

INTRODUCTION

Local governments are the institution of government closest to the everyday lives and problems of citizens... it is in the meeting place between citizens and the state that progress can be made in building broader forms of democratic government, that is, good government. It is therefore, vital that the municipality is strengthened through effective decentralization and through the existence of a free and active civil society.

Rodríguez and Winchester

A changing international context which involves the birth of new actors and the rooting of ideologies has strongly modified the conditions under which the main traditional actor of international relations functions and is structured. It is becoming increasingly difficult to legitimize the actions and justify the existence of the modern State in its current form within a globalized context that tends to emphasize the supranational over the national and plurality over unity in society. Over the last 20 years, a significant amount of literature has studied this particular phenomenon and much of it has come to the conclusion that the State will have to undergo significant changes to overcome this crisis during the oncoming decades in order to reaffirm its position within the international system and legitimize its actions in the eyes of society. Paul Barry Clarke describes this crisis of the State as a “general and generalized crisis for the institution of the nation state” due to “appeals to higher laws, alternate and plural demands from without the western concept of the state, and a decline of western hegemony” (796). All of these have contributed to the creation of a widespread legitimacy crisis of the State institution.

Globalization has also produced a high degree of fragmentation within national societies that now wish to be heard not as “nation states but as distinct peoples having a distinct identity that does not necessarily fall under the description of statehood. Nation states are too individualistic a form of government for any traditional non-individualistic form of life” (Clarke 799). This phenomenon poses a significant threat to State cohesion and must therefore be dealt with in a form which allows for the existence of differences within national societies without endangering the existence and unity of the State. As opposed to the early stages of State and nation building, when it became crucial to centralize power and increase homogeneity within the country through centralized initiatives in order to consolidate the State, current conditions demand that the State decentralize and allow a wider margin of plurality within society in order to ensure survival.

In response to this legitimacy crisis of the State, many authors have established that the solution lies in the empowerment of local government institutions within national government systems. Local government has taken on a new role in the efforts carried out by States in order to adapt to the changing context they are currently facing. Under this perspective, States become a sum of localities rather than a single unified entity. This allows them to translate global problems into local actions and efforts and to increase the level of legitimacy and accountability of their actions. As mentioned by Ann Schulz,

Nationalism and state building have revitalized local politics. This seemingly Hegelian evolution of local politics can be seen in many ways. The local political process affects (1) the legitimization of state power, (2) the containment of regime opposition within particular localities, (3) the local politician’s influence over the distribution of political rewards within the nation-state, and (4) the implementation of public policy (1).

The local sphere of government is also the appropriate setting for an increased participation of society in effective governance. Liberalism has set important limitations on State activities that have been taken up by both private sector actors and an important number of civil society organizations. Any effective governing strategy should be able to incorporate these new actors in public decision making and politics. “In response to the state’s inability to address local problems, there has been a flourishing of civil society organizations engaging in self-help initiatives, building social networks and mutual support groups in order to meet their basic needs” (Carrión, 8). Local governments offer the appropriate setting for the creation of a new contract which creates shared responsibilities between the State, the private sector and civil society, and allows an increased opportunity to improve living conditions of society. As stated by Diego Carrión, “whether the poor can acquire assured access to land, housing, and basic urban services, and attain better living conditions, depends on achieving a more equitable equilibrium among three interdependent sets of social actors: the state, the private, and the popular (community) sectors” (214).

The local answer to the question of the State crisis has gained importance in Latin American countries over the last ten years. Several of the most important Latin American States have increased their efforts to promote democracy and effective governance after a long history of military dictatorships and dictatorial regimes. This effort gives strong importance to the role to be played by local governments in governing the countries’ communities and have therefore often included decentralizing strategies that transfer power to the local level of government. Municipalities are seen as the breeding grounds for political legitimacy and increased popular participation. In addition to this, Latin America has become a largely urban continent which presents a new array of problems and

challenges in the arena of local government (Stren, 1). Andrew Nickson describes this recent phenomenon in his book on local government in Latin America and states that,

today there is new interest in local government within Latin America. This follows several decades during which municipalities were stripped of their major functions by agencies of central government, stripped of their financial base by the removal of tax powers, and stripped of their political autonomy in many cases by the removal of the democratic election of local officeholders (2).

