CHAPTER II

DECENTRALIZATION: THE FIRST STEP NEEDED TO BE TAKEN TOWARDS STRENGTHENING LOCAL GOVERNMENT

How a government chooses to go about a decentralization process is a complex task. It thus becomes difficult to make any policy recommendation to a state regarding what it must do in order to effectively decentralize. But difficult as it may be, the work done over the last two decades by academics and government officials, as well as the previous experiences obtained by other countries, allow us to attempt making this kind of analysis and recommendations. Nevertheless, and as shall be seen in the following pages, there is no global decentralizing formula or single recipe applicable for every country wishing to undergo a similar process. Policies must be custom made to fit the country’s specific historical development and current situation. Often they only become successful after being modified based on previous experiences of failure. At other times, the implementation of a decentralizing policy must be done incrementally and therefore results cannot be seen in less than a decade or two.

Mexico, as we saw in the previous chapter, has a very strong centralizing legacy. Despite the reforms put in place by the federal government over the last twenty years, it remains highly centralized, leaving very little room for local autonomy and participation on behalf of civil society. The most important decentralizing reforms that have been put in place since the early 1980s have proved to be limited in successfully making state and local governments more autonomous and stronger subnational government institutions. In many cases, the legal actions that have been taken have not materialized into real changes in the government system and the way power is distributed within it. There seem to be conflicting differences in the *de jure* and the *de facto* changes that have taken place, between what has
been legally agreed upon and what happens in practice. As stated by Alec Ian Gershberg in his analysis of the two most important decentralizing reforms that have taken place in Mexico since the nineteen eighties,

By most accounts the decentralized health and education reforms in Mexico have not proved successful, beneficial or real…. Control remains heavily centralized and has perhaps affected equity negatively, and the proposed reforms have not taken hold in any universal way throughout the states. In fact, the very limited powers initially transferred to the state in the mid-1980s were eroded and taken over again by the Federal Government in the late 1980s and early 1990s….summarizing the reforms with respect to the accountability framework reveals that it is hard to call the Mexican reforms a process of ‘decentralisation’ (422-423).

In addition to this, decentralization carried out in Mexico lacks a sense of authenticity because it did not spring from the will to give back power to lower tiers of government. Instead, decentralization was seen by the federal government as a means to holding on to its declining political power and revitalizing its legitimacy. Victoria Rodríguez holds that in Mexico, the federal government has actually “centralized by decentralizing” (140). Presidential administrations, she sustains, after realizing the existence of a growing threat against the predominance of their party (the PRI until the year 2000) and the power of the federal executive were forced to take some measure in order to avoid it becoming greater (140). As a result, the decentralizing process undergone in Mexico since the beginning of the 1980s can be described as excessively political in nature and basically intended to sustain political control rather than improving government efficiency.

One of the clearest examples of Mexico still being a highly centralized state, comes from the federal finance scheme that currently exists. Although state income and expenditure are
sometimes misleading indicators of the degree of decentralization and are many times mistakenly used, they do offer a good starting point in the analysis of the conditions of centralization and decentralization of a country. “Mindful of the saying ‘he who pays the piper, calls the tune’”, indicators regarding finances and the way local governments’ activities are financed have become popular in the study of decentralization (Fleurke and Willemse 528). In Mexico, in 2001 total expenditure equaled 1,142,495.2 million pesos. Out of that total, 38% was expended by either states or municipalities while 59% of it was expended by the executive power of the federal government. Out of what was assigned to the other two levels of government by the federation, only 16% represented expenditure on behalf of municipalities, the rest was taken in by state governments. In Mexico 90.8% of tax revenue collected by municipalities is transferred on to the federal government, compared to only 34.2% in France or 5.7% in Chile (the average in Latin American countries is 39.4%). Municipalities have not increased their share of tax revenue which remains at 10% out of the national total (Programa Especial para un Auténtico Federalismo 219,220,224).

