

Mexico

Self-rule

INSTITUTIONAL DEPTH AND POLICY SCOPE

Mexico is a federation constituted by thirty-one *estados* (states) and a *Distrito Federal* (Federal District) encompassing Mexico City and the surrounding areas (C 1917, Arts. 40, 43, and 44). As of 2010, *estados* were further divided into 2,439 *municipalidades* (municipalities) and the *Distrito Federal* into sixteen *delegaciones* (delegations). We code *estados*, the *Distrito Federal* as an autonomous region (renamed as *Ciudad de Mexico*, CDMX, Mexico City in 2016 in the context of a constitutional reform that granted it the same level of autonomy as *estados*), and three Mexican *estados* that were previously deconcentrated federal territories: Baja California (statehood in 1953), Baja California Sur (statehood in 1974), and Quintana Roo (statehood in 1974). Mexico also has different types of metropolitan governance institutions. We code *Consejos para el Desarrollo Metropolitano* (Metropolitan Development Boards, which administer the disbursement of federal funds for metropolitan areas), as well as *zonas metropolitanas* in every state that has established governance bodies with a basis in law.

The current constitution was enacted in 1917 and amended 229 times as of 2019.¹ From 1917 to 1982, the *Partido Revolucionario Institucional* (PRI) was hegemonic at all levels. Federal, state, and local elections regularly took place, but elections were often fraudulent and the president exerted control over state bosses.

Each *estado* has its own constitution and determines its internal organization (C 1917, Art. 40). Under hegemonic party rule, this autonomy was seriously subdued. While the *estados* had some autonomy by virtue of their control of resources within the PRI (Diaz-Cayeros 2006: 80–4), the president had a veto over state decisions (see Representation). The *gobernadores* (governors) could be appointed and removed by the president at will (C 1917, Art. 73.VI.1–2).² Since re-election was prohibited for governors, president, federal and local deputies, federal senators, and regents, the party became the sole channel for accessing the political system (Diaz-Cayeros 2006: 81). *Estados* score 1 on institutional depth until 1982.

A process of gradual opening (*apertura*) began after the peso crisis of 1982 with

¹ Cámara de Diputados. “Reformas constitucionales en orden cronológico.”

http://www.diputados.gob.mx/LeyesBiblio/ref/cpeum_crono.htm

² The governors of the territories and mayor of the Distrito Federal were representatives of the center: “[T]he government of the Federal District [is] entrusted to the President of the Republic, who shall exercise it through the organ or organs that are prescribed by law . . . The government of the Territories shall be entrusted to governors who shall depend directly on the President of the Republic, who shall freely appoint and remove them” (C 1917, Art. 73.VI.1 and VI.2).

a shift from one-party rule to a competitive multi-party system at local and state level. The *Partido de Acción Nacional* (PAN) and the *Partido de la Revolución Democrática* (PRD) emerged as the most important opposition parties. The process took almost two decades to complete, and only by 2000, when the PRI presidential candidate was defeated, was Mexico generally considered a mature democracy (Wilson et al. 2008: 68, 76).

The *apertura* gradually weakened the hold of the party and the presidency over state institutional autonomy. Early decentralization reforms in the 1980s shifted responsibilities toward the *estados* and, most prominently, the *municipalidades*. However, state autonomy remained subject to central veto until 1994: between 1983 and 1994 sixteen governors were pressured to resign, replaced, or promoted by the president. Starting in 1994, PRI President Ernesto Zedillo (1994–2000) introduced a series of reforms that reinforced state autonomy (Grindle 2007: 31). Hence, *estados* score 2 on institutional depth from 1983–93 and 3 thereafter.^β

Until 2016, the *Distrito Federal* always had more limited autonomy than the states (Merrill and Miró 1996). The president appointed a *regente* (regent) until 1997, and no elected assembly existed until 1988, when the first direct election of the *asamblea de representantes* of the *Distrito Federal* laid the foundation for self-governance. In 1993, the status of the *Distrito Federal* was legally recognized in a special statute (*Estatuto de Gobierno*) that provided the district with authority similar to the states (Jordana 2001: 77). Since 1997 the citizens of the *Distrito Federal* have elected the head of government (reformed Art. 122 of 1997). Nevertheless, the powers of the *Distrito Federal* remained more limited. The *Distrito Federal*'s statute was set by the national government, and while its budget was proposed by the *regente* and approved by the *asamblea legislativa*, the national congress set the ceiling of public debt issued by the *Distrito Federal*. The *Distrito Federal* scores 1 for 1950–87, and 2 from 1988 to 2016 because its government was non-deconcentrated but subject to central government veto.

