



Federations

What's new in federalism worldwide

volume 1, number 4, may 2001

In this issue

Putin's presidential representatives: one year later *By Alexei Avtonomov*

When President Putin named "emissaries" to the main regions of the Russian Federation, critics said he intended to ride roughshod over the governments of the constituent units. In actual practice things have turned out to be much more complex than that.

Pakistan: will the military really give more power to the grass roots? *By Sajid Qaisrani*

If the military government's plan to reform local government goes through, traditional bureaucratic and political elites will find their power much diminished. Women and members of the 'popular' classes will acquire unprecedented influence. Many ask: Why would a military government want to do that?

Pressures on Canada's "environmental" federation from inside & out *By Carolyn Johns*

In Canada, as in many other federations, the environment is an area of shared responsibility between the federal and provincial levels of government. This means that the provinces have a key role in implementing the Kyoto agreement. The provinces, however, are far from unanimous in their views of the accord.

Vested power vs. reform in Switzerland *by Anne-Béatrice Bullinger*

The Swiss federal government has a plan to simplify and rationalize the country's system of fiscal relations. At the level of the cantons there is much resistance to the proposed changes. Many complain the proposed changes go too far, too quickly.

India: Can a constitution change? *By Prasenjit Maiti*

The coalition led by the Hindu nationalists has put in place a commission to undertake a root and branch reform of the Indian constitution. One of the government's goals is to streamline India's governing structures in line with the requirements of the global economy. Opposition parties fear another lurking agenda.

The PRACTITIONER'S Page: Carlos Gadsden of Mexico

In an interview with Yemile Mizrahi, Carlos Gadsden, head of the Mexican government's Centre for Municipal Government, talks about moving local government away from the "local boss" system. Among the challenges he talks about is the need to set up systems to measure the performance of local governments.

Contributors to this Issue

Alexei Avtonomov is head of the section on comparative legal studies at the Institute of State and Law, deputy president for legal issues of the Foundation for the Development of Parliamentarism in Russia, and professor of international relations at the State University for Humanitarian Studies. He is also a member of the International Advisory Council of the International Foundation for Election Systems. **Anne-Béatrice Bullinger** is a Swiss political scientist working on fiscal federalism. She is currently a visiting student at the Centre de recherche et développement en économie (CRDE) at the Université de Montréal. **Carolyn Johns** is an assistant professor in the School of Public Administration at Ryerson Polytechnic University in Toronto. **Prasenjit Maiti** is a lecturer in political science at Burdwan University in West Bengal and a research associate at the Institute of Federalism, University of Fribourg. **Sajid Qaisrani** is currently working for the leading women's rights NGO 'Aurat Foundation' as Director of their Resource Service. He worked previously as a journalist for the Pakistan Television Corporation and as editor of the daily *Pakistan Times*. **Yemile Mizrahi** is a professor and researcher at CIDE (Centro de Investigación y Docencia Económicas), a public academic institution in Mexico City.

The Forum of Federations, an international network, seeks to strengthen democratic governance by promoting dialogue on and understanding of the practices, principles, and possibilities of federalism.

From the editors...

Reforming federal systems cannot usually be done easily and quickly.

The nature of federalism implies negotiation and accommodation between and among different orders of government. And since the "system" normally defines the powers and prerogatives, the limits and rules that apply to all the actors in a federation, it would be perverse if it could be changed on a whim.

Constitutions do get amended, of course, and the amendments sometimes take on great significance. The American Bill of Rights, so fundamental to the political culture of the USA, came about as a series of constitutional amendments. Canada enacted its entire Charter of Rights and Freedoms as part of a single constitutional amendment in 1982.

Yet, especially on matters that touch on the powers and entitlements of the various orders of government, many federal systems seem to be structured in such a way as to make change very difficult.

Take, for example, the question of fiscal relations.

This is an area where many federations seem to have built-in features that inhibit radical reform. In the March 2001 issue of **Federations** we had articles that addressed two such cases: Brazil and Germany. In both of those countries there are powerful forces working to reform aspects of the equalization, taxation and revenue-sharing arrangements. Yet—as our authors showed in the last issue—

history, established practice, and constitutional processes weigh heavily against fundamental change in both countries.

In this issue we have an article about a similar uphill battle in Switzerland.

It seems that when their financial bottom line could be affected people are very nervous about changing the status quo.

We look at other kinds of reform in this issue, as well.

From India we have a report on a major constitutional commission that is examining everything from electoral reform to the role of local government to minority rights. This is the third article on India we've had in the short life of this publication. That is probably appropriate given that, by population, India is by far the world's largest federation.

For the first time we have a story from another part of the sub-continent—Pakistan. That country is considering intriguing changes in the nature and role of local government. Proposed reforms would mean a strengthening of local democracy and an increased voice for women, the middle class and the poor. What is intriguing is that these reforms are being proposed by a military government!

One of the most important recent "reforms" in Russian federalism was President Putin's naming of plenipotentiary representatives to the regions. The article on Russian federalism in our first issue alluded to that development. In this issue we have a

report on how that innovation is working a year later.

Our article on Canada in this issue does not deal with a proposed change to the federal system, but to the way a federation deals with a matter of policy that, at once, cuts across jurisdictional boundaries and has an important international aspect. In this case, the matter is climate change and the Kyoto accord.

Finally, this issue's 'practitioner' is Carlos Gadsden, a member of Vicente Fox's new team in Mexico. We seem to be hearing less from Mexico about reforming the federal system than about reviving a system that had grown sclerotic from years of neglect.

As usual we welcome your comments. Our letters page is posted on our web site, where you will find complete information on the Forum of Federations and all its activities, and valuable federalism-related links.

www.forumfed.org

Readers will note that there is a subscription card in this issue.