There are many other indicators showing that the Mexican state remains highly centralized that are not only financial, but also constitutional and administrative, many of which will be mentioned throughout this and the following chapter. These current conditions pose a series of questions that require immediate attention, the first of which is: what should be done in order to modify these conditions? Why should anything be done at all? Does decentralization really offer a viable solution to the problems the country is facing today? Even if decentralization is chosen as the right means for improving conditions many questions still remain: What should be decentralized? When and where? To which level of government? What kind of decentralization pattern should be followed?
The following sections attempt to provide some of the answers to these questions in relation the Mexican scenario. It is my intention to come to conclusions based on logical analysis of the information that is available, rather than dictate specific and immutable solutions to the many problems having to do with centralization that the country faces today. What needs to be done first in attempting to do this is to find a proper definition of decentralization that suits the purposes of this investigation and then to analyze the different kinds and modes of decentralization that do exist.

The definition of decentralization and the type of decentralization needed in Mexico

The fact that decentralization has become a major theme in contemporary politics, has given a certain degree of subjectivity to the term. Partly this is because it can be applied within a large number of contexts and in relation to diverse circumstances. As stated by Gershberg, “the concept of decentralization, however, has become a slippery one. We have grown to believe it to be a term--- like ‘empowerment’ and ‘sustainability’--- empty enough on its own that one can fill it with almost anything…it is rendered meaningless if we are not careful in its use” (405). It is therefore crucial to establish a specific definition oriented towards the circumstances being taken into account. But rather than giving one single definition trying to encompass all different aspects of decentralization or giving a series of definitions that have already been made by other authors and scholars, I will go through all of the distinctions that need to be made while explaining what sense of the word better suits the needs of this investigation.

The first distinction that needs to be made is between vertical and horizontal decentralization. In this case, the type of decentralization that interests us the most is vertical decentralization because it relates to the readjustments made between the different
levels of government in a federal system (local, state and national) and not between the different branches of government found within the same level, which would be horizontal. Horizontal decentralization is also frequently seen as deregulation, in which central government passes some of its traditional duties to non-governmental organizations. Decentralization in this latter sense is of marginal importance to this analysis.

The strengthening of local governments is central to the argument being made in this thesis. Decentralization will not be successful only by having one party willing to give something up, but there must also be a second party interested in receiving it. In this case we are interested in local government as the receiving end of the process. Therefore decentralization will interest us insofar as it reaches the local level of government, and not only the intermediate one. Efforts will be concentrated on analyzing decentralization intended to change the intergovernmental relationships amongst all three levels of government, especially between the federal government and the municipalities.

Accordingly, any relevant definition of decentralization must emphasize the importance of it reaching local governments.

In spite of our special interest in making local government the main receiving end of whatever is transferred from one level of government to the other, Cheema and Rondinelli make a good point by including additional actors that not only complement and enhance the decentralization process, but are crucial to it being successful. They defined decentralization as the “transfer of planning, decision-making, or administrative authority from the central government to its field organizations, local administration units, semi-autonomous and parastate organizations, local governments and NGOs” (quoted in Mohan and Stokke 250). As will be mentioned in Chapter Three, there are additional groups,
organizations and institutions whose participation needs to be taken into account in any successful decentralization strategy.

Decentralization comes in many shapes and forms. Despite the fact that the different types of decentralization are frequently seen “as variation of the same phenomenon” (Rodríguez, 9), there are important differences among the four main types of decentralization that exist. In my view, some should be considered as more important over the rest. In this case, it is political decentralization that interests us the most. “When political decentralization materializes to its full extent”, Rodríguez argues, “it is equated with democratization, citizen participation, and representative government. In essence, it gives more political power by granting citizens and their elected representatives autonomy in decision making and resource control” (9). The other types of decentralization, spatial, administrative and market, usually come as a result of political decentralization although they do require a certain degree of political will in order to be put in place. Decentralization in Mexico has remained mostly administrative, which implies the transfer of a certain degree of responsibility from the central government to sub-agencies but doesn’t imply the transfer of autonomy. Administrative decentralization is a measure taken by the center in order to decentralize but is a process that usually turns out to be hollow and bureaurocratic. It does not solve the problems of an inefficient administrative structure, that in the practical sense only exists in the central government, because it is there that all the major decisions are taken (Pardo 132). A state with a federal system of government is supposed to be inherently politically decentralized because the units making up the federation should have the ability to organize themselves and regulate their own existence. Federalism politically decentralizes the state because responsibility and autonomy are shared by both the central and the local levels of government, while creating spheres of power that limit one another.
In spite of this, federalism in Mexico seems to work in the opposite direction, a tendency that needs to be reverted (Pardo, 120).