A 2016 constitutional reform known as the political reform of Mexico City renamed *Distrito Federal* as Ciudad de México (Mexico City) and granted it the same authority as *estados*. Mexico City now “enjoys autonomy in everything concerning its internal regime and its political and administrative organization” (reformed Art. 122 of 2016).³ The political reform enabled Mexico City to write its own constitution, which was approved in January 2017 and made official upon its publication in the federal register (*Diario Oficial*) the following month. Central veto power is limited to the President's authority to remove the city's head of public security for “grave causes” to be determined by law (reformed Art. 122, B); the federal chamber of deputies also retains the authority to allocate resources to

³ Mexico City was not granted the rank of state (Arts. 43-44), but it is considered a “federative entity” (*entidad federativa*) equal in status to the states (Art. 40).

Mexico City for its functioning as the federation's capital.^β

There are 74 metropolitan zones recognized as such by the federal government; 47 of these have formally established an inter-municipal “conurbation” (SEDATU, CONAPO & INEG 2018). The Mexican constitution formally prohibits the existence of any “intermediate authority” between municipal and state governments (C 1917, Art. 115, I). Despite this federal prohibition, various institutions have been created for the governance of metropolitan areas based on the authority granted to *estados* by the federal *Ley de Asentamientos Humanos* (Law of Human Settlements) to establish conurbations (voluntary inter-municipal associations) (Law of Human Settlements 1976, III; 1993, IV).⁴

In 2006, the federal government created a Metropolitan Fund, which is designed for financing public works, special programs and projects, studies, and plans in formally recognized metropolitan zones (Ahrend and Schumann 2014; Iracheta and Iracheta 2014). The Metropolitan Fund's operational rules, issued in 2008, require states to establish Consejos para el Desarrollo Metropolitano (Metropolitan Development Boards, CDMs) to administer federal transfers (Acuerdo por el que se emiten las Reglas de Operación del Fondo Metropolitano, 2008). CDMs are responsible for the disbursement of federal funds to metropolitan areas and for ensuring that all investments are coherent with national-level development plans and carried out in accordance with the Metropolitan Fund's rules, as well as promoting third-party assessments of metropolitan investments. Some CDMs are statewide while others are specific to individual metropolitan zones. Most aspects of CDMs' institutional make-up are laid out in these federal rules, though individual *estados* can issue additional rules for the functioning of their CDMs (rule 28). CDMs must have a technical committee in charge of funding administration and a subcommittee for project evaluation. In terms of their membership, CDMs must be made up at least of eight state government officials and two federal representatives (rule 29). Municipal representatives are allowed “when issues related to their jurisdiction, competence, and interest are taken up” (rule 30). In practice, CDMs “are dominated by representatives from state governments. Actors from local governments are typically non-voting members or are totally absent” (Ahrend and

⁴ In 1978, the state congress of Jalisco issued a declaration of conurbation for Guadalajara and seven neighboring municipalities and set up a Commission for Regional Urban Development of Guadalajara (Arellano Ríos 2014a). This commission was replaced in 1989 by the Metropolitan Board of Guadalajara. Both agencies were tasked with land use and development planning. Similarly, in 1984, the state congress of Nuevo León created a conurbation called the Metropolitan Area of Monterrey (made up of the state capital, Monterrey, and six other municipalities) and established a Conurbation Commission as a planning and coordination body, with a specific focus on land use regulations (García 1989). These were all voluntary, task-specific institutions, which we do not code as metropolitan governance.

Schuman 2014: 13; see also Iracheta and Iracheta 2014: 69). According to Díaz (2018), the state authorities that design the specific rules for CDMs have little incentive to grant municipal governments any significant representation or influence over decision-making. CDMs score 1 on institutional depth.

