

# DECENTRALIZATION: KEY TO MEXICO'S DEVELOPMENT

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## There is still much to do to strengthen state and municipal governments

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The economic, social and political structure of present day Mexico conforms to the model of centralized growth which the country adopted after the second half of the 19th century. At that time it was necessary to unify and promote national growth. Thus began the excessive concentration of people and economic activities in Mexico City. The main factors which favored this concentration were the first big hydro-electric plants to provide energy and the city's consolidation as the seat of political and economical power, as the principal market for goods and labor and as the main absorber of the federal government's funds.

The trend towards centralization gathered more energy after the 1910 revolution when industrialization and the building up of infrastructure benefitted the capital city in particular. The national road network has Mexico City as its central axis.

Mexico City uses 90 percent of all energy pipelines. The city has a sophisticated communications network with 2.6 million telephones, 55 radio stations, 8 television channels and 34 dailies which publish 2.2 million newspapers. It has the most advanced scientific and higher education system in the nation. All this makes it a large, modern city which contrasts with the basic deficiencies that the rest of the country has to tolerate.

The federal government was the most suitable body to start this work through the centralization of the infrastructure.

The process of industrialization, urbanization and modernization of agriculture also evolved within the framework of centralization, a fact which provoked uneven growth between regions and social classes leading to large marginalized sectors and the accelerated disintegration of communities and families.

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The National Palace. (Photo by José Fuentes)

The intense migration of people and resources to the city must be checked. Steps have been taken in this direction but it has become more urgent than ever to accelerate the pace. It is necessary to reorganize economic activity in order to recover our own territory, to exploit our natural resources fully, in short, to increase the wealth of our nation and distribute it among our people.

Uncontrolled urban growth and the dispersion and neglect of rural areas are also a reflection of the centralization which has hindered the full development of regional potential.

In 1960, for the first time in history, the country's urban population outnumbered the rural. The country's total population at the time was 35 million with 50.7 percent living in cities, the main centers being Mexico City with little over 5 million inhabitants, Guadalajara with 850,000 and Monterrey with 700,000.

In 1980, the total population rose to 67 million and the urban population increased from 18 to 44 million, that is, from 50.7 percent to 66.3 percent of the country's total.

The number of people in Mexico City grew from 7 to 15 million during the period 1960 to 1980 and in Guadalajara from 700,000 to 2 million. Rural areas had already become important exporters of labor which migrated to large cities in search of work and better living conditions. A great majority of these migrants only succeeded in settling in the fringe areas and shantytowns of the cities or migrated to the United States.

But, hand in hand with this tendency to centralize there was also the tendency for the rural population to disperse. In 1980 there were 123,000 places which had fewer than 2,500 inhabitants but with a total population between them of nearly 22 million.

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**It is now clear that Mexico's traditional political organization no longer meets today's circumstances and demands**

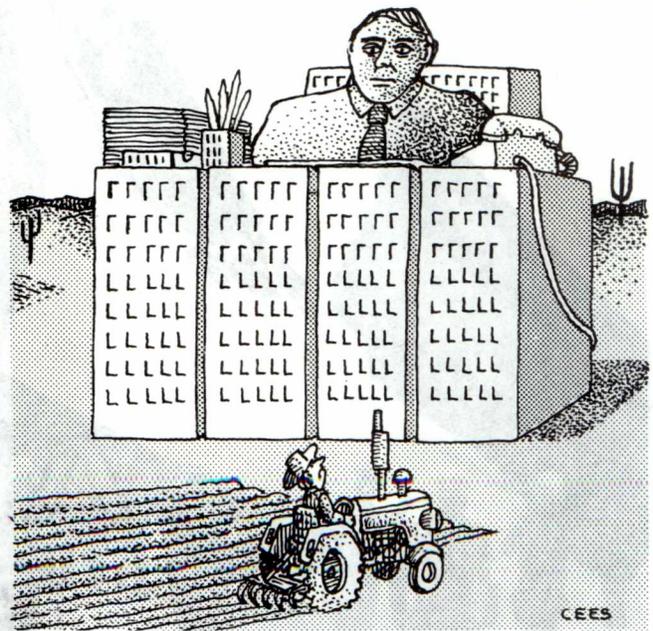
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Although the total number of inhabitants in rural areas increased from 13 million to just over 27 million between 1940 and 1980, in relation to the urban population it fell from 65 percent to 35 percent. The figure of 27 million is higher than that for the population of the whole country in 1950 which was below 26 million. In the year 2000 rural areas are expected to have 35 million inhabitants, as many as is expected for the whole of Spain.

Migration from rural to urban areas is the best reflection of the process of neglect and impoverishment which afflicts agricultural regions as a result of centralization.

**Migration and Distribution of Productivity**

The concentration of resources on the part of industry eventually translated into a reduction of agricultural activities which is reflected in the drastic fall in agricultural production and the constant decrease in the possibilities of maintaining job levels in this sector. The number of people employed in agriculture in 1950 was 57 for every 100 Mexicans, in 1980 it was only 26 out of every 100. While agricultural production per capita was 1,368 tons in 1970, it was 1,217 tons in 1986.




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**Centralization has caused uncontrollable urban growth and has hindered the development of Mexico's rural areas**

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Migration is, therefore, a phenomenon which reflects the inequalities of productivity between regions, states and municipalities. People migrate from poor areas to rich ones, from less productive to more productive regions. Migration exists in our country because there has not been a balanced distribution of productivity.

On the other hand, the expansion of federal power gradually stripped states and municipalities of their resources and thereby weakened them. The nation's revenue began to be concentrated in federal hands with only a minimal amount given to the states and municipalities.

Thus, while in 1929 the federal government took in 71.1 percent of the nation's revenue, the states 21.2 percent, and the municipalities 7.7 percent, by 1982 this had changed in a way which highlighted the levels of impoverishment of local governments. In that year, the states took in 8.3 percent of the revenue and the municipalities only 1.1 percent in relation to the federation's 90.7 percent.

Indeed, for decades, the regulation of the state's economic growth was done by the federal government.

Nowadays it is clear that Mexico's traditional forms of political organization no longer answer the new circumstances and demands. The centralizing style of our federalism and the economic and cultural model reached a level of diminishing and even negative returns some years ago thereby halting the growth of productive forces.

It is necessary to fight against centralization, against the trend which has widened the rift between poor and rich states, between productive and unproductive municipalities.

If we want to live in a strong country we must strengthen regional development and we must simultaneously discourage urban concentrations and marked rural dispersion.



Honoring the Mexican flag. (Photo by Rogelio Cuéllar)

### State and Municipal Reform

To modify demographic as well as productive plans is an obviously federalist task. Decentralization is rooted in social power. Only social power, that is to say, total democratization, is able to oppose the centralizing tendencies of the economy. Only the strengthening of local governments, through the strengthening of social power in a given territory provides the compensating force of the congested, industrial urban centers.

The decentralization of duties and resources from the federal government to state governments, especially in areas of health and education, is already under way. In the country's 31 states, development planning committees have been set up to allow local governments to decide on the use and allocation of federal funds in each entity. The Tax Coordination Law has also increased the states' share of federal taxes.

But decentralization is also based on the measure of freedom given to each municipality.

The amendments and additions to Article 115 of the Mexican Constitution sent to the Congress by President Miguel de la Madrid, outline the power and authority of the municipalities and provide the basis from which the town councils and communities become the promoters of their growth.

The main authority granted municipalities by the new Article 115 includes the strengthening of political independence of the municipal institution, the power to make regulations, and political pluralism of all town councils. Article 115 also defines the public services over which the municipality has exclusive administration, it delimits fiscal duties and specifies municipal responsibility in town planning.

These are remarkable advances in decentralization. But, naturally, the historical lag is so great that there is still much to do strengthen state and municipal bodies so that local governments can fulfil their responsibilities properly.

Building a solid administrative infrastructure at the state

and municipal levels is a task to be undertaken now. Apart from generating economic resources, it will be necessary to reinforce the ranks of civil servants and technical staff of the state and municipal administrations. At the same time, state governments and town councils will have to invite the community to cooperate with the authorities in an organized way in the key tasks of development.

The challenge now is to strengthen the political and technical power of local authorities. Decentralization is the process which marks the beginning of a new era for the country to confront the challenges of the future.

President de la Madrid has laid the foundations of this important political reform which will bring about the economic reform, social reform and cultural reform of the country. But so great is the backwardness of the states that it is necessary to concert all our energies in order to advance quickly.

State and municipal reform are necessary in order to reactivate the economy in the states and to slow the tendency of population growth in big cities. The objective is to decentralize power towards the states and municipalities and to stimulate the community's participation in order to mobilize productive forces and to consolidate the harmonious growth of the entire country.

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