This brings me to an additional point that needs to be settled regarding what it is exactly that is transferred when a state decides to decentralize. According to the degree of authority that is transferred from the central government, decentralization can be categorized as either delegation, deconcentration or devolution. Many times these three concepts are mistakenly used interchangeably. But there is a fundamental difference between the first two and the last which has to do with the fact that only devolution implies the granting of autonomy rather than just a transfer of functions to a different institution or structure. Deconcentration is usually seen as the transfer of power and authority from a federal agency to its offices found in different regions or states. It lightens the work load for the central agency but doesn’t take away from it its main decision making capacities. Delegation on the other hand, relates to the “transfer of responsibility for decision making and administration to semiautonomous organizations not wholly controlled by central government, but ultimately accountable to it” (Cheema and Rondinelli 11). This includes the assignment of responsibilities that are usually assumed by the central government to parastate organizations for example, which are much more effective and efficient than central governmental bureaucracies. Finally devolution, is described as “giving authority (decision making faculties) to local governments that have the possibility of obtaining resources in order to carry out their responsibilities” (Ayuntamiento de Puebla 38). The essence of devolution lies in the transfer of autonomy, which implies a wider margin of discretionary authority. It is because of this that central governments are usually reluctant to carry it out. Richard E. Stern is right in pointing out that “there is a general feeling in much of the academic literature that real devolution of power is more shadow than
substance” (5). The Mexican federal government has been very hesitant about acting according to the principles of devolution because the transfer of autonomy, functions, programs and resources is a zero-sum game. That which is gained by one level of government is lost by the other, which automatically implies the weakening of the hierarchical system headed by central government. It is the latter of these modalities of decentralization which is relevant to this study and will be taken as the most important in the definition of decentralization, because it is the only one that implies the granting of autonomy, authority and decision making capacities to local government.

In spite of this, decentralization should not be seen as the means of weakening the central government up to the point where it becomes irrelevant to national life. Instead of this, the role played by the central government needs to be readjusted, which may even convey strengthening it in some aspects. As stated by Gershberg, in order to be successful, decentralization implies recentralizing some of what has already been previously decentralized. As odd as it may sound, my definition of decentralization takes into account a certain degree of recentralization, especially in the field of revenue. Taxation for example often requires a dominant central authority that regulates and sets national standards due to the complexity of revenue systems and the mobility of capital, labor and consumption. In attempting to transform central government into the articulator of efforts carried out on behalf of local and intermediate governments, it does need to have a degree of authority belonging to it. In his essay *Decentralisation, Recentralisation and Performance Accountability: Building and Operationally Useful Framework for Analysis*, Gershberg defines recentralisation as

…those aspects of service provision and accountability that central governments must maintain, develop, and reinforce in order to enhance the effectiveness of
decentralized reform. Its use often implies a restructuring (not simply maintenance) of central functions (406).

The final characteristic that should be attributed to decentralization in order to better understand the concept and to give a clearer definition of what it is means, at least in this specific case, has to do with the nature of the time frame over which decentralization is implemented. On this level, the term decentralization becomes again very subjective along with the many other concepts that exist around it. The reason for this is that no country can ever be fully decentralized, in other words “in the real world perfect decision autonomy and hence pure decentralization do not exist” (Leonard, 28). Decentralization must therefore be understood a gradual process which only succeeds if followed up properly and constantly. It must not be seen a single action, rather, it should be seen as a set of actions implemented throughout an extended period of time. Referring to this specific aspect of decentralization Ulises Beltrán and Santiago Portilla make a very good point in saying that a basic determinant in the success of decentralization is the will showed towards continuing the process once it has already started (117).

Having pointed out what is meant when using the term decentralization, I will now explain the reasons for which decentralization is fundamental to the strengthening of local governments, and I will also justify having chosen decentralization as one of the most important policies needed in Mexico in order to solve some of the country’s most important problems. The following section will be dedicated to this effort with the intention of showing the logic behind the argument of this thesis.
Decentralization and the Reform of the State in Mexico

Decentralization is designed to transfer authority to both local and intermediate levels of government, giving them greater discretionary abilities for the creation and implementation of public policy. But within the framework of a wider reform of the state, decentralization is also considered to bring about a wider set of consequences directly related to it. As a result, this set of phenomena considered to be byproducts of decentralization also needs to be analyzed when deciding upon the desirability of decentralization policies in a country. “The normative dimension of decentralization”, argue Fleurke and Willemse, “is not confined to the desirability of local autonomy, but also concerns values like efficacy and efficiency” (533).