We wish we had the resources to send **Federations** to you free of charge. Alas, we don't! The modest price for five issues does not entirely cover our costs, but it will enable us to continue publishing **Federations**. In fact, in the not-too-distant future we envision going monthly.

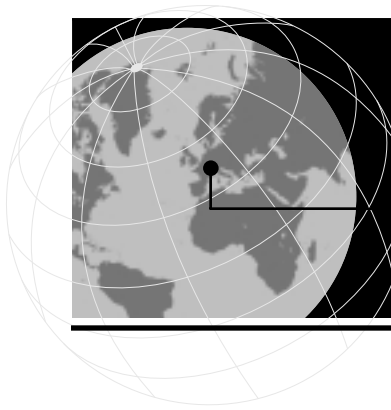
We urge you to subscribe now! (6)

A publication of the Forum of Federations

700-325 Dalhousie, Ottawa, Ontario K1N 7G2 Canada
Tel.: (613) 244-3360 Fax: (613) 244-3372
forum@forumfed.org www.forumfed.org

Editor: Karl Nerenberg Associate Editor: John Ihnat Editorial / Administrative Assistant: Rita Champagne

Federations is published five times per year by the Forum of Federations. Subscription rates are \$20 Cdn per year in Canada, \$20 usd per year anywhere else in the world. Contributions of articles are welcome. Contact the Editors at the above coordinates. The Forum of Federations cannot guarantee the return of unsolicited manuscripts.



Vested power vs. reform in Switzerland

BY ANNE-BÉATRICE BULLINGER

Since 1990, the Swiss federal Department of Finance has been developing major reforms to the system of fiscal federal relations in Switzerland.

The matters being examined for reform are the system of equalization and the distribution of responsibilities between the federal government and the cantons.

This rather ambitious project, however, is now facing vehement opposition from some cantons. There are even serious doubts as to whether such an extensive reform could ever succeed given the highly decentralized nature of Swiss politics.

Swiss political decision-making is characterized by consensus seeking, and the cantons can block federal projects. The result is that federal projects are rarely adopted as planned, and reform processes become very long and unpredictable.

This has caused previous attempts at federal reform to fail. A plan to rationalize federal conditional grants to the cantons failed in 1966. Two series of proposals, in 1971 and 1978, for a new assignment of functions and responsibilities between the federal government and the cantons were rejected as well.

In this context, the federal government has to choose its strategy well in order to bypass the constraints of the system.

A 'package deal' and angry reaction

Throughout this process, the Department of Finance has been careful to consult experts and to include the Conference of Cantonal Ministers of Finance as partners in a federal-cantonal working group. This working group made the reform proposals. It is composed equally of members of both orders of government.

Moreover, the Finance Department has undertaken a programme of consultation with various interested parties. Based on suggestions, it modified its original plan by removing inessential elements of the proposed reform.

The Department of Finance has presented the reform as a whole package, and has insisted that if only parts of it were adopted, it would not fulfil its purpose.

The argument goes that alternatives to the reform—that is, the status quo, extensive tax harmonization, or territorial reform—would neither satisfy the cantons nor respond to public pressure.

Despite this strategy, the Finance Department was confronted by angry cantonal governments last November when simulations of the proposed new equalization system indicated that some cantons would stand to lose financially.

It is very likely that there will be more crises to come as the reform project proceeds. And some experts wonder whether the proposals are too ambitious for contemporary Switzerland.

Efficiency and subsidiarity

The main thrust of the reform plans is to propose reallocating responsibilities to the order of government that would manage them most efficiently.

One of the major proposals is to separate equalization of costs from equalization of resources by:

- abolishing matching grants, and
- introducing a new "fiscal capacity indicator" to estimate the taxable wealth of the cantons, taking into account only their potential tax receipts and excluding elements linked to the costs of accomplishing tasks.

A working group has examined federal and cantonal responsibilities, and has

proposed their reallocation according to the subsidiarity principle (the principle that responsibilities should normally be assumed by the "lowest" levels of government and only move to higher levels as they exceed the capacities of the lower levels).

Some of these responsibilities would be held exclusively by either the federal or the cantonal governments. Cantonal responsibilities that affect other cantons would be accomplished through intercantonal cooperation, and some would remain joint federal-cantonal responsibilities.

An end to matching grants?

For joint responsibilities, the federal government would be in charge of strategic, policy-related aspects, while the cantons would be in charge of operational implementation. The federal government and the cantons would agree on the goals to be achieved and would establish an intergovernmental contract.

The federal government would transfer block grants to the cantons for the implementation of joint projects. These grants would be based on the degree to which the goals of the projects were achieved. This block grant system would replace the system of matching grants whereby the federal government's contributions would be proportional to those of the cantons. Thus, the amounts to be transferred would be based on the tasks achieved rather than the costs.

There would be no more equalization payments distributed through the grants system.

The proposed reforms also deal with cantonal responsibilities that affect other cantons, such as professional schools, universities, medical care, and public transportation.

Cantons benefiting from services provided by other cantons would have to pay compensation to the providing cantons. The cantons would have to establish inter-cantonal contracts, and the reforms would introduce the principle of compulsory inter-cantonal cooperation into the Swiss Constitution.

That aspect of the reform would give the federal government the power to extend an agreement to all the cantons involved—in effect, forcing reluctant cantons to cooperate.

In addition there would be a law specifying the areas in which cantons must cooperate.

Still, this reform wouldn't give untrammelled new power to the federal government. It would only be able to force all the cantons to cooperate if a certain number of those involved were to request federal intervention.

Sharing the wealth

In order to reduce inter-cantonal disparities, the reform proposes to equalize resources through unconditional revenue sharing.

The cantons would receive a fixed percentage of some federal receipts, distributed among them according to the new "fiscal capacity indicator". The cantons receiving funds would be those whose fiscal capacity is below a certain level. The cantons would be free to use those funds as they see fit.

The Swiss Parliament has yet to decide the extent of the redistribution that would take place among the cantons.

