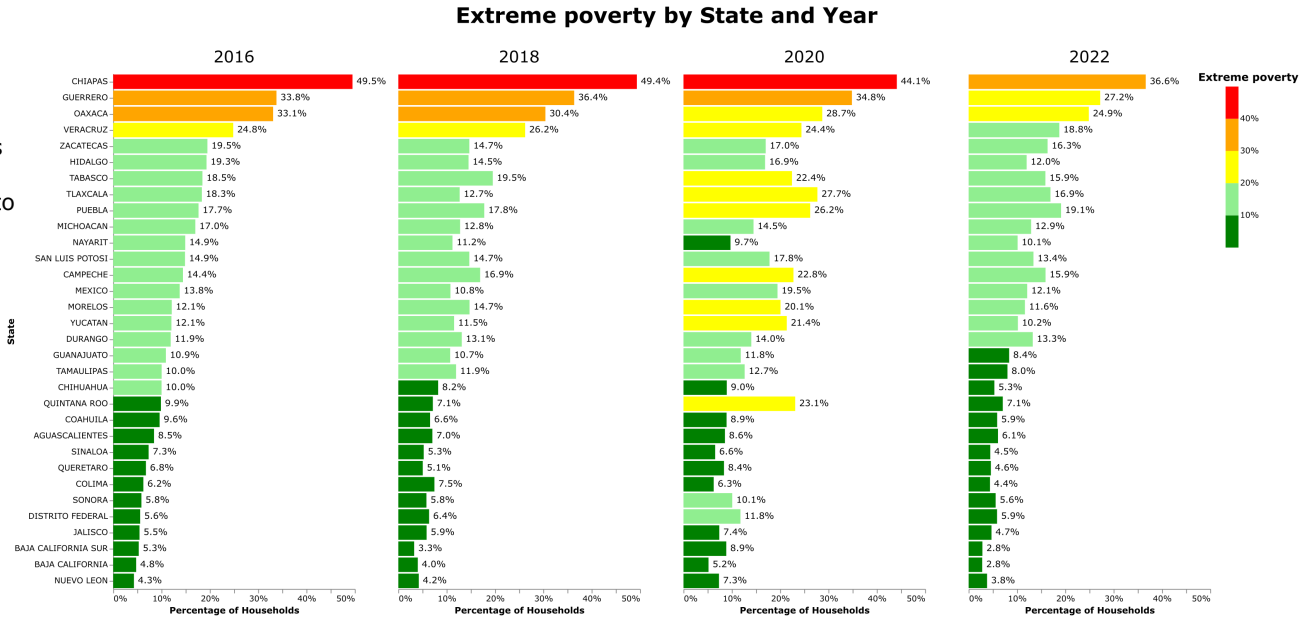
## Extreme poverty vs Alimentary poverty

Percentage of Population in poverty



Each point is one state. This plot shows two important things. First, in 2022 the points are closer to both axis and even the outliers are closer to the rest of the states. Overall, Mexico was able to reduce both alimentary and extreme poverty. Second, the slope is similar across years; in other words, the relationship between extreme and alimentary poverty was stable. This last insight allows us to analyze only extreme poverty knowing that alimentary poverty would show similar results (graphs for alimentary poverty are in GitHub)

Mexico was able to overall decrease extreme poverty. This plot shows each state evolution from 2016 to 2022, states are ordered from highest to lowest extreme poverty rate in 2016. Although this plot displays granular information about poverty rate, it is not easy to distinguish geographic patterns. The following maps help to complement the analysis



Extreme poverty Rates in Mexico by State (2016)



Extreme poverty Rates in Mexico by State (2018)



We can see a clear disparity between the south and the north of the country. Nonetheless, both of them improved reducing extreme poverty

Extreme poverty Rates in Mexico by State (2020)



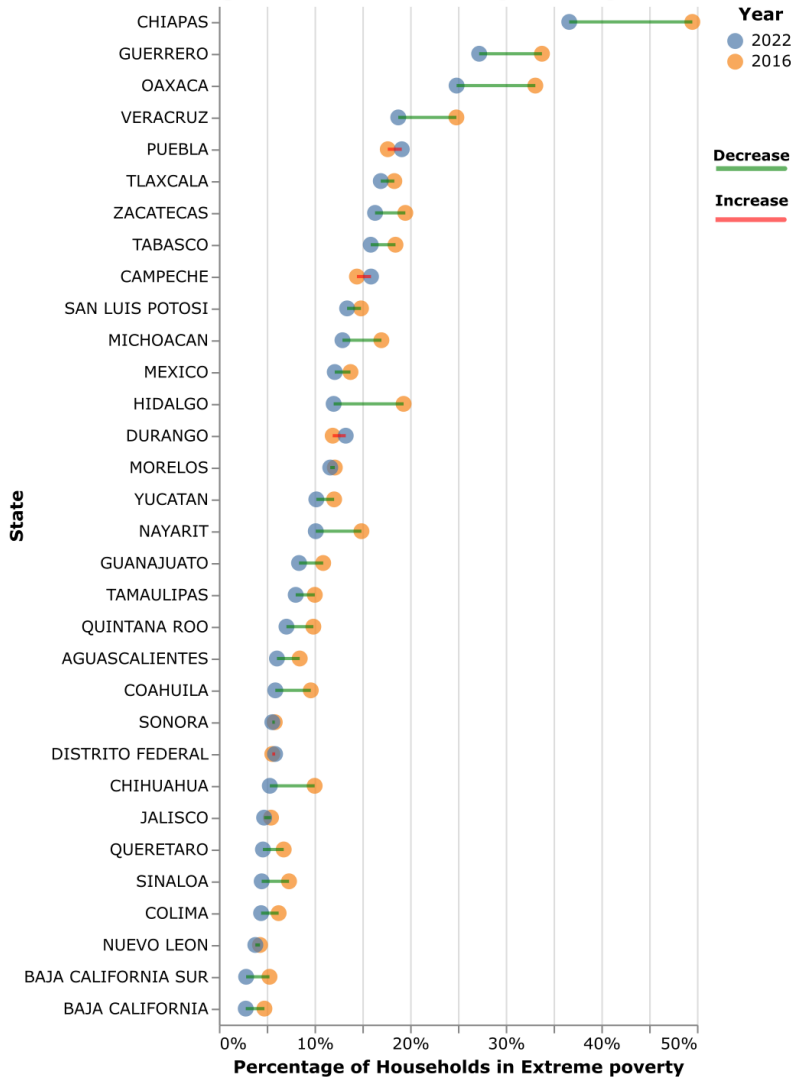
Extreme poverty Rates in Mexico by State (2022)