There are two fields in particular that are believed to hold a strong link with the process of decentralization and which interest me the most, due to their relevance in the wider framework of this thesis. Development and democracy are believed to be the factors that are influenced by the introduction of decentralizing policies. In my opinion, these are also the two most relevant issues when talking about consolidation and reform of the Mexican state, which is in fact, the basis of this thesis. Any conclusion that can be reached with regard to the impact of decentralization policies on these two variables is of great value towards justifying decentralization as an appropriate policy for Mexico.

In addition to this, critics have been able to point out many of the deficiencies and weaknesses of decentralization policies, theories and experiences undergone by countries enforcing them. This criticism is also of significant value because after having analyzed it, one can realize that, in not being able to neutralize the belief that decentralization is desirable for certain countries, it ends up strengthening it if taken as a form of constructive criticism.
Finally, decentralization as the process that has been described in the previous section of this chapter faces a series of challenges and risks that need to be overcome in order for it to be successful. Shedding light on these also gives us a better idea of how rational it is for a country to choose going down the path of decentralization. In some cases, these obstacles prove to be too great for the country to overcome. But as will be seen, this is probably not the case in Mexico.

The following pages will focus on these three points: the link between decentralization, democracy and development, as well as the criticism made against decentralizing policies as an efficient means of reforming the state. Additionally, I will go over the mayor challenges and risks facing any attempt to decentralize the state. The objective is to eventually justify having chosen decentralization as the first step needed to be taken in order to strengthen local government, and as the proper policy for the consolidation and reform of the Mexican state.

Decentralization and development

During the course of the twentieth century, many theorists took an interest in describing the nature of the relationship between decentralization and development. Currently, it seems to be widely accepted that countries possessing higher degrees of decentralization have greater chances of promoting development and economic growth. But this view on the relationship between decentralization development has not always been held. During the initial phases of existence of modern day States in the seventeenth and eighteenth centuries, decentralization was seen as a measure that could weaken the state, by making it lose its grip on society, its administrative structures and its production facilities. The industrialization process that took place during the nineteenth century and quickly spread
into many countries, caused this criterion to revert as the reduction of government control over the economy seemed to be giving way to startling positive development and growth results. This early phase of state retreat quickly spread over to the political field, implying that a certain degree of political decentralization was also necessary for the growth and economic development of a country. Great Britain and Japan were two examples of success stories of fast growing countries built on more local-level systems than say, France and China which still functioned under the more centralized bureaucracies inherited from their previous imperial systems (Teune 98).

The end of the nineteenth century marked a change in the perception of the role that should be played by the central government in economic affairs. Olloqui mentions the fact that as, …industrial development continued, pressures for change mounted. It became increasingly necessary for the state to intervene to deal with such issues as cyclical recessions, to stimulate growth, and to solve the social problems caused by capitalist development (quoted in Rodríguez 4).

As a result, government centralization became once again accepted as a measure needed to promote sound economic growth and development and to avoid some of the negative effects of free enterprise. Such was the case in Mexico at the in the second half of the twentieth century, when the country shifted into an import substitution growth pattern which implied a high degree of isolation from the international economy and increased control of the government over the country’s economy. As a result, not only did the central government obtain an incredible amount of power, but it also built a legal and political framework that created a centralizing inertia that is felt until this day. In Mexico, this model for growth and development proved to be very successful during its initial stages, not so much because of the quality of the model itself, but because of the historical and
international context within which it was applied (Mexico benefited greatly from both World War II and the Korean War’s impacts on the international economy). In the long run, though, this model became outdated and its continued application proved to be disastrous for the country.

The second half of the twentieth century made many scholars and political leaders rethink the benefits that had once been said to be brought about by economic systems functioning under strong centralized governments and strong state intervention. As described by Rodríguez, “several factors developed toward the second half of the twentieth century that required reconsideration of the advantages of centralization. Probably the most important of these was the effect of demographic growth on the economy… Excessive centralization also made decision making and bureaucratic procedures slower and more rigid” (4). This happened not only in Mexico, but also in a series of other countries under similar conditions. The debate on the benefits of centralized government became central in development theories for developing countries such as those in Latin American and Eastern Europe.