In order to ensure that all cantons reach the level of fiscal capacity determined by parliament, the federal government would provide complementary grants to those cantons whose fiscal capacity remained low after equalization.

The federal government would give additional unconditional grants to cantons facing higher costs due to their geographical location (such as mountainous regions), or socio-demographic challenges.

Those would not be matching grants, but would instead be linked to certain specific responsibilities such as roads, water emergencies, and forests. There would also be specific criteria for determining which cantons can benefit from the grants and to what extent.

Threats to vested power

The proposed reforms are indeed ambitious because they propose to change the very structure of Swiss federalism as well as the practices that have developed around it.

In this process, the power relationships would likely change.

To start with, imposed inter-cantonal cooperation contradicts the long-established principles of cantonal autonomy and diversity.

Traditionally, Swiss federalism has emphasized inter-cantonal competition and has fostered diversity. Even though cantons already engage in some forms of cooperation and several projects are conducted regionally, cantons tend to be reluctant to work together.

The question then becomes: how will the federal government be able to negotiate policy objectives with cantons that, so far, have had substantial discretion in implementing federal policies in their own distinctive ways?

The reforms would also shift power within federal and cantonal administrations. In particular, the relative financial position of the ministries at the federal and cantonal level would change.

For example, getting rid of the equalization component in federal grants for specific projects (the conditional-matching grant system currently in use) would alter the distribution of power both at the cantonal and federal levels.

Equalization at the cantonal level would be channelled almost exclusively through the finance ministries—to the detriment of other "functional" ministries, which would then have to beg for new funds.

Too audacious for Switzerland?

The Swiss federal system tends to evolve in an incremental way—making changes step-by-step. This fact threatens the success of the proposed reforms. In particular, tying together a reform of the equalization system and a reallocation of responsibilities increases the chances that the reforms will fail.

The equalization reforms alone—framed so that they cause no major changes in the distribution of power in the cantons—would have a greater chance of success if they were presented separately from the redistribution of responsibilities.

There have nevertheless been occasions in Switzerland where audacious reform efforts have led to quite innovative results.

Indeed, one might argue that radical proposals are the only means to open new windows of opportunity and create new alliances.

Many hope these reform proposals will at least trigger a national debate on the future of Swiss federalism.

Whatever the fate of this project, it will have at least revealed vested powers in the Swiss federation.

The status quo stacked against the proposed reforms:

Current constitution

Equalization through revenue sharing and cantonal contributions to federal social expenditures

Mix between equalization of costs and equalization of resources

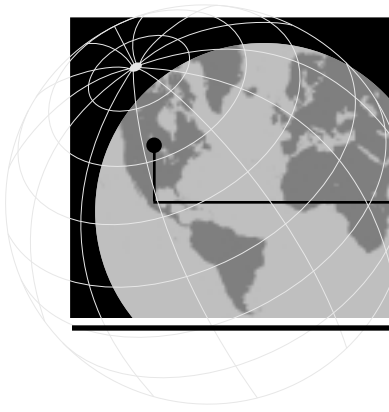
Equalization supplements in conditional transfers; mix between incentives and equalization

Proposed reforms

Equalization through revenue sharing, but a new formula; abolition of cantonal contributions to federal social expenditures due to reallocation of those tasks

Separation between equalization of costs and equalization of resources

Block grants without equalizing supplements, combined with a new distribution of tasks



Pressures on Canada's "environmental" federation from inside & out

BY CAROLYN JOHNS

The recent announcement by US President George Bush of his country's abandonment of the 1997 Kyoto protocol on climate change may deal a final blow to Canada's commitments that have recently been the source of considerable friction between the federal and provincial governments.

Signals of a domestic unravelling became evident in November 2000, when 100 Canadian delegates made up of federal, provincial and territorial government officials, as well as representatives of industry and non-governmental organizations, returned from the United Nation's 6th Conference of the Parties on Climate Change in the Hague.

Days after the conference, domestic tensions were ignited by a press release from the environment minister of the richest and most populous province, Ontario.

Ontario's minister complained that the federal government did not go far enough towards creating national standards and "securing a coordinated North American approach to addressing climate change".

These comments followed Ontario's refusal to adopt the "First national business plan on climate change" at a joint ministers of environment and energy meeting in Quebec City one month prior to the meetings in the Hague.

All provincial and territorial ministers of environment and energy, except Ontario's, adopted the business plan as a central component of Canada's national implementation strategy that "recognizes and respects the jurisdictional authorities of each order of government".

No consensus for a climate change strategy

The national strategy calls for specific actions by federal and provincial

governments related to meeting Canada's target of reducing greenhouse gas emissions to 6% below 1990 levels within the 2008–2012 period.

In addition to federal initiatives, provincial and territorial contributions under the plan are expected to provide further reductions in greenhouse gas emissions.

The Ontario minister criticized the federal government for not demanding more trans-boundary emission reductions from the United States during talks that led to a draft agreement of the long-awaited Ozone Annex to the Canada-US Air Quality Agreement signed in 1991—an agreement designed to reduce trans-boundary smog. The future of this agreement is now in doubt.

The Annex is primarily targeted at reducing nitrogen oxide and volatile organic compounds from 18 northern US states and the resource-based, energy-intensive industries located predominantly in the Canadian provinces of Ontario, Alberta and Quebec.

Recent requests by New York State and Connecticut for the federal environment minister to conduct a review and environmental assessment of Ontario's coal-fired power stations add another wrinkle to inter-jurisdictional smog issues.

According to the federal environment ministry, the transportation and energy industries (petroleum, natural gas and electricity generation) accounted for 80 percent of the increase in Canada's greenhouse gas emissions between 1990 and 1997.

A more recent report by the federal natural resources department projected that if Canada continues "business as usual" the gap between projected emissions and the Kyoto target will be 26 percent.