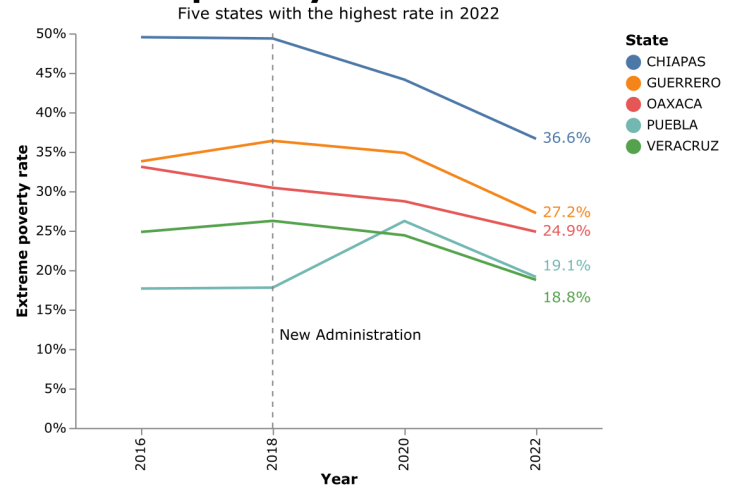
Once they recovered from the pandemic, Mexico was able to reduce extreme poverty in both the north and south of the country. In summary, all the northern states in 2022 were located in the green bracket, all the southern states moved one bracket down, and not even one state was located in the red bracket

To ease visualization of each state evolution, the left graph shows the change in extreme poverty rate. Almost every state showed a decreased from 2016 to 2022 (green lines)

**Change in Extreme Poverty Rate by State**



**Extreme poverty in Mexico Over Time**



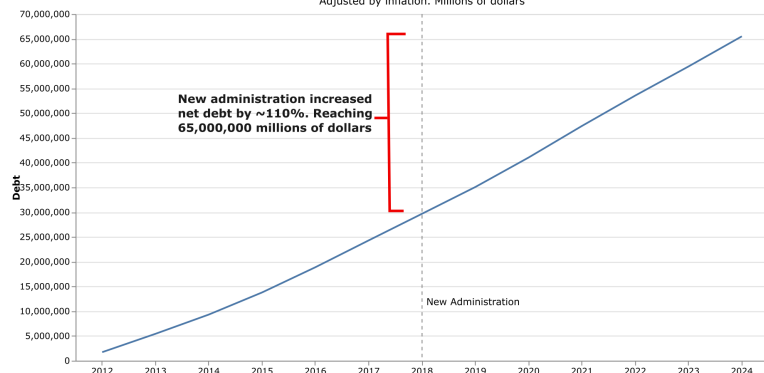
If we focus the analysis on the five states with the highest rates we see that four out of five states decreased their extreme poverty rate and the turning point seems to be the year 2018.

## Can Mexico maintain these results in the long run?

Nevertheless, Mexico has increased their net debt dramatically in the last years and the total federal spending showed constant growth. This is caused by multiple infrastructure projects that have not been productive such as the new CDMX airport and Mayan Train, and the mentioned monetary transferences programs.

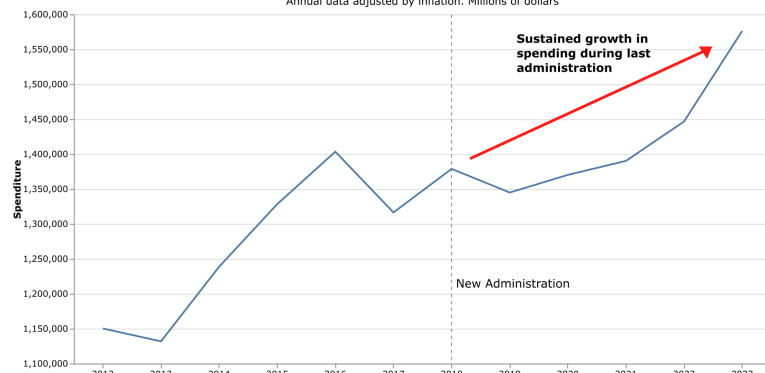
**Total Federal Debt**

Adjusted by inflation. Millions of dollars



**Total Federal Spending**

Annual data adjusted by inflation. Millions of dollars



The current administration policies have indeed decreased the extreme poverty rate in Mexico, but they may not impact in the long run if Mexico is unable to stop federal debt growth. The GDP growth has remained stable compared to the last two administrations, which is concerning since the federal debt and spending growth may not be translating into productivity. Therefore, the critiques stating that these policies may have an effect on poverty rates only in the short run are well sustained.