In early development economics, the interventionist state was assigned a key role in correcting market failures and ensuring economic efficiency, growth macroeconomic stability and social development. The neoliberal counter-revolution in development theory brought a dramatic shift, as the state came to be seen as a barrier rather than a driving force in the development process (Mohan and Stokke 248).

As a result, a series of countries then went on to implement decentralizing reforms, out of which came very positive results, such as in the former Yugoslavia and in Austria.
Decentralization came to be regarded once again as a necessary element in any effective effort for the promotion of growth and development.

By the 1970s most industrialized countries had adopted policies to harness the decentralization process to their economies and their public administration apparatuses. In fact, during this decade most countries embarked on ambitious decentralization programs of one type or another. It is significant that the majority of these programs were also related to the overall objective of increasing political participation (Teune quoted in Rodríguez 5).

With decentralization having become a necessary ingredient for development in mainstream political thought, international organizations such as the International Monetary Fund and the World Bank began promoting it within their aid programs. As a result, decentralization policies were forced upon any country needing international aid during the last half of the twentieth century. Such was the case of many Latin American countries, including Mexico, which were submerged in a massive foreign debt crisis eventually overcome by domestic reform and international aid that required pulling out the state from economic affairs and taking some measure to decentralize it. The resulting decentralizing measures that were in fact initially carried out in Mexico did not stem from a natural political will to promote development and increase economic efficiency, but were to a certain extent forced upon the country as an external remedy coming from foreign actors. Out of this historical fact stems the one of the main arguments against decentralization being the proper measure for promoting growth and development in developing countries such as Mexico.

The type of decentralization that has been promoted by the international economic and monetary institutions such as World Bank and the International Monetary Fund toward
developing countries, tends to reflect certain trends that are not necessarily compatible with our view of decentralization. These trends have to do with the influence that Rational Choice Theory (RTC) and neo-liberal economic views have had on development theories over the last three decades, and thus, on the views held on the objectives that are sought by decentralizing the state. This has produced a decentralization model in which

…the state is seen as being either ‘constraining’ or ‘enabling’ and society is reduced to the characteristics of people as consumers… decentralization in its neoliberal guise treats the local as a functional, economic space with policies designed to increase the efficiency of service delivery (Mohan and Stokke 251).

As a result, under this decentralization scheme priority is given to privatization and deregulation and hence we see “the move towards market mechanisms and away from public services” in the role played by all levels of government (Mohan and Stokke 251). In other words, decentralization has been criticized because it has been used as an instrument in promoting neo-liberal economic values, limiting its objectives in depth and scope.

Critics are right when saying that decentralization, especially the type that has been forced upon developing countries, has become nothing more than an economic strategy based on neoliberal values that has had limited and in some cases negative results on growth and development in developing countries such as Mexico. But this fact does not neutralize the value of decentralization in the promotion of an effective development policy. One can be critical of decentralization in its ‘neoliberal guise’ without necessarily implying that decentralization can’t prove to be a helpful development tool. What it does imply, is that in order not to fall under this traditional and limited conception when proposing decentralization as a convenient policy, values other than those belonging to the view of the neoliberals must be included into any integral decentralizing strategy. These include values
related to fields such as democracy, the participation of civil society and non-governmental organizations, efficient public service delivery and federalism.

At the same time, it must not be held that measures having to do with limiting the state’s participation in the economy are completely contradictory to effective decentralization. As mentioned by the United Nation’s Report on Governance and Democratic Development in Latin America and the Caribbean, political decentralization as a contemporary process is accompanied by other practices such as deregulation, privatization and de-bureaucratization. These are three independent and different practices brought about by different motives but of very similar nature (182). They fall within the set of measures taken in order to reform the state and make it more efficient in the delivery of public services.