A national implementation strategy is particularly contentious in the Canadian federation because the provinces have varied economic development agendas. And the costs of dealing with greenhouse gases vary greatly among the different sectors of the economy.

This is particularly challenging given rising costs in the energy sector.

Recent history: the ebb and flow of environmental co-operation

Constitutionally, jurisdiction over Canada's environment is shared between the federal government and the provinces. Some have called federalism in this policy area imbalanced in favour of the provinces. It has also been characterized as an exercise in "buck passing" between both levels of government.

Prior to the 1970s, there was little federal-provincial interaction concerning the environment.

With unprecedented public concern for environmental issues in the late 1960s, the federal government became increasingly active through numerous pieces of legislation and the establishment of a federal environment department in the early 1970s.

Simultaneously, the provinces were developing their own statutes and environmental ministries.

As a result, intergovernmental relations are a key element of Canadian environmental policy-making.

Since the 1960s the major intergovernmental forum for dealing with the environment has been the Canadian Council of Ministers of the Environment, which brings together the ministers from all ten provinces, three territories and the federal minister. The council meets at least annually to discuss

intergovernmental aspects of environmental policy.

In an attempt to give the provinces and territories a national perspective, the presidency of this intergovernmental organization is rotated annually among member governments. The CCME is also mirrored by a deputy minister committee and supported by its own administrative secretariat.

By the mid 1970s, federal-provincial harmony was restored through a series of bilateral agreements, as well as agreements facilitated by the International (ie, Canada-USA) Joint Commission related to water quality management in the Great Lakes.

Relations during this period were relatively cooperative, despite conflict over energy policy and the Constitution.

By the late 1980s tensions had again emerged, fueled by public concern about the environment.

The federal government's Canadian Environmental Protection Act (CEPA) in 1988 promised to renew federal regulatory activity in the area of environmental assessment. Provincial governments strongly objected to the federal initiative in this area.

Intergovernmental relations further deteriorated when environmentalists forced the federal government through legal action to undertake a broad range of environmental impact assessments previously left to the provinces—assessments that threatened key economic development projects in the provinces.

In 1990, the ministers of the environment signed a multilateral agreement to cooperate, followed in 1991 by a statement of environmental assessment principles intended to promote coordination and consistency in the federal and provincial environmental assessment process.

By the mid-1990s both levels of government faced declining budgets and waning public concern about the environment.

The "harmonization initiative" in 1993 shifted the emphasis to eliminating duplication and overlap in federal and provincial responsibilities. This signaled a departure from the implicit acceptance of

some overlap in the earlier multilateral agreement on the environment of 1990.

By 1993 the task of streamlining government operations had come to seem more urgent than the need to deal with environmental challenges.

But new impetus for intergovernmental cooperation came as part of the federal government's wish to bring the predominantly French-speaking province of Quebec back to the council of ministers' negotiating table (Quebec had withdrawn in protest against the 1988 federal Environmental Protection Act).

The federal government also wanted to produce some evidence that its new model of a "flexible federation" could work.

At the 1996 meeting of the council of environment ministers all provinces agreed in principle to work towards another multilateral framework based on Canada-wide rather than national standards—in other words standards negotiated between the two levels of government and not imposed by the federal government.

A contested "Accord"

In 1998, all provinces (except Quebec), and both territories signed the Canada-Wide Accord on Environmental Harmonization.

Through a series of sub-agreements between the federal and one or more of the provincial or territorial governments, the Accord attempted to address a number of environmental issues that require intergovernmental cooperation.

Initially, these included environmental standards for toxic substances, assessment and inspections. Additional sub-agreements were planned for inspections and enforcement, monitoring and reporting, emergency response, research and development, policy and legislation, state-of-the-environment reporting and international agreements.

Environmental groups were strongly opposed. They were critical of the potential of the Accord to improve environmental outcomes, given the significant cuts in the environment budgets of many provinces.

Critics see the implementation of the Accord, together with the decline of the

council of environment ministers, as symptoms of the fact that several important provinces and the federal government are much less committed to the environment than they were a decade ago.

In addition, the Accord is being challenged by developments on the international front.

New challenges to the "environmental federation"

Many emerging issues require joint action outside the institutional boundaries of ministers and departments of the environment and the council of ministers.

And if the multilateral framework embodied in the Harmonization Accord is going to address emerging challenges, a sub-agreement on international agreements may be worthy of reconsideration.

The federal government has recently stated that it will be setting up a parliamentary committee to examine the issue of bulk water exports. It is very likely that the commercialization of water could be a key intergovernmental issue in coming months.

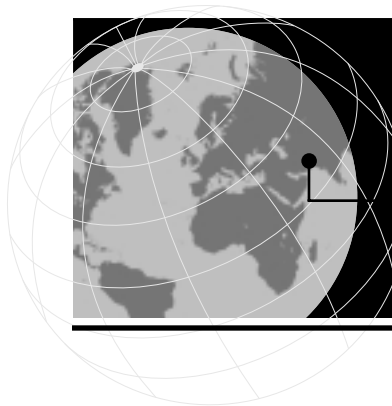
A pending US lawsuit related to water exports under the North American Free Trade Agreement (NAFTA) will also challenge the ability of the Canadian federation to legislate against water exports—clearly viewed as a commodity by the Americans.

There is also the Canada-Yukon Oil and Gas Accord Implementation Act related to the Alaskan Highway Pipeline Project (an 1800 mile long natural gas pipeline). This will bring environmental issues related to natural resource development to the forefront of the intergovernmental agenda.

In the end, the fact that Canada has a flexible and adaptable federal structure may be a saving grace in dealing with complex questions of environmental jurisdiction.

There will always, it seems, be competing claims of environmental authority.

When it comes to the complex, interwoven nature of environmental issues, what Canada needs are networks of shared authority and new approaches that reflect this complexity. 6



Pakistan: will the military really give more power to the grass roots?

