Prospects for Mexican Federalism: Roots of the Policy Issues

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Federalism has become a leading policy issue everywhere, and it certainly is for Mexican policy makers. The Mexican situation is complicated by a long history of frustration as far as implementing a federal system which, on paper, has one of the best constitutional foundations in the world. A look at the recent past of the federalism debate is therefore useful.

The Mexican policy situation regarding federalism substantiates remarks of Vincent Ostrom in an important article in *Publius* about the multiple causes for the failure of federalism in some countries: “Where to begin in the study of federalism in the next twenty-five years will require much more attention to potential sources of failure than to forms of government . . . It is important to recognize that counter intentional and counterintuitive processes may be at work creating the most profound sources of anomalies for federal systems of government . . .”¹

In Mexico, federalism is a controversial issue. Accusations are made during the election campaigns that the states controlled by the opposition parties do not get a fair cut of tax moneys. Reformers demand that states have the freedom to test grounds for new ideas such as housing and agricultural programs, governors and legislatures be allowed to make policy, there be competition among the states for attracting business, and constitutional provisions for state participation in government be respected.

The former president of Mexico,² Ernesto Zedillo, repeatedly proclaimed that a “new federalism is sweeping through the country.”³ One of his presidential initiatives was to announce his support for a transfer of authority to the states called
the Alliance for the Countryside and to appoint a special assistant on New Federalism (Esteban Montezuma Barragan). As Zedillo travelled around the country trying to shore up increasingly threatened PRI authority and the defeat which ensued, he insisted that, “we will push ahead with the transfer of authority, resources and responsibility from central government to other levels of government.”

More convincing than speeches were changes brought about by the National Political Agreement for the Reform of the State, a 1995 agreement between the major political parties of the country that was partly motivated by fears of violence if peaceful changes were not negotiated. The results of the agreement included the reform of Article 116 of the Constitution to provide for adherence to fair electoral procedures in individual states, an amendment to Article 105 of the Constitution so the judiciary now had an unquestioned right of review over federal and state legislation, constitutional amendments divorcing the executive arm of the federal government from the federal and state elections, shoring up the independence of the Electoral Tribunal of the Federal Judiciary as a policeman over elections, and modifications to funding for parties for use of television and radio time.4 A consequence of the changes was the election of opposition party candidates for the first time to state offices and, hence, a de facto assertion of states’ rights.

This in turn helped to bring about the defeat of the PRI and the election of Vicente Fox as President of Mexico. Zedillo handled the reversals well. He now asserts from the vantage point of a professorship at Yale that the growth of a political opposition in a country where his Institutional Revolutionary Party (PRI) controlled all the state governments as well as the federal government shows that “Mexico has taken an irreversible, definitive, and historic step toward the normalization of democracy.” The scepticism with which this has been greeted, albeit mixed with hope, reflects the fact that many aspects of the Constitution, including federalism, have long been a fiction in Mexico.5 President Francisco I. Madero was one of the few Mexican presidents to preach federalism seriously, but he was murdered in 1913 before he could achieve his goal of returning “political personality” to local government.6

Every Mexican schoolchild learns in the classroom that he or she lives in a federal republic. Yet three has been considerable cynicism about the “New Federalism” as “a flag to rally around.”7 Nevertheless, no one has spoken out in rebuttal against federalism per se, for after all, writes Mexican newspaper columnist Raúl Olmedo: “Who could possibly be against a broader distribution of power, decision-making capacity, and economic resources—at present so centralized in the Federation—among 31 States and 2,412 municipalities?”8

That there is a marked increase in pressure to make promises about power sharing into realities is clear: “All the [Mexican] states agree, if for different reasons, that the center’s omnipotence and absolute control over the regions must come to an end and be replaced by a true federalism. Both state and municipal participation, and effective leadership, are imperative to meet the demands for infrastructure required by the globalization process.”9 However, even though
many years have passed since the original amendment of Article 115 of the Constitution to broaden state and local powers, continual crisis as well as foot dragging by the entrenched political powers have stymied major changes. Perhaps the log jam is finally breaking up, but the current President, Vicente Fox labors with the mistrust fostered by decades of unmet promises.10

Although it is true that “the aim of devolving more power from central government to individual states has been a recurring theme of the current [Mexican] administration,”11 this stands against the fact that the pattern for decades has been the subservience of governors and of state legislatures to Mexico City and the calculated denial of resources for genuine federalism. Whatever Zedillo’s protestations were about the ruling party’s intentions, “the pretext for removing a governor was never important. There were more than enough legal methods available: cancellation of powers, impeachment, resignation, unlimited leave, replacement, and interim appointments. What mattered for any new president was to replace problematic governors inherited from his predecessor, not only for reasons of loyalty and political control but also to facilitate cutting up the pie.”12 Although his presidency is now recalled with some favor, crucial issues such as education and disaster relief (evidenced by the lack of federal and state coordination in handling the October 1997 hurricane) went unmet because of the confusion over national and state responsibilities.13

Not all reasons for the impasse can be laid at the door of Los Pinos, the presidential mansion in Mexico City. Although Zedillo is now generally regarded as having been honest and well-meaning, these traits were not enough to counterbalance disillusionment in Mexico as revelations have followed revelations about corruption in the national government. President Fox has had similar troubles. It is hard to convince Mexicans after decades of one-party dictatorship that real reform has arrived at last. Can the division of power implicit in federalism be implemented by a government which has acquired and so long kept its power under shady circumstances?

