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**Democracy and Federalism:  
Two Brand New Challenges for Mexico**

**By: Mara Hernández+**

**Introductory Remarks**

Throughout the 20th Century, Mexico's history has been marked by a complete contradiction between its constitutional framework and the reality of its political system. Since 1917 we have had a Democratic, Federal and Republican Constitution, with a detailed Bill of Rights to protect, at least in paper, the dignity and integrity of each citizen. Yet, since the beginning of this century we have been a centralist and authoritarian nation, populated by millions of individuals who are ignorant of their political and civil rights. Only 10 years ago, each state governor was unofficially appointed by the president; the PRI had retained the absolute majority of the upper and the lower chamber, and of all 31 state congresses. During more than sixty years, this gigantic party (absurdly named as Institutional Revolutionary Party, PRI) dominated every aspect of the country's public life (from administrative offices to labor unions and even Public Universities), at all levels of government, in each of the 3 branches of power: executive, legislative, judicial, and even the media.

Every six years, Mexico would carry out a fake presidential election, organized by the PRI, to replace the incumbent -never surprisingly- with the PRI's candidate. This new president would concentrate all the political power for the following six years and would then choose his successor.

The PRI's sophisticated machinery has achieved self-perpetuation through fraud and violence, using state resources for party purposes and treating all loyal opposition as criminals and enemies of the state.

The symbiosis, between this party and the State has been such that most political scientists have agreed to define the PRI as a State-Party, comparing it with the Communist Party of the former Soviet Union. Mario Vargas Llosa<sup>[i]</sup> (famous novelist and ex-presidential candidate of Peru) has referred to our political system as the "perfect dictatorship". 70 years of one-party rule has sunk Mexico into lawlessness, crime, corruption, impunity and illicit enrichment of high officials.

Fortunately, during the last decade, Mexico has experienced an incipient transition to democracy, spurred by the main opposition forces and by the cyclical economic crisis that Mexico has experienced every six years (with astonishing punctuality at the end of each of the last four administrations). The fact that 40 millions of Mexicans live in poverty (according to the latest data published by the World Bank) and 10% of the population concentrates 40% of our national income has encouraged our civil society to seek for a change<sup>[ii]</sup>. This irreversible trend towards democracy has eroded the central government's power, leading to the resurgence of the other two levels of government: states and municipalities.

## **Current Situation**

Today, one third of our State Governors are from opposition parties; the PRI has lost the majority in the lower chamber and fundamental reforms to our institutional framework have taken place, but still a lot remains to be done:

- Firstly, checks and balances between the legislative and the executive branch have increased considerably and state governments are playing a more active role in the national debate. Yet, the judicial branch is still dominated by excessive centralism, inefficiency and corruption. Judges are accountable only to their supervisors and are poorly paid. Specialized courts in administrative, agrarian and labor issues remain subordinated to the executive branch. Competencies have not been clearly defined between the three levels of government and almost any case can end up being discussed in our Supreme Court of Justice. Consequently, federal courts are saturated and work at a very slow pace; justice turns out to be so expensive that only a few can afford it.
- Secondly, a significant proportion of public spending has been reassigned to the state and municipal levels. According to official data, the federation has control of only 30% of public spending, while states and municipalities spend 70%. Yet, more than 60% of that 70% is "granted" by the federation with severe restrictions. The decentralization of education, for example, means state governments pay the teachers, but nothing else, programs and curriculums are still centrally planned! On the other hand, the pace of democratization at the federal level has clearly exceeded that of the other levels of government. Thus, in the municipalities and states, accountability is still ambiguous and authoritarian practices have not been eradicated. A significant portion of resources handled by the State governments are assigned amongst municipalities and locations with complete discretionality.
- Thirdly, legislative oversight on public spending has become clearer with the predominance of the opposition. Nevertheless, the PRI continues to be criticized for manipulating social policy and infrastructure investment for electoral purposes. Recent research on the subject suggests that the population political preferences of a location are a significant variable to explain the distribution of public spending between locations. While this continues, resources will not be assigned efficiently and poverty will not be consistently alleviated. Also, the federal government has managed to retain the monopoly of information that is crucial to assure accountability and transparency. The current administration has refused to reveal information regarding a presumably illegal financial operation to finance the presidential campaign of Ernesto Zedillo, in spite of the Congress's demands.
- And finally, perhaps the most important in this transition, an autonomous entity, the Federal Electoral Institute (where all political parties are represented), has been created to organize elections.