BY SAJID QAISRANI

Pakistan's military government has introduced a local government plan that could go a long way towards making federalism effective in that country.

The plan envisages the establishment of elected district governments in the 103 districts of the country by 14th August 2001. In a major departure from past practice, it would make the district administration and police answerable to the elected chief executive of the district.

Never before in Pakistan's history have the elected local chief executives headed districts. Non-local federal and provincial bureaucrats have always controlled the districts.

The new plan reserves a third of the seats in the district councils and other tiers of local government for women. It provides for direct elections on the basis of adult franchise for these reserved seats at the union council level. This has been a long-standing demand of human rights and women's rights groups.

Other main features of the plan include abolition of the 'division', an intermediary administrative unit between the province and the district, and lowering of the voting age from 21 to 18.

A long history of centralism

The system currently in place is a legacy of British colonial rule. It divides the country into four administrative tiers: the centre, the province, the division and the district. The districts and divisions are distinct legal entities and the provinces have constitutional status. But the centre governs them all through a bureaucratic command structure based on the colonial model.

In this model the personnel belonging to the elite District Management Group (DMG) and Police Service of Pakistan (PSP) are recruited by the federal

government through the Public Service Commission on the basis of a competitive examination

A quota is fixed for the four provinces on the basis of their population. In this way Punjab, which has about 56.5 % of the country's population, gets a major share of the vacancies. A quota also exists for the officers of the armed forces. As a majority of these officers also belong to the Punjab, that province gets a main chunk of this quota too.

Members of the elite groups, thus selected, are sent to the provinces where they fill from 40 to 60 per cent of the posts of the Deputy Commissioner and Superintendent of Police in the districts. All the executive, magisterial, judicial, and developmental functions are combined in the person of a Deputy Commissioner. This Deputy Commissioner, who is also the District Magistrate, controls a district through a vast network of provincial, magisterial, police, revenue and administrative officials. The local people have absolutely no say in the affairs of the district.

The members of the DMG are also posted to all the important positions in the federal government including those of the Secretaries and Joint Secretaries. As with the DMG officers, the Centre also controls postings, transfers and promotions of police officers belonging to PSP. Plus, the federation also appoints the provincial Governors.

Many undesirable effects

Thus, under the present highly centralised system the federal government controls the administration at every level right down to the district. Provincial governments that don't toe the centre's line are frequently dismissed.

The vast and unrestrained powers of the bureaucrats have given rise to corruption. Critics point out that "lands and other resources of the districts have been plundered at will and development aid has been eaten up in the most shameless manner."

Unchecked powers of police have contributed to an increase in crime. Reporting of crimes at the police stations has become so difficult that quite often the provincial high courts and even Prime Ministers and Chief Ministers have to intervene to get a crime reported.

Control of the local government by the non-elected and non-local bureaucrats has resulted in the ill-planned growth of urban centres and depletion of education, health, sanitation and other civic facilities in both urban and rural areas.

Power to elected people

This system has prevented federalism from working in Pakistan. As well, it has cultivated the seeds of disharmony amongst the provinces.

The new local government plan aims at addressing these issues by abolishing the post of the Deputy Commissioner and transferring most of its administrative functions to the elected head of the local government.

The idea is that if the bureaucratic chain at the district level were to break it would result in reduced federal control over the districts—and give an indirect boost to federalism.

Three forces are opposing the new local government plan: the political parties, the bureaucrats and the religious elements.

The political parties have termed the plan "interference in provincial matters" and "infringement of provincial autonomy".

Political leadership in Pakistan has long thrived on official patronage. Through linkage with the bureaucratic hierarchy, tribal, feudal and industrialist political families have been able to sustain their hold on the districts. The system has helped them bar the entry of new classes into the political arena.

Political parties, once in power, use the system to prolong their rule and quash political opposition. Seldom in Pakistan's history has a party been voted out of power.

Bureaucratic and religious power threatened

The mainstream political parties oppose the proposed new system—despite the fact that there has been a growing consensus during the last decade that the existing system of governance has fallen to pieces and that centralised bureaucratic control over the affairs of the state, and exclusion of the vast majority of citizens from governance, has failed the country.

The bureaucrats vehemently oppose the plan because it would significantly curtail their powers. A committee of Federal Secretaries has reportedly unanimously rejected the new plan, asking the government to shelve it.

The control over districts had made the bureaucrats major actors on the political scene.

It was because of this system that the bureaucrats were, almost unnoticeably, able to take direct control of Pakistan's government in 1951, barely four years after independence. It took politicians 21 years to regain partial control of the government in December 1971 and at great expense. It only happened when the people of the majority province of East Pakistan succeeded after a long struggle, in throwing off the "yoke" of bureaucratic control by creating the new state of Bangladesh.

Religious groups and parties oppose the plan because of the 33 per cent representation it gives to women in the

local councils, which they say will promote "immorality" in society.

Popular support and a phase-in

Still, the people at the grassroots level have generally welcomed the new plan enthusiastically. Elections for local government are being held in the districts in a phased programme.

In the first phase of elections, held on 31 December 2000, the turn out of voters was close to 46 %. In the second phase of the elections, held on 21 March, 2001, it rose to nearly 60 %. According to the figures compiled by the UNDP-sponsored "Citizens' Campaign for the Women's Representation" in the Local Government, more than 8000 women were elected to the local councils in direct elections during the first two phases.

This in itself is history in the making.

In the first two phases eight women were elected as mayors of the union councils by defeating their male opponents in close contests. The mayors of the union councils, or *nazims* as they are called, will form the members of the district councils.

These directly elected women *nazims* are in addition to women members of the district councils who are yet to be elected in the indirect elections (under the one-third rule).

Besides the people of Pakistan, the international community has generally expressed its support for the proposed system, which has given a semblance of legitimacy to the military government.