Mexico has a long history of elections that were entirely scripted by the President. The ruling party’s alquimista electoral, or alchemists, were able to turn around an election by using the carrusel, transporting truckloads of supporters to a succession of merry-go-round voting booths. Equally useful were the fantasmas, or ghosts, an imposing number of dead voters who continued to vote from the grave, and the mapaches, or raccoons, who stole ballot boxes containing opposition votes. Also common were the tacos, extra ballots stuffed into boxes before the start of voting, and urnas panzonas, the pregnant ballot boxes that already had all the votes in them before the start of voting. Much of this was aided by the hueso, or bone, given to anyone who helped the PRI.

Carlos Salinas won or stole the 1988 presidential election after a supposed computer failure attributed to “atmospheric conditions.”14 During his term, marked by extreme centralization of authority, he claimed to have put Mexico permanently on the high road economically, only for the country to be plunged into the greatest economic depression since the 1930s.15 Now Salina’s brother lan-
guishes in jail on charges involving money laundering and murder, and the sus-
picion is firmly entrenched that the former president stole billions of dollars and 
may have had contacts with the drug barons. A strange new century!

So, belief in the government has generally been low. There is, however, more 
convincing evidence than just presidential rhetoric\textsuperscript{16} that federalism and disper-
sion of power are finally to be a reality despite the past. The obsequious sub-
servience of governors to Mexico City has been challenged by the results of 
elections. Direct election of the regent (governor) and legislature of Mexico City, 
already mentioned, placed the world’s largest city in the hands of an opposition 
party. Numerous Mexican states have elected governors from the opposition. For 
the first time the federal legislature has had sufficient opposition representation to 
mean that it will not be a rubber stamp.\textsuperscript{17}

Given the lack of confidence in institutions, resurrection of federalism would 
seem a timely move that might diminish the pervasive sense of frustration and 
discouragement about government. This does not mean that decentralization will 
be accomplished easily. One difference between a discussion of federalism in 
Mexico and of federalism in less chaotic situations is that whereas there are prob-
lems elsewhere in implementing federalism, the diversity which federalism nurtures elsewhere is regarded as a plus rather than as destructive.\textsuperscript{18} The political 
situation in Mexico has reached the point where in the eyes of some Mexicans, 
the survival of the state itself could be in question if there was another major 
crisis—or perhaps the cultivation of such fears during the transition to democracy 
seems to some to be a crafty way to maintain power.\textsuperscript{19}

Zedillo’s adviser for New Federalism, Esteban Montezuma Barragán, warned 
that “given the entrenched power of \textit{caciques} \textsuperscript{20} [bosses] in Mexico, federalist meas-
ures run the danger of being kidnapped by such local interests.” This may not 
be just an excuse for the slowness of change. It is a fear founded on the fact that 
Mexico enjoys a long legacy of \textit{personalismo}, that the perception of your power 
and of whom you know is more important than what you know. \textit{Personalismo} 
will be put ahead of the law, and then from \textit{personalismo} there comes \textit{caudal-
ismo} or authoritarianism.\textsuperscript{21}

To strengthen local authority might be then to strengthen \textit{personalismo}. The 
federal deputy Francisco Suárez Dávila warns that “the pitfalls of federalism can 
be seen in corruption at the local level where public management takes place.”\textsuperscript{22} 
More important even than whether entrenched local bosses could use federalism 
to perpetuate their rule is the question of the country’s stability and unity in light 
of uprisings in several states: small affairs except in Chiapas, but sufficient to 
influence opinions about proposals for the devolution of functions that would 
accompany any serious commitment to federalism:

\ldots ‘governability’ is rapidly gaining importance and is becoming 
increasingly challenging in a system that has been under the leadership— 
and control—of the Institutional Revolutionary Party (PRI) for over six
decades... The greatest challenge in implementing successful institutional reforms in Mexico lies in the timely recognition of this changing *zeitgeist*, and in accepting it—and adopting it—as part of the modernization and democratization process.23

Fears about federalism creating chaos gain some limited credibility from the past history of disturbances in several states and from the lack of information about the shadowy groups which have been involved in dissident activities.24 Attention now being given to implementation of the Constitution of 1917 and of its strongly federalist provisions is long overdue, but in certain respects, the interest could not have come at a worse time. It is like shouting “fire!” in a crowded theater. Not only in Chiapas, but also in Guerrero, Michoacán, Oaxaca, Hidalgo, Puebla, and Chihuahua, there are disturbing signs not of *devolution* of authority but of *disintegration* of authority.25

Still, federalism is becoming a reality.26 But that has, in turn, produced speculation (to be viewed with profound reservations) about whether the net effect would be to encourage secessionism, with examples cited ranging from Canada and Italy to Yugoslavia and the former Czechoslovakia.27 The Quebec situation in particular has received considerable coverage by the Mexican press since the advent of the North American Free Trade Agreement (NAFTA)—not a very encouraging background for discussing the enhancement of Mexican federalism.

