



the Practitioner's page

Carlos Gadsden of Mexico, The renewal of federalism in Mexico

Carlos Gadsden is Executive Director of the Center for Municipal Development, part of the Mexican interior ministry. During the election campaign and the transition period he was special advisor on federalism to President Vicente Fox. Yemile Mizrahi, a researcher at the Mexican institute CIDE, interviewed Mr. Gadsden for Federations. Ms. Mizrahi wrote the article "Can Vicente Fox breathe new life into Mexican federalism?" for the first issue of this publication.

Federations: Federalism has been a primary issue on the PAN agenda and it has been vital for President Vicente Fox as well. While he was a state governor and the presidency of the Republic was still under the control of the PRI, Fox personally experienced the consequences of excessive political and economic centralism. Now that your party is in the federal government, what are its most important or most urgent issues in the area of federalism? Where should the country begin to build a new pattern of intergovernmental relations?

Gadsden: The traditional pattern of intergovernmental relations was based on the model of the local political boss. In this traditional model, although governors and municipal presidents were subordinate to the federal government, in their own territories they held all the power. They were the true political actors, reproducing the presidential model on the state and municipal levels.

Our new model entails a new vision with a constitutional approach, in which there are three levels of government.

We see four basic elements of strategy.

The first is decentralization, which must be a political, not only economic or

administrative, decentralization. The resources will have to be complementary, but the process begins with political decentralization.

The second is strengthening of local governments. This aspect isn't usually included in processes of decentralization, particularly those undertaken in the Americas, but to us it is essential, precisely because of the definition we've proposed.

The third element is a new pattern of intergovernmental relations that has an authentically federalist element under this scheme that I've explained. This means there would be programs for rendering of accounts, for measuring performance on all levels of government.

Lastly, there must be mechanisms for citizen participation.

What specific projects are you promoting to achieve these objectives?

First of all, with regard to decentralization, we are promoting federalism in public finance.

What we need is to link revenue with spending, and in distributing resources to state and municipal governments we need to separate revenue collection from spending.

Now we're proposing to give the states and municipal governments 30% more resources, but if we don't define their powers we can't make a more fair and balanced distribution.

It can be justifiably argued that we need to allocate more resources to states and municipalities, but if that's all we did we would be reinforcing the compensatory aspect only, and neglecting the revenue

collection aspect. In other words, we would be giving the states and municipalities more resources without giving them incentives to raise greater resources of their own.

Our proposal requires important changes in the system by which federal resources are distributed to state and municipal governments.

The federal government must guarantee an adequate minimum of individual and collective guarantees uniformly throughout the country. It is impossible to have the federal government make a different public investment per inhabitant in Oaxaca than it does in the Federal District or in Baja California.

In addition, we must strengthen the states and municipalities.

At present, the powers of the states are only defined in residual terms. This has allowed the federal government to gradually strip the states of important powers.

We must discuss the prohibition on the reelection of municipal presidents, which has kept professionals out of municipal government. According to Mauricio Merino, municipal governments lost 50,000 of their 350,000 employees in 1995. We don't know how many are being lost now, but we estimate that they are keeping only 5% of their original workforce, even though the municipal government teams have grown from 350,000 to 450,000.

Bureaucracy has increased without bringing any greater efficiency or effectiveness in public services.

In addition, the process of strengthening local government must be accompanied by three elements:

The first is a system for measuring municipal administration. We must know what instruments of governance a municipal government lacks, i.e., what equipment does it need to be able to meet its obligations to its citizens. It's important to be able to measure the efforts each municipal government makes to do its job, and to be able to help those that lack the necessary instruments.

It is our intention that the measurement be a municipal X-ray, revealing what progress has been made over time in terms of certain policies. This would have to be done by reliable, third-party agencies. The federal government would not act as measurer.

The second element is the need to put together a system to make public service a profession, to introduce a career of public service based on job competence standards.