The supporters of the new system feel that replacement of federal bureaucrats by elected mayors as district heads will go a long way toward changing the character of the Pakistan government from a centralist to a true federal state.

Making the district police answerable to district councils will place a check on the police's high-handedness. And possibly the crime rate will come under control.

Pakistan could achieve enormous progress in the fields of education and health and a general rise in the standard of living. The newly elected bodies can also be expected to invest in infrastructure for the development of districts, which has been long neglected.

What are the military's true intentions?

Most important of all these, reducing authoritarian control over regional governments might for the first time give real influence to those social classes that have up till now been barred from power. The emergence of women councillors from middle- and lower middle-class families is part of this story.

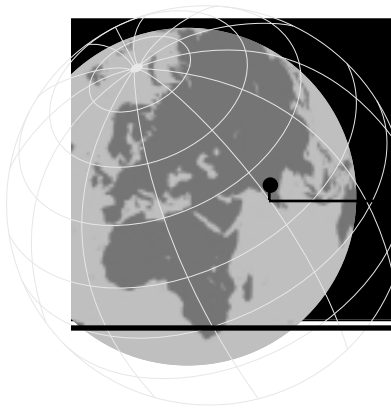
Good intentions and seemingly glowing prospects apart, a number of observers have not been able to comprehend the military government's thinking behind the move. After all, they argue, why would a military government try to undermine the centre's control over the districts?

And there is another worrying aspect.

The locally elected executives would head the districts under the new plan, but the system of central recruitment of bureaucrats for provincial and local posts would not be eliminated. In fact DMG officers would be appointed as District Co-ordination Officers in the new set up and district police chiefs would continue to be members of the elite PSP group.

All of which raises an important question that has yet to be answered:

What effective checks are there in the system to prevent elite groups from reasserting their power, especially given the fact that the military government has so far provided no constitutional or legal foundation for the new plan? 6



India: Can a constitution change?

BY PRASENJIT MAITI

Later this year, a special Commission set up to review India's constitution will report on its findings.

The Bharatiya Janata Party-led National Democratic Alliance had promised in its 1999 election manifesto that it would review the Constitution if elected to power. The special Commission is the result of that promise.

The government named Justice M. Venkatachaliah, a former judge of the Supreme Court of India, to chair the Commission.

Justice Venkatachaliah and his colleagues—who include former and present-day politicians, jurists, and journalists—are supposed to recommend measures to overhaul India's well-entrenched institutions of republican and parliamentary democratic governance.

They started their work in January 2000 and were to have reported one year later. But as their deadline neared, the government gave them an eight-month extension.

A broad mandate

The Commission has been studying how the Indian Constitution—in place since 1950—has functioned during the last half a century, and it is working on suggestions as to how that relatively old Constitution might be improved.

Its final recommendations will be placed before the Government of India and the Union Parliament to form the basis for possible amendments to the Constitution.

The Commission's terms of reference confine its competence to designing a more 'proactive' Constitution: one that can relate to and address the changing requirements of "an efficient, smooth and effective system of governance", as well as the socio-economic developments of a

modernizing and "globalizing" Indian nation.

The terms of reference are hardly limiting. In fact, the scope of the Commission's mandate is very wide ranging, and includes:

- an examination of the ways and means to promote democratic institutions and their accountability;
- a review of electoral reforms;
- a review of socio-economic changes, development and poverty eradication;
- constitutional provisions to encourage the promotion of literacy, employment and social security;
- a review of federal-state relations, especially such critical issues as 'unwarranted' central intervention in the states and revenue sharing;
- the promotion of decentralized governance by the panchayats (local self-government institutions);
- expansion of the scope of fundamental rights, as well as rights of the minorities (Muslims, Christians, Sikhs etc) and weaker sections of the society such as the Scheduled Castes and the Scheduled Tribes;
- legal control of fiscal and monetary policies.

In the specific area of federal-state relations, the Commission has been examining such questions as:

- the imposition of "President's Rule" following a breakdown of constitutional machinery in states;
- and the appointment of Governors (the so-called agents of the central government) in the states.

Global economic forces

The main context of the Commission's work is globalization.

The government wants the Commission to propose changes to the Indian Constitution in light of India's relatively new role as a dynamic, globally trading economy. As well, it wants ideas for how India might reform its governing structure to respond to the requirements of the World Bank, the IMF, and foreign investors.

And so issues such as good governance, especially financial governance, are high on the list of the Commission's priorities.

In essence, the government is looking to the Commission to suggest ways to circumscribe the role of the state and create a more market-friendly political system.

Fears and hopes

As might be expected, such a fundamental review of a long established constitution has engendered fear and anxiety.

In the first place, the National Democratic Alliance government's appointment of the Commission provoked a national debate focussed on the propriety of such a 'momentous' decision, taken by a coalition government apparently not backed up by a clear mandate.

The NDA government, being an allegedly rightist 'Hindu nationalist' régime, has repeatedly been attacked by both the centrist Indian National Congress as well as left parties such as the Communist Party of India and the Communist Party of India (Marxist) at the national level and by several other regional parties in the states for its decision to create the Venkatachaliah Commission.

The Opposition is apprehensive that the BJP's alleged 'hidden agenda'—that is, promotion of Hindu majority chauvinism and the escalation of minority persecution—could be facilitated by this constitutional review.

The Opposition, moreover, has argued that the NDA government itself is an unstable coalition, based on short-term political convenience rather than any ideological affinity.

In the opposition's view the government does not possess the legitimacy to undertake such an important exercise as constitutional change.

In response the NDA government has repeatedly assured the Indian people that the unalterable 'basic structure' of the Constitution (as defined by the Supreme Court of India in 1973 and 1975)—that is, the objectives declared in its Preamble—would not be adversely affected in the process.

As for the people, opinion polls give some sense of what they hope (or expect) from the constitutional reform process.

Surveys show that the areas the people believe to be most ripe for reform are:

- the electoral system,
- institutions dealing with political accountability and transparency,
- empowerment of women and the less privileged sections of the society,
- decentralized governance,
- central intervention in the states,
- and federal-state fiscal relations.

50 years of practical experience

Looming over the work of the Commission is the fact that India's Constitution is a most formidable document that does not allow excessive free play of judicial review (as in the United States of America) or unwritten, informal conventions (as in the United Kingdom).

Nevertheless, we may anticipate a useful review of India's Constitution by the

Venkatachaliah Commission if it is able to draw empirical lessons from the working of India's Constitution during the last 50 years or so.

India's federal dynamics more often than not provide important clues for understanding the polity's real

configurations—not just what is written on paper. Scrutiny of such configurations will help the understanding of the problems of Indian governance, and suggest techniques for more effective federal negotiation. 6

Earlier attempts at constitutional revision

The current formal constitutional review is not unprecedented in India.

The Government of India appointed the Dhar Commission in 1948 to examine the case for a possible reorganization of states on the basis of language. But the Commission favoured reorganization on the basis of administrative efficacy rather than that of language. Moreover, the JVP Committee (December 1948)—that included veteran Congressmen like Prime Minister Jawaharlal Nehru, Home Minister Vallabhbhai Patel and Pattavi Sitaramayya—submitted its report in April 1948, and dismissed the possibility of states' reorganization along linguistic lines.

However, the government was later 'compelled' to create the Telugu-speaking state of Andhra Pradesh in South India (1953) after the 56-day hunger strike and death of Gandhian activist Potti Sriramulu and the widespread public disorder that followed this incident.

Nehru had to subsequently appoint the States Reorganization Commission (22 December 1953) that included Fazl Ali, KM Panikkar and HN Kunzru. The government finally passed the States Reorganization Act (November 1956) that was based on the Commission's report. This was the beginning of states' reorganization in India on a linguistic basis.

Three new states were created as late as 2000 on both linguistic as well as ethnic grounds. (See *Federations*, Vol.1, No. 3)

The Administrative Reforms Commission (1966-70) examined federal-state relations as a component of India's federal democratic governance.

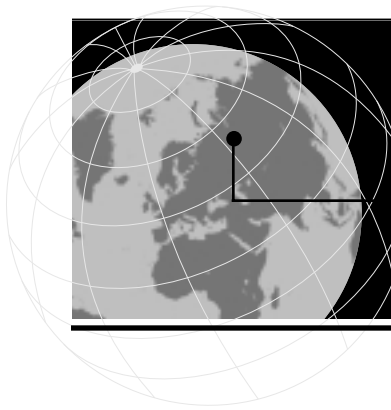
Federal-state relations also emerged as a major federal concern during the 1970s and '80s when Prime Minister Indira Gandhi (of what is now known as the Indian National Congress) was almost coerced by the Opposition, both at national and regional levels, to appoint the Sarkaria Commission on 9 June 1983 to reconsider the working of India's federal system.

The Sarkaria Commission did not recommend a contraction of federal powers, nor a transfer of powers from the federal to the state level.

However, the Commission recommended a consultative exercise on the part of the federal government on all concurrent subjects (that involve both the Government of India and the states). The Commission, in the process, had introduced the idea of cooperative federalism in India.

It concluded that the distribution of powers between the Union and the States, as defined in the Constitution, reconciles the necessity of a powerful federal government in a multicultural society (underpinned by an essential pluralism) with the basic rationale of states' autonomy.

The Constitution of India has been amended 79 times since its commencement (26 January 1950, celebrated as India's Republic Day).



Putin's presidential representatives: one year later

BY ALEXEI AVTONOMOV

In May 2000, President Vladimir Putin made significant changes to the federal system in Russia.

He established seven federal districts to encompass all of the 89 constituent units of the federation. He then appointed seven "Plenipotentiary Presidential Representatives" to be accountable to the President for the interests of the central government in each of the districts.

Many observers—in Russia and abroad—were concerned about the nature of these reforms. They feared that the changes would weaken the federal character of Russia, centralizing power in the hands of the President and his appointees.

Many argued that it was not by chance that the majority of Presidential Representatives previously served in the army or other military forces—where they would be accustomed to obeying the orders of their superiors and issuing commands to their subordinates.

Although President Putin's decree did not empower Presidential Representatives to give orders to elected officials and governments of constituent entities, it was feared that they would nonetheless treat local leaders as subordinates. And in the past year, certain representatives did attempt to interfere in the internal affairs of some constituent entities.

It is too early to write a comprehensive evaluation of this new component of Russian federalism. But the record of the Representatives' first year in office is much more nuanced than the early predictions, and it has allayed some of the initial fears.

The need for federal coordination

First of all, Russia clearly requires federal coordination and monitoring at the regional level.

Before Putin's reforms, no federal body existed in the regions to coordinate the activities of the local branches of the various federal ministries and agencies. It is impossible to coordinate these activities at the central-government level only. Coordination of federal bodies needs to happen at the regional-branch level as well. Furthermore, the lack of efficient management of federal property at the local level has posed a substantial problem for Russia.

One of the serious problems of Russian federalism is the inconsistency between constituent entities' laws and federal laws. In many cases this results from a lack of coordination between the federal centre and regions in the drafting of regional laws.

As well, the proper use of federal budget money, transferred to constituent entities to cover certain expenses, needs to be ensured by a federal body. For example, federal transfers to constituent units to cover certain specific expenses (such as teachers' salaries) ceased in the 1990s. Some constituent-unit governments used funds transferred for other reasons to fill this gap. There was no federal body in the regions which could ensure proper use of federal funding.

The Presidential Representatives could act to fill those needs.