Another important reason for which so much skepticism exists as regards decentralization as the proper means for obtaining development in Third World or developing countries is because of what is known as Waldo’s paradox. Waldo made an analysis of the origins of decentralization, tracing its roots to classic Greek and Roman thought. The paradox was originally identified by Waldo under this context and has been latter been taken up by more contemporary analyzers of decentralization and development. Wagenaar and Rutgers for example have said that “the insolubility of the paradox arises from, amongst others, the need for individual and local autonomy and the simultaneous need for central and powerful authority to ensure individual freedom” (511). Although the paradox focuses mainly on the maintenance of individual freedom, it can also be applied to the role played by the state in the promotion of development and the delivery of social services. In general terms, the paradox arises when realizing the fact that “some functions of the state are inherently better handled by the center while others are inherently better resolved by a deconcentrated
structure” (Cohen et al 34). The existence of this paradox led many development theorists
to believe that in developing countries, the main tasks should be carried out by a strong
central government instead of a multiplicity of state actors. Decentralized decision making
was seen as inappropriate for the execution of any development effort since any significant
effort to deliver efficient social services had to be done on behalf of a single and strong
government unit. As stated by Philip Mawhood, it is sometimes believed that “local
government can usefully provide routine public services and resolve minor conflicts, but
that a centralizing trend is necessary if governments are to achieve their published
development goals” (232). Still, this view considering centralizing trends as necessary for
the effective implementation of development policies has had, at least in the case of
Mexico, a negative record. Over the last century, the country has undergone a period of
mass urbanization that has at the same time created rural agricultural stagnation. The
country’s capital, Mexico City, has become an unmanageable urban conglomerate of over
twenty million inhabitants with an extremely high unemployment rate. Many large cities
appear to be following down the same path. According to recent estimates, close to sixty
percent of the population lives in poverty and in conditions lacking many of the basic urban
services. Clearly in Mexico centralized rule has not come up with the development results
that its promoters said it would. If something needs to be learned from this experience, is
should be that a major change of attitude needs to take place in Mexican political culture,
something more vigorous than what has taken place over the last two decades.
Decentralization must now be taken seriously and “become a norm in its own right,
irrespective of the individual failures that have been recorded – and let it be added that the
record is not wholly discouraging” (Mawhood 233).
Decentralization and Democracy

Decentralization is meant to promote participation on behalf of citizens in governing the country and is therefore closely linked to the improvement of democratic standards. It provides the means through which society can express its will by creating solid and transparent local government and public institutions that are in touch with its basic needs. The state creates proper channels of communication between society and government that are usually absent in the existence of a centralized system. In fact, the link between the two is so close that they are frequently used together by developing country scholars and governments (Gershberg 413).

In Mexico, there is a striking coincidence arising from the fact that since decentralizing reform was put in place twenty years ago, the political makeup of government has radically changed. Twenty years ago, the first local elections were won by political parties other than the PRI, setting a trend that quickly spread all over the country. The elective principle was introduced in Mexico City, the country’s capital, which saw its first elected mayor take office in 1997. The PRI lost its majority in the federal Congress for the first time and in the year 2000 the first ever candidate from an opposition party, Vicente Fox, was elected to the presidency. This coincidence points towards a direct relationship between decentralization and the possibility of promoting democracy in the country, at least in the sense of avoiding the existence of a single ruling party system. However, there are doubts as regards the nature of the relationship between decentralization and democracy. Some see democracy as a prerequisite for decentralization while, others see it the other way around. Some do not even recognize the existence of a link between the two.

The strongest theoretical evidence pointing towards the existence of a relationship between democracy and decentralization comes from Alexis de Tocqueville in his study of the
United States at the beginning of the nineteenth century. Along with Max Webber, Tocqueville was one of the first theorists to talk about the relationship between decentralization and democracy. Both of them base many of their arguments on the assumption that within modern states, bureaucracies tend to centralize. But while Weber’s suggestion for limiting the over-centralization of bureaucracy within a state is by reinforcing parliament and creating a plural set of bureaucratic structures that limit each others actions, Tocqueville’s suggestion pointed more toward the creation of a system of government within which local government was given a major role. As a matter of fact, the relationship between democracy and decentralization was a major subject in his book *Democracy in America*. In the book, Tocqueville states that vigorous local government capable of acting without interference from central government is favorable to the development of the civic virtues of democracy. As stated by Marvin Zetterbaum,

To counteract the effects of centralization, Tocqueville acknowledges the value of local freedom at the township and community level. Within the confines of this smaller whole, each citizen receives his initial training in the use of freedom. By learning to care for and to cooperate in matters within his own purview, the citizen imbibes the rudiments of public responsibility. The township is the locus of the transformation of self-interest into patriotism, or at least into a species of patriotism. According to Tocqueville, free institutions, particularly those at the local level, transform essentially selfish individuals into citizens whose first consideration is the public good (773).