The third is the need for a system of training that directly addresses deficiencies in intellectual and human capital.

What mechanisms are you introducing to promote a new pattern of intergovernmental relations? What role does your office play?

We could say that what we have now is a scheme of "encephalitis", in which the federal government is the enormous head, the state governments are an emaciated body and the municipal governments are the feet or hands that are completely disabled or paralyzed. If this is the situation, in order to develop the municipalities we need to develop the entire body. This means new intergovernmental relations: balanced, responsible relations, in which the three levels of government pitch in and unite to serve the citizens.

It means that this office, which currently deals with the development of municipal governments, needs to become an office that deals with intergovernmental relations. We cannot have one without the other. Municipal development cannot be isolated from the issue of the relations of power between the different levels of government. There must be coherence between federal, state and municipal government.

The process of decentralization must be subsidiary, like the process that exists in the European Union, and it must take place through coordination between several

ministries of state. For example, decentralization of agricultural affairs necessarily entails matters of education or health. A unilateral or partial scheme would result in a forced decentralization, with little integration. We must ensure that the federal government introduces decentralization harmoniously, that it doesn't pass problems along to the state governments, but instead helps bring about a better quality of government.

Improving intergovernmental relations also requires new mechanisms for communication between levels of government. We have a program for providing all municipal governments with access to the Internet, as well as to an intranet system to coordinate government matters among the three levels of government. This is also important in order to permit accountability and citizen participation.

The different state databases must be made compatible and should be shareable. We need reliable information to be able to maintain a federalism that is truly compensatory in terms of public finance. At the moment we don't know how much a state contributes to the federation. No one knows, at least no one in the states knows. This information is fundamental.

At the present time, what are the most knotty problems on the federalist agenda?

Two of them are well known.

The first and more difficult is a change of culture at all levels of government. I would say that the other one is the local boss system.

Changing cultures implies understanding intergovernmental reality from a mindset that embraces cooperation, where political antagonisms are subordinated to public responsibility.

In our experience in running the state government in Guanajuato, the main obstacle in the process of offloading powers to the municipalities was the cabinet itself. Ceding responsibilities to the municipalities meant losing power, to let the municipalities have more responsibilities. In this regard President Fox is doing some very important things. At this moment each ministry has goals it has negotiated with the president to undertake specific actions for decentralization and federalism. But this calls for a change of culture in those ministries.

Where do you want to be two years from now?

To have a coherent strategy for decentralization and a system of professionalizing public servants.

Where this office is concerned, I see the office of federalism and municipal development like an army, with clear leadership on the part of the Ministry of Government. This is an opportunity for that Ministry to work in terms of public policy and not only on conflict resolution. It could be an office through which the President negotiates objectives with his ministers in everything related to federalism.

I see the office for federalism as having a low political profile, to allow the parties to shine.

Part of our two-year goal is to hold a very important international event next November, in collaboration with the Forum of Federations. The Forum makes it possible to draw on international experience with federalism to understand what federalism means on this planet. The event will take place in Veracruz, a state where the first municipality in the hemisphere was founded, and it demonstrates our interest in a cooperative federalism between three levels of government, one that goes beyond a dual federalism. And Veracruz has a PRI state government with a PAN municipality.

The question to be raised is: how have schemes for cohabitation turned out in other countries? For us, the event is being transformed into a showcase reflecting the federalist effort in Mexico and projecting our dreams into the whole world. The event will be not only a forum for discussion but also a teaching forum attended by municipal and government officials. We expect some 1,500 persons will attend.

Another point I'd like to mention is that we have a plan to create an inter-institutional, inter-university center where we can bring together a number of the libraries on federalism, municipal empowerment and decentralization that already exist in Mexico. This merger of research efforts will help us coordinate the work of federalism all through the country, and we will have support of researchers all through the country. We should investigate what we are doing, what are the repercussions of what we do. We already have the site, a building located in a park, and we'll call the park the "Park of Federalism." 