Tasks of the presidential representatives

Among the principal tasks assigned to the Presidential Representatives are:

- organizing activities in their respective federal districts to ensure that domestic and foreign policies are implemented by the local branches of federal departments;
- monitoring the local implementation of federal-level decisions;

- ensuring that the President's personnel policy is respected;
- reporting regularly to the President on national security issues as well as the political and economic situation in the federal districts;
- recommending measures to be taken by the President concerning local matters.

The Representatives have already shown their priorities for the federal districts' social and economic development:

- the North Western federal district: seeking external investment and executing infrastructure projects;
- the Southern and Far Eastern federal districts: executing social and economic development projects;
- the Central federal district: improving citizens' economic security and fighting economic crime, as well as supporting entrepreneurial development;
- the Ural federal district: the same priorities as the Central district, but in the Urals the Representative's staff also deals with the development of specific economic sectors and regional financial-industrial groups;
- the Volga federal district: the Representative is trying to make this district a "laboratory of innovation" with new technologies.

The past year

All the Presidential Representatives have taken part in bringing the constituent entities' legislation into accord with federal legislation. They have been helped by special prosecutors (prokurory), appointed by the Prosecutor General, who are empowered to verify the conformity of constituent entities' laws with federal laws.

In the middle of November a special working group, organised by V. Kazantsev, the Presidential Representative in the Southern Federal District, convened to discuss measures to improve the situation in the Russian ports on the Black and Azov seas.

According to the Deputy Presidential Representative responsible for economic issues, the Russian budget loses about \$400 million US per year because of bad management of sea ports. Kazantsev's "new deal" in the southern Russian sea ports includes a special personnel policy and actions to increase federal control over sea ports by purchasing shares.

In the Ural Federal District the presidential representative P. Latyshev has paid serious attention to the elaboration of a unified economic policy. Latyshev set up the Centre for Economic Forecasting and Planning at the end of 2000 to deal with the issues of economic integration and development in this district.

The Presidential Representative in the Volga Federal District, S. Kireyenko, has the image of a promotor of new innovations. He announced a competition via the Internet to fill vacancies in his staff. Of the 5338 people who took part, 25 winners received certificates stating that they could be admitted to the Presidential Representative's staff. (However, senior offices in Kireyenko's staff were distributed according to political and personal criteria, not according to the results of the competition.)

By the end of 2000, Kireyenko had organized two events: the All-Russia Bank Forum in Nizhny Novgorod and the Fair of Social Projects (a competition to distribute governmental grants among NGOs publicly and transparently).

Problems and concerns

At the same time, Kireyenko is the most active among all the Presidential Representatives in trying to influence the results of constituent entities' elections. In the mass media, Kireyenko openly supported one of the candidates in the Udmurt Republic Presidential election (A. Volkov, who finally won).

Four candidates at the Mari El republic Presidential election, who were competing with the incumbent President V. Kislitsin, claimed to have the support of

the Russian President (and, of course, his Representative). At the same time—"coincidentally"—the Deputy Presidential Representative spent many days on the eve of the Mari El presidential election in the capital of this republic, coordinating the investigation of corruption in President Kislitsin's staff.

These are only two examples. There are many more instances of Presidential Representatives trying to influence elections.

Also on the negative side, certain Presidential Representatives could not cope with difficult economic situations. For example, the Presidential Representative in the Far Eastern federal district failed to prevent or to help overcome an energy crisis in the Primorski province. Hundreds of thousands of people and many businesses were without electricity and central heating for several weeks.

More broadly, some critics argue that federal districts have been created irrationally. Presidential Representatives are supposedly appointed to bring central executive authorities closer to people living in regions situated far from the

capital. The federal districts farthest from the capital should therefore be smaller than the ones closer to the political centre of the country in order to guarantee citizens easiest access to central executive authorities.

But today one federal district comprises the huge territory of Siberia, all the Far Eastern territories are contained in another federal district, and the Ural mountain regions are included into a third federal district. So, in the European part of Russia (where the capital is located) there are four federal districts, while the remaining three federal districts cover the more than two thirds of Russian territory which lies beyond the Ural mountains.

Formally, the federal districts have very little to do with the development of the structure of the federation—they have been created for the purposes of presidential representation. But some politicians argue that the new federal districts should replace all current constituent entities. The Russian President has never supported this idea in his speeches so far. 6

Historical background on presidential representatives

After he was elected President in 1991, Boris Yeltsin began to appoint presidential representatives in republics and other territorial units. The status of those presidential nominees was not defined in any law and was regulated in a vague manner by presidential decrees.

Presidential representatives were estranged from the people and elites of constituent entities. Even though some of them were selected among locals, they were appointed by the central authority and their role was to keep an eye on regional affairs for Moscow.

At first, some presidential representatives, hoping to play an important role in regional politics, tried to compete with regional administrative heads. However, the resources at the representatives' disposal were quite limited. There was only modest funding of the representatives, and they could only afford a small staff.

Officially, these representatives did not have the right to make binding decisions or to control subsidies transferred from the federal budget to constituent entities.

As well, they did not have preferential relationships with the President which

might have increased their significance in the perception of the local population and authorities. Rather, the President preferred to deal directly with executive bodies of constituent entities.

By 1993 it became quite clear that the institution of presidential representatives had little political weight.

The coup d'etat of 1993 and the approval by referendum of a new Russian Constitution did not result in any practical modification of this institution. The 1993 Russian Constitution provides for presidential power to appoint and dismiss such representatives. (This provision does not concern exclusively territorial presidential representation. For example, the President of Russia also appoints representatives in the State Duma, the Federation Council, and the Constitutional Court.)

In 1994, President Yeltsin issued a decree confirming all earlier appointments (before the 1993 Constitution entered into force) to the office of presidential representative in constituent entities.

But the same vague legal status of presidential representatives remained until Vladimir Putin's reforms in May 2000.



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." 