For Tocqueville, centralization posed a serious risk to democracy because within centralized systems citizens tend to be apathetic and immoral. It becomes irrelevant to them whether the street is clean or how things are in the village because it is a common belief
that all this is the direct and exclusive responsibility of a powerful foreigner, the centralized state (Gil 44). Hence, democracy is reinforced by the means of active citizen participation which in turn can only be accomplished through strong local institutions existing within decentralized systems. John Stuart Mill also recognized the direct link between democracy and a decentralized system when he wrote that “a democratic constitution which is not supported by local democratic institutions but is confined to central government not only lacks political liberty but also creates a spirit working in the opposite direction” (444)

However Tocqueville was also clear in transmitting the context within which he had come to these conclusions, which was the scenario existing in the United States in the years following its independence. When doing so, he also talked about the complications of applying his conclusions to countries existing under different historical circumstances, especially those that already functioned under a centralized system. He pointed out that it is usually much easier for a state to centralize than it is for it to decentralize, and that once a state is centralized, decentralization can be a very complicated process (Gil 40). Despite there being significant reasons to think that none of what was stated and empirically proven by Tocqueville is applicable to any scenario existing outside of the United States, there are also strong reasons to believe in the validity of his arguments as being universal because of the fact that basic principles of citizen participation can be learned within any historical context and applied within a wide range of different circumstances. In this way, Tocqueville sets the theoretical basis for believing that there is a strong correlation between democracy and decentralization.

Other authors have also pointed out the advantages of strong local government in developing democracy. Gabriel A. Almond and Sidney Verba say that,
In fact, it has often been argued that effective democracy rests on the ability of the individual to participate locally, for it is only here that he can develop some sense of mastery over political affairs. As Bryce put it (and as defenders of local autonomy have constantly argued), ‘An essential ingredient of a satisfactory democracy is that a considerable proportion should have experience of active participation in the work of small self-governing groups, whether in connection with local government, trade unions, cooperatives or other forms of activity’ (180).

In addition to the theory pointing to the existence of a relationship between decentralization and democracy, there is also empirical evidence showing that decentralization brings about positive changes within political systems and parties. A report published by the United Nations Development Program on Governance and Democratic Development in Latin America points to the fact that when faced with decentralization, centralized political parties become anachronisms that are forced to carry out internal reforms in order to adapt to the new circumstances if they want to avoid the risk of losing their influence and power. Decentralization brings about the democratization of political parties, which is beneficial to the whole of the political arena. Mexico is a perfect example of this. Any political party wanting to win an election has to turn now to its grassroots constituent base, that is represented in sub-national, regional and municipal, party structures.

Clearly then, there is a relationship between decentralization and democracy which can be seen in the contributions of some of the most recognized political philosophers as well as in empirical facts, such as those stemming from what has happened in the Mexican political scene over the past twenty years.
The challenges facing decentralization in Mexico

As has been seen in the previous sections, decentralization is a complex process that must take into account a large number of factors in order to be effective. There is no one single formula that can be universally applied to every country wishing to decentralize. Instead, each country must be able to create its own customized decentralizing measures according to its specific historical, economic, social and cultural realities. This can in fact prove to be a very difficult challenge, and it is the challenge that Mexico has and will have to face in order to successfully decentralize.

One of the main challenges for decentralizing Mexico is the country’s heterogeneous composition. Any decentralizing effort will have to be supported and approved by the central government and be applied to the different regions in the country. This poses a problem because of the huge differences that exist among the different regions, states and localities in Mexico. The municipal makeup of the country is a mosaic of diversity within which it is sometimes difficult to find commonalities among the 2,397 municipios existing within it. These differences and disparities are easy to identify when looking at numbers such as the population and size of the municipalities. Take, for example, the case of the municipality of Guadalajara in the state of Jalisco, which has a population of 1,646,319 compared to the municipality of Santa Magdalena Jicotlán in the state of Oaxaca, which only has 109 inhabitants. The municipality of Ensenada in the state of Baja California is 51,952 square kilometers in size, while Santo Domingo Tlataypam in the state of Oaxaca is only 12 square kilometers. These are only a few examples of the huge differences among the country’s municipios. There are still many more regarding income, development, education and access to technology. As a result, it is difficult to envision any single and uniform decentralizing measure being effective throughout the entire country.
However, this is not an obstacle that can’t be overcome. The central government in any serious effort to decentralize will have to learn that different regions within the country will react differently and according to their own pace to the changes set in place. As stated by Beltrán and Portilla,

…within each region and municipality [decentralization] will advance more in one sense than the other, according to their necessities, their human resources and materials available, their quality, political interests, relations between the center and periphery, and the levels of conflict and normality with which the system operates. It is therefore possible that any decentralization effort would have to be permanent and go beyond any single presidency (116).