Concern about disintegration is not totally farfetched. One of Mexico’s leading intellectuals, Carlos Fuentes, frankly concedes that “... the pro-Americans in Mexican society do not disguise their hope that Mexico can become a sort of undeclared fifty-first state of the Union.”28 Business leaders in northern Mexico frankly admit that when stressed out they have discussed breaking away from the rest of the country: “We’ve got to do something extreme, and it would be worthwhile to make a big effort to make (the state of) Nuevo León independent from the rest of the country,” Luis Enrique Grajeda Alvarado, head of the Nuevo León Employers Center, told a news conference. The government is “punishing productive states like Nuevo León... we have liquidity problems,” said Gerardo Gámez Valdez, director of the Monterrey branch of the National Chamber of Commerce. “The idea of breaking out of federal coordination is one of the ways out for us.”... “It’s not fair that the federal government takes away funds from Nuevo León to grant them to states like Chiapas,” Grajeda Alvarado said.29

There are signs that Mexican politicians are aware of the need to consider what the role of federalism will be in the future. One unusual indication of this is that the Federal Chamber of Deputies in Mexico City actually sponsored a course a few years ago for its members on federalism.30 Organized by the National Institute of Public Administration, the classes attracted more than 100 deputies and government officials, and included comparative study of the federalist systems of Mexico, the United States, Canada, Argentina, Brazil and Venezuela. The two-month seminar ended with the conferring of diplomas in federalism, but
whether the lessons were well-learned remains to be seen. In any event, policy scholars are well advised to be familiar with the contemporary history of the country when talking about federalism, because in Mexico the past is never far away.

Notes

2. Zedillo, however, earned admiration for the way in which he managed to turn his party’s election losses into proof of his seriousness about democratization: “‘Democracy, as a profound aspiration of the Mexican people, first gained prominence in the national conscience in 1968,’ Zedillo said. ‘We were the young people of that time who took the first steps to reclaim the democracy that a country like Mexico needs and deserves.’” Sam Dillon, “Mexico’s President Triumphs in Defeat,” *New York Times* (9 July 1997), p. A3.
6. Ibid., p. 267.
8. Ibid.
10. See Olmedo, *op.cit.*
16. In fairness: “Zedillo’s reforms represent a break, though a modest one, in Mexico’s legal tradition. For the first time, at least since 1876, a president has acted not to increase presidential power but to strengthen the separation of powers.” Luis Rubio and Beatriz Magaloni, “Whose Rule of Law?,” *Enfoque* (Fall 1996): 3.
17. “Electoral democracy became, finally, a reality in Mexico as the country celebrated largely uneventful and clean mid-term elections yesterday. The outcome confirmed the tendency toward political pluralism and diversification of the vote observed at the local level since 1995; virtually ended a political system based on one-party rule; helped cement the vote as the instrument par excellence of political change and distribution of power; and increased confidence in electoral procedures and reporting of results. The opinion most commonly heard in taxis, offices, and on the street was, ‘Now my vote counts.’ Voters dealt the long-ruling Institutional Revolutionary Party (PRI) a decisive blow, with opposition parties gangling up on the PRI and stealing the Congress out from under its nose. With 86% of the polls counted, the PRI’s share of the pie was reduced to 39% in the lower Chamber of Deputies, with the National Action Party (PAN) and the
Party of the Democratic Revolution (PRD) tallying 27% and 25.5%, respectively. The PRD cleaned up in the Federal District. Cuauhtemoc Cardenas won 47.79% of the vote for Chief of Government (mayor), while the party carried all 40 local electoral districts with 44.82% of the vote for the D.F. Legislative Assembly . . . Elections for governor were held in six states. Here, the PAN picked up governorship of two new states, while the PRD lost its best hope of obtaining its first governorship, in Campeche. The big surprises were Queretaro, where a heavily-favored PRI lost to businessman-turned-politician neophyte from the PAN Ignacio Loyola; and Sonora, where despite the expected PRI triumph in Colosio territory, the PRD garnered a significant number of votes in a state where it had zero presence before."

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19. Krauze, Mexico, p. 768.
30. The idea of having training programs in federalism is not outlandish: “Training programs to help municipal authorities and community leaders acquire this approach can have a decisive influence on the success of programs against poverty.” Olmedo, “Creating a ‘New Federalism’” op.cit.: 9.