In spite of this current interest in the potential held in local government in order to effectively tackle problems having to do with the legitimacy of the State, democracy and development in Latin American countries, there is a growing consensus that not enough has been done in order to increase the authority and power held by the local level of government. Efforts on behalf of Latin American countries to effectively decentralize and reinvigorate the role of local governments have remained mediocre at best and have not been able to significantly modify the intergovernmental relations held between center and periphery. In some cases, governments have only carried out decentralizing measures in order to reaffirm the power held by the central authority and governing elites and avoid the collapse of the government system.

Mexico has not been the exception in Latin America on the issue of decentralization and strengthening of local government. The Mexican municipality known as the *municipio* has a long history of existence which dates from the arrival of the Spanish *conquistadores* at the beginning of the sixteenth century. Despite the fact that during the initial stages of colonial times local governments played a significant role in national life, they were mostly a tool used by the Spanish Crown and the central authority to keep a firm grip on society and establish a system of central domination over the colony. Over time, and as the country

gained independence and went through a period of national consolidation, the *municipio* was increasingly downgraded. By the time the current constitution was written in 1917, the *municipio* was legally established as a subunit of state governments with limited authority and discretion. A strong presidential system based on an over-concentration of power in the hands of the central authority has further decreased the importance of local governments in the Mexican political scenario. The decentralizing reforms that were put in place at the beginning of the 1980s have had an extremely limited impact on this situation, and has led many to believe that they were only a measure taken by a decaying single party system elite struggling to keep the status of the country intact. Mexico still suffers from underdevelopment, poverty, a precarious democracy, and a feeble civil society. For too long, the role of local government in Mexico has been limited to a symbolic figure tied to the control and domination of intermediate and central governments. They have never been given the autonomy and the resources to manage the most important problems faced by their communities. As a result, power and resources remain concentrated in the higher levels of government, which are not necessarily in touch with society's problems and priorities. Therefore the main argument of this thesis is that the most effective way to overcome and confront the problems that Mexico is facing today is by restructuring government: delegating power, responsibilities and resources from the central government to local governments while reforming and strengthening the latter at the same time.

The following chapters of this thesis seek to accomplish three fundamental goals. The first is to explain the historical development of local government in Mexico in order to understand the current conditions of local government and the limitations it is facing. The *municipio* and its governing body, the *ayuntamiento*, are institutions that were established by the Spanish settlers during the colonial period. This created a situation in which a form

of government that was exogenous to the social and political conditions native to the conquered territory was forced upon society of that period. The consequences of this forceful implantation of the European model of government, along with the liberal values it was built upon, can be felt until this day. Once Mexico gained its independence, local government became an increasingly neglected institution. In the beginning, this was due to the need to centralize power and avoid fragmentation of the new born country. During later periods, local governments were limited to playing the role of an administrative subunits due to the nature of the existing government systems. Until this day, local government is still strongly limited in its ability to effectively govern and make use of its political power.

The second and third chapters explain the benefits of decentralization along with the type of decentralization needed in Mexico, as well as the logic behind strengthening local governments. There is no single formula that can prove to be effective in any country seeking to decentralize. Instead, decentralizing policies have to be custom made according to the political, social and legal frameworks within which they will be carried out. Mexico needs to undergo a real process of decentralization if it seeks to reinvigorate local governments and advance in the promotion of democracy and development. However, the mistakes made in the past must not be repeated and thus decision and policy makers need to ensure that power and authority is effectively transferred to lower levels of government and a real process of decentralization is carried out. In addition, there are important risks and challenges conveyed by decentralization. Excessive decentralization for example, might in turn create political instability and national fragmentation. There will always be a need for a strong and efficient central government to coordinate the efforts carried out on behalf of intermediate and local levels of government. In Mexico, one of the most serious challenges to effectively decentralizing it is the country's heterogeneous composition. Mexico is a

complex mosaic of regions and municipalities presenting huge disparities in levels of wealth, size and population.