It is due to this new Institution that we Mexicans are now dreaming with the possibility of a peaceful alternance in power, for the first time in more than 70 years. Next Sunday, July 2, close to 50 million Mexicans will participate in the election of our new president and new congress.

Still, most Mexicans fear fraud in the election, despite the credibility of our electoral institute. A survey<sup>[iii]</sup> raised among young students from all over the country revealed that 75% of them believes that the PRI is going to commit fraud.

All along the ongoing presidential race, public resources are being used for electoral purposes. Propaganda is distributed together with aid from the federal government. Civil servants are being coaxed into promoting the PRI. Rumors are being spread in the sense that secrecy of the vote won't be respected. Voting cards are being massively purchased from impoverished citizens in order to reduce participation. Citizens (particularly in poor rural areas) are confused and do not distinguish between the PRI and the government. According to a recent survey<sup>[iv]</sup> sponsored by the Dallas Morning News and several NGO's, 40% of the population believes federal subsidies are granted by the ruling party. In rural areas 16% of the population believe that the government can know who they voted for and/or that they will be punished if they do not vote for the PRI. Mass media has poorly covered irregular practices and several polls showing the opposition candidate, Vicente Fox, at the lead have been banded.

The three main obstacles for a clean and fair election are:

1. The ignorance of millions of Mexicans that offers a fertile land for coaxing and vote purchasing.
2. The limitations that the current legislation imposes on our electoral institution, regarding the enforcement of campaign funding regulation.
3. The discretionality that still prevails in the distribution of mass media permits and has led to unequal air-time allocation in radio and TV.

### **The Need of a Change**

Despite structural reform and economic liberalization of the last decade, the PRI has preserved its paternalistic structures, particularly in labor unions and rural areas where patronage is still a strong institution. The unfairness of the prevailing political institutions and of the lack of rule of law explain the existence of the Zapatist army and the inability of the last two administrations to solve the conflict. To adequately accommodate ethnic and cultural diversity in our country, we need a democratic framework.

The gains from the regulatory reform and free trade have been inequitably distributed (mainly because of corruption, institutional problems and policy mistakes) and the benefits of our new democratic institutions are scarcely perceived by the population. Our transition is still incomplete and already both institutions, democracy and the market, are losing legitimacy. In this context, the risk of a populist or authoritarian rollback, similar to those of other Latin-American countries, could be growing.

To avoid this risk, Mexico needs to consolidate its democratic transition, and the first step in order to achieve this goal is power alternance.

Next it will be necessary to redefine our federal system because it was never designed to work in a democratic context, for this we need:

1. A clear-cut definition of responsibilities and competencies among the three levels of government (federal, state and municipal), from the very beginning, according to the

principles of subsidiarity and solidarity.

2. An autonomous entity responsible for ensuring accountability and transparency in public spending, with a legal framework to guarantee its access to complete information regarding public spending and the criteria de distribute them.
3. New institutional arrangements to solve controversies between the different levels of government.
4. A sound fiscal reform to create the correct incentives at each level of government.
5. New institutions for intergovernmental relations, so that governors can share their experiences and participate in policy making at the federal level.
6. Deep reform of the judicial branch to guarantee full independence form the executive and to promote decentralization, accountability and higher levels of efficiency.
7. A wide national debate to design the proper institutional arrangements to accommodate ethnical diversity.

In Mexico's democratic transition, federalism will be a key issue to ensure governability and accountability. Throughout modern history, federalism has proved to be the most valuable instrument for democracy, both in terms of efficiency and equity. Democracy requires participation and empowerment, and this can only fully take place at the local levels of government. Democracy also requires good governance and tangible outputs for the wellbeing of the population, and this can only occur through a coherent distribution of responsibilities between all three levels of government.

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[i] From a televised debate on Mexican politics, Televisa, Mexico, 1991

[ii] National Income-spending Survey, INEGI, Mexico, 1996

[iii] Aguilar Camín, Hector, Zona Abierta, Televisa, June 18, 2000

[iv] Alianza Cívica, <http://www.alianzacivica.org>, press bulletin, May 28, 2000

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