An additional challenge related to the level of plurality and diversity within the country has to do with the possibility of fragmentation once a serious decentralizing effort is carried out. The transfer of autonomy to sublevels of government posses the immediate risk of weakening both territorial and political cohesion. Socially speaking, decentralization has the potential of increasing preexisting antagonisms in society. The reason for this is the increased possibility for local governments of becoming tools for the political opposition according to the interests of specific social groups. Local governments with increased authority and autonomy functioning under a decentralized system can be taken hostage by local elites or power groups that feel threatened by the national context. Philip Mawhood says that in many cases social cleavages existing within a country can be considered as a serious enough threat to rule out any possibility for decentralizing the state, in the interest of keeping national integrity (234). In Mexico, due to the country’s multiethnic makeup, this poses a real threat to decentralization. It is also important to point out that current global trends show a tendency towards national fragmentation which threatens national
integrity, based on religious, ethnic, social and economic differences. Many of these are frequently found within the boundaries of a single state, and Mexico is the perfect example. As if this weren’t enough, decentralization also carries with it the risk of multiplying centralizing patterns throughout the country on a more regional or local scale. If not carried out properly, and in the case where the right factors are not correctly assessed, decentralization might in fact reduce the concentration of power in the hands of the federal government only to re-concentrate it in the hands of a few regional leaders. The lack of proper coordination among the different levels of government in the event of decentralization might lead to this kind of phenomenon, which is likely to happen if the power void created by decentralization is not filled by the appropriate institutions or organizations. In order to avoid this happening, it is mandatory that central governments play an adequate leadership role in the decentralizing process. “Strong leadership is required in order to promote integration and national cohesion so that regional and local differences, that inevitably show up, don’t turn into disintegrating factors threatening national unity” (Gobernabilidad y Desarrollo Democrático en América Latina y el Caribe 163).

However, what I consider the most serious threat to any decentralizing strategy sought to be put in place in Mexico has to do with what I call the “Spaghetti bowl” phenomenon. This phenomenon has to do with the application of additional and more recent legislation or regulations within a preexisting and already sufficiently complex legal framework. The result is frequently catastrophic, creating legal structures that resemble mazes from which it is difficult to get in and out of. Multiple legal strands, both new and old, mix and tangle within the same national context, resulting in legal codes, laws and regulations so complex that they are inapplicable. Decentralization, because of its nature, carries with it the
possibility of creating this kind of situation. In order to avoid this happening, first of all the central government must be very careful of making sure that it is clearly stated which responsibilities fall under each level of government, and which ones are shared. The intention is to avoid any overlapping or neglect of important government responsibilities. Creating the appropriate legal framework for decentralization might turn out to be a very complicated process because it doesn’t take place within a legal vacuum. Instead, it has to be done within a preexisting framework which doesn’t always make important specifications with regards to distribution of functions and power and doesn’t always set the grounds for a successful transfer of power from one level of government to another (Gobernabilidad y Desarrollo Democrático en América Latina 161). As a result, any real legal reform brought about by decentralization must make sure that it appropriately modifies the preexisting laws and sets in place the necessary additional ones.

Finally, due to decentralization in developing countries being a relatively recent phenomenon, there is a strong lack of indicators that can be used in order to measure success and advances. As a result, evaluation of any decentralizing policy not to mention any decentralizing strategy turns out to be very complicated. The challenge that must be therefore overcome by Mexico is that of finding the appropriate evaluation tools in order to make sure it is on the right path, which is a crucial element in the application of any public policy.

These are only a few of the most important challenges that must be overcome if Mexico is to effectively decentralized. It all goes to show that, just as decentralization can prove to be a measure to ensure the alleviation of many of the country’s problems, it can also prove to be a source of widespread confusion, fragmentation, and legal, political and social chaos. The Mexican central government must therefore be very cautious in what it is already doing
in order to decentralize the state and as regards any other further efforts to do this. However, if carried out properly, the potential benefits of decentralization outnumber its potential risks.