Decentralization on its own does not ensure however, the strengthening of local government. As mentioned by Fleurke and Willemse, “the increase in discretion of local government does not result in integral policy-making” and therefore additional steps must be taken in order to strengthen local government structures in order to be able to manage and make appropriate use of the new capacities handed over to them by the central government (532). Local governments are the meeting grounds between the State and the population which creates an important number of advantages in regard to the promotion civil participation in local decision making as well as active citizenship, and the creation and implementation of public policy. These advantages, however, can only be of use if the limitations set on local government in Mexico are successfully overcome. On the flipside of the advantages found in increasing the importance of the role played by the *municipio*, there are also serious risks in making local governments more independent government institutions, and policy makers should therefore be extremely careful about how they go about achieving this goal. One of these risks comes from the possibility of overly romanticizing the local sphere of government while downplaying the importance of the other two levels of government. As a result, one can establish that despite the consensus there is with respect to the need to effectively decentralize and strengthen local governments, there is little agreement with respect to how the Mexican government should go about doing so.

The final aim of this thesis is to lay down a plan through which Mexico can decentralize and make the *municipio* a real political and governmental authority. This process is gradual in nature and can never be fully accomplished. However, there are measures that can be

taken by the Mexican authorities that will have important short and long term impacts on the importance of local governments. Due to the fact that modifying the government structure implies a profound reform of the State, the suggestions made in the final chapter start out by explaining the measures that can be taken within the pre-existing political and legal framework. There is a lot that can be done by all three levels of government in order to enhance the role of municipios, fundamentally by coming up with innovative practices and strategies of government. Further suggestions deal with modifying the legal framework of local governments set at the state and national levels of government and take into account the most urgent modifications that need to be made in order to strengthen local government institutions.

The work in this thesis is based on a series of books and articles as well as official documents published by government agencies and international institutions that have analyzed the role of local government both in Mexico and abroad. The historical development of local government in Mexico has been widely analyzed by Mexican scholars such as Mauricio Merino and Jorge Padua. Mexican academic institutions such as the Colegio de México, the Centro de Información y Docencia Económica and the Colegio de Michoacán have also published important documents explaining and describing the evolution of local government throughout the most important periods of Mexican history. Andrew Nickson and Victoria Rodríguez have both carried out extensive work on local government in Mexico and decentralization. Their work provided an important theoretical and empirical basis for this thesis. Rodríguez's work on decentralization in Mexico provides the evidence to support the thesis that decentralization efforts carried out since the early 1980s have been mostly half hearted and that "the Mexican government's decentralization efforts in the last fifteen years have been pursued to regain some of the

legitimacy and credibility that both the government and the ruling party [now former ruling party] have lost in the course of the political crisis that began to unfold in the early 1980s” (xv). Andrew Nickson’s book *Local Government in Latin America* offers a detailed description of the historical development and current conditions of local government in Latin American countries, and establishes the most important challenges that need to be overcome in order to increase its participation in national life.

Two documents published by the United Nations Development Fund, *Governance for Sustainable Growth and Equality: Report of International Conference United Nations, New York 1997* and *Gobernabilidad y Desarrollo Democrático en América Latina y el Caribe*, provide important information with respect to decentralizing experiences in Latin American countries as well as the appropriate decentralizing strategies needed for the creation of good governance. They include testimonies from local, state and national officeholders describing their experiences as public officials as well as their views on the conditions of local government in Latin America.

Finally, Enrique Cabrero has done extensive work on the conditions of local government in Mexico as well as the innovative strategies carried out by many local administrations in order to enhance their performance and overcome the most serious limitations set on local government. In his book *La Nueva Gestión Municipal en México: Análisis de experiencias innovadoras en gobiernos locales* Cabrero describes and analyzes the results of extensive fieldwork carried out in a number of Mexican municipalities. His work provides an important guideline for both academics and politicians seeking to reform the Mexican government system in favor of a strengthened *municipio*.

The following chapter offers a brief historical overview of local government in Mexico starting at the time the Spanish settlers conquered the territory inhabited by indigenous

civilizations. A key element in understanding the current conditions of the *municipio*, as well as the most important obstacles that need to be overcome in order to strengthen it, lies in the analysis of the importance it has been given during each period of Mexican history.