In the 2000s and early 2010s, five *estados* (Colima in 2006, Hidalgo in 2009, and Jalisco, Morelos, and Oaxaca in 2011) passed state laws related to metropolitan coordination and mandating the creation of a specific set of metropolitan governance institutions in addition to CDMs.⁵ Although metropolitan governance in these cases continued to be formally based on voluntary inter-municipal coordination, participating municipalities and the state government were now required to transfer some competences to those new metropolitan institutions, which now rose to the level of deconcentrated, general-purpose administration (institutional depth = 1). The specific set of institutions varied from state to state, but they generally included three agencies: a planning, coordinating, and decision-making body, a technical support agency, and a participatory board (Arellano Ríos 2014b). Information about the actual implementation of these state laws is thin.^α However, it is clear that not every state has created all the agencies mandated by law as of 2019. In Morelos, none of the bodies discussed in the *Ley de Coordinación para el Desarrollo Metropolitano del Estado de Morelos* appear to have existed. Oaxaca's state law mandates the creation of three metropolitan governance agencies in addition to a CDM, but these additional agencies have not been created, so we only code that state's CDM alongside those of other states. Only Jalisco and Hidalgo appear to have created all the agencies called for by their respective metropolitan coordination laws. Implementation of metropolitan coordination laws in Colima has been incomplete, but some agencies have actually been created.⁶ We

⁵ The *estado* of Zacatecas and the *Distrito Federal* and also passed metropolitan coordination laws in 2008 and 2010, respectively, but their laws did not create a comparable set of metropolitan governance institutions. The Zacatecas law only regulated the creation of the state's CDMs as mandated by the federal rules for the Metropolitan Fund. The *Distrito Federal* law stipulated a set of guidelines for promoting coordination among different authorities with jurisdiction in the metropolitan zone of the Valley of Mexico (which encompasses Mexico City as well as parts of the states of Mexico and Hidalgo). In 2019, the legislatures of Ciudad de México, Mexico state, and Hidalgo all approved a Law for Metropolitan Development for the Valley of Mexico. The law must also be approved by the federal congress before it goes into effect. Finally, in 2008, the *estado* of Yucatán created the Coordinación Metropolitana de Yucatán (Metropolitan Coordinator of Yucatán), a “deconcentrated body” tasked with providing technical assistance to the state government in connection to metropolitan development (Estado de Yucatán, Decree 119, 2008, Art. 1). We do not code this agency because it does not rise to the level of a general-purpose administration.

⁶ For example, as of 2019, the *zona metropolitana* of Colima and Villa de Álvarez had a *Comisión de Desarrollo Metropolitano* (the planning, coordinating, and decision-making body) but plans for the creation of an Instituto Metropolitano para el Desarrollo (the

therefore code *zonas metropolitanas* in the states of Colima, Hidalgo, and Jalisco from the date of their creation to 2018.

In 2016, a new federal Law of Human Settlements, Territorial Organization, and Urban Development (commonly known as LGAHOTDU) was passed by congress. This law requires the federal government, states, and municipalities to “convene the delimiting and constitution of a Metropolitan or conurbated zone” whenever joint planning for two or more population centers becomes appropriate (Art. 32), specifies 14 policy areas which are “of metropolitan interest” (Art. 34), and mandates the creation of a standardized set of institutions in every metropolitan zone (Art. 36). Every *zona metropolitana* must have a *comisión de ordenamiento metropolitano* (metropolitan organization commission), made up of federal, state, and municipal representatives and tasked with coordinating the formulation, approval, and implementation of metropolitan plans; a *consejo consultivo de desarrollo metropolitano* (consultative board for metropolitan development), responsible for promoting citizen participation and interagency consultation for metropolitan programs; and additional agencies in charge of metropolitan finance, service provision, and “technical aspects.” The law also states that, once a metropolitan plan is approved, member municipalities have one year to adapt their own urban development plans to ensure they are coherent with the former. However, the law does not override the constitutional prohibition against intermediate authorities between the state and municipal levels, and the metropolitan governance structures it provides for are still conceived of as “coordination and concertation mechanisms” between federal, state, and municipal governments (Art. 7) rather than autonomous governments. Therefore, *zonas metropolitanas* score 1 on institutional depth. Although the law gave *zonas metropolitanas* two years to establish metropolitan commissions and consultative boards and issue metropolitan plans, only a few had done so as of 2019. We only include those states that had actually created at least one of the agencies mandated by the law as of 2018: Campeche, Coahuila, Chiapas, Quintana Roo, and Zacatecas. The specific *zonas metropolitanas* with working governance institutions as of 2018 were Campeche (Campeche), Piedras Negras (Coahuila), Tuxtla Gutiérrez (Chiapas), Colima-Villa de Álvarez (Colima), Pachuca (Hidalgo), Guadalajara (Jalisco), Cancún (Quintana Roo), and Zacatecas-Guadalupe (Zacatecas).⁷

Estados have no reserved powers enshrined in the constitution, but they have

technical support agency) had not yet been implemented. Comisión de Desarrollo Metropolitano, “Plan de Trabajo, 2018-2021,” https://www.colima.gob.mx/portal2016/wp-content/uploads/2019/03/PLAN_ANUAL_DE_TRABAJO_METROPOLITANO2019.pdf.

⁷ Several other states (Baja California, Guerrero, Mexico, Nuevo León, Sinaloa, Sonora, and Veracruz) established at least one of the metropolitan governance bodies in 2019.

residual powers (C 1917, Art. 124) as well as extensive control over local government. *Estados* have no power over immigration or citizenship. In recent decades, their policy scope has grown to include welfare, health, and educational policy. Public education was decentralized to all *estados* in 1992–93, when they acquired control over the federal education budget, including teacher salaries. In this period, some 100,000 schools were decentralized (Falleti 2010: 192; Jordana 2001: 80).⁸ This reform resulted from an agreement between the president, the state governors, and the national teachers union (Grindle 2007: 31). In 1996, all thirty-one *estados* and the *Distrito Federal* signed a national agreement for the decentralization of health services, whereby the *estados* administer most of the health care budget (Wilson et al. 2008: 152–4). In addition, *estados* became responsible for primary and infectious disease care, nutritional services, and environmental health (Grindle 2007: 32). In 1997, the *estados* and the *Distrito Federal* obtained a greater role in the implementation of welfare policy, called PROGRESA (*Programa de Educación, Salud y Alimentación*—Education, Health, and Food Program), later renamed *Oportunidades* (Opportunities). Mexican *estados* are currently responsible for the delivery of a range of social services, but the federal government retains authority over guidelines and standards (Falleti 2010: 10). Hence, *estados* and *Distrito Federal/Mexico City* score 1 until 1992; 2 between 1993 and 1996, when *estados* obtain authoritative competences in education; and 3 since 1997 with the addition of responsibilities over welfare policies. CDMs have authoritative competence over the disbursement of funds from the federal Metropolitan Fund to metropolitan zones, an aspect of economic policy, so they score 1 since 2008. The authority of *zonas metropolitanas* is limited to the development of metropolitan plans, whose actual implementation falls on state and municipal governments. We code this as very weak authoritative policy competence, so these agencies score 0 on policy scope.

FISCAL AUTONOMY

In the first part of the twentieth century, *estados* had an unrestricted right to tax economic activities in their territory, though the constitution did not provide the states with authority over specific taxes (Falleti 2010: 221). After several failed attempts in the 1920s and 1930s to reorganize the tax system, the 1947 National Tax Convention agreed to a system in which the *estados* could opt to sign away a good part of their tax autonomy in return for a 60/40 split of federal taxes (Diaz-Cayeros 2006; Falleti 2010; Grindle 2007). The agreement provided exclusive federal authority over excise taxes on natural resources (including oil), alcohol, and

⁸ There was an initial attempt at decentralization of education in 1986 through bilateral agreements between the federal government and the governors, but the reform was only partially implemented (Falleti 2010: 191–2).

other items; the introduction of a federal income tax; and the introduction of a unified sales tax (ISIM: *Impuesto Sobre los Ingresos Mercantiles*), administered centrally, but some discretion for the states to set the rate. *Estados* retained some authority over taxes on agriculture and livestock. In return, *estados* received 25 percent of federal tax revenues. *Estados* retained formal authority over income taxes, payroll taxes, sales taxes, and other taxes not listed in Art. 73. The states could opt out of the agreement. In actuality, the federal government came to monopolize all major revenue sources in return for mostly unconditional transfers or *participaciones* to the *estados*, which were established on a tax-by-tax basis (Diaz-Cayeros 2006: 95–6, 123–31).

As the 1947 agreement took hold, federal centralization tightened (Sobarzo 2004: 5). One-third of the *estados* accepted the unified sales tax immediately, with the number increasing to one-half by the end of the 1950s: Baja California Sur, Quintana Roo, *Distrito Federal* (1948); Aguascalientes (1949), Morelos, Querétaro, Tlaxcala (1950); Michoacán, Sinaloa (1951); San Luis Potosí, Colima, Yucatán, Hidalgo, Campeche, and Tabasco (1953); Puebla (1954); Guerrero (1957) (Diaz-Cayeros 2006: 126–7; 130). By 1974 every *estado* had signed up for the *Impuesto Sobre los Ingresos Mercantiles*. The upshot was that state tax autonomy over major taxes was severely curtailed. Our coding for the period 1950–79 reflects the fact that *estados* could set the rate and base of minor regional taxes, including property taxes, several regional business and service taxes, and had the authority to implement payroll taxes, but were signing away their authority over major taxes, and most importantly, income tax.

The gradual nationalization of the sales tax system set the stage for an integrated tax system in 1979, when state and federal sales taxes were replaced by a value-added tax, the *Impuesto al Valor Agregado* (IVA). In the system, the *estados* chose not to exercise their right to tax—including income tax, value-added tax, and certain state excises on production and selected services—in exchange for unconditional revenue-sharing (*participaciones*) in nearly all federal taxes. This sharing followed a complex formula, adjusted annually (Diaz-Cayeros 2006: 2; Giraudy 2009). *Estados* retained the option to withdraw from the pact every year (Haggard and Webb 2004: 245). The *Sistema Nacional de Coordinación Fiscal* came into force in 1980. The *estados* continued to set the rate and the base of property taxes until the 1983 reform of Art. 115 of the constitution (Art. 115 IV.a), which transferred this power to *municipalidades*; they also held on to payroll taxes, for which they set the rate but not the base. We register this further centralization by assigning a score of 1 to *estados* from 1980–96.

From 1997 modest fiscal decentralization took place, spurred by the threat by some *estados* to opt out of the system of national coordination (Diaz-Cayeros 2006: 145–7). In 1997 a modification to the Fiscal Coordination Law (*Ley de*

Coordinación Fiscal, LCF) increased the state portion in the *participaciones*, decreased earmarks by creating a new line of unconditional funding (*aportaciones*), and provided *estados* with the authority over some new minor taxes, such as the tax on new automobiles and surcharges on federal taxes on hotels and car licenses (Falleti 2010: 9, 223). The number of regional taxes that *estados* impose varies from three to nine. The most common taxes are hotel occupancy, lottery, and payroll. Around 90 percent of *estados*' own revenues come from these three sources (Sobarzo 2004: 7–9), but *estados* have limited autonomy in defining the tax base or setting the rates (Wilson et al. 2008: 155, 160). Since 2004 the *estados* can set the rate of *impuestos cedulares*, which are effectively income taxes (Decree 2004, Art. 43). Hence, the scoring is increased in 1997 to reflect the restoration of state authority over some minor regional taxes, and again in 2004 to reflect the fact that *estados* can set a surcharge on a major tax.

The *Distrito Federal* had no autonomy over its own budget until 1997. Since 1997 it has the same authority as the *estados*. Metropolitan governance institutions cannot set the base or rate of any taxes.

BORROWING AUTONOMY

Subnational borrowing is partly regulated by the national constitution. The federal congress has the power to establish the bases on which the executive branch may arrange loans and take responsibility for public debt. *Estados* must respect the criteria contained in Art. 117, Section 8; and *municipalidades* the criteria outlined in Art. 115, Section 6. The constitution states that subnational governments can only borrow in Mexican pesos, from Mexican creditors, and for productive investments (C 1917, Art. 73.VIII; Stein 1999: 379; Lora 2007: 249; Haggard and Webb 2004: 258; Giugale et al. 2000: 247).

The details for credit guarantees are contained in Art. 9 of the *Ley de Coordinación Fiscal*, created in 1980. Subnational governments can borrow from commercial and development banks to finance investment projects, and they must receive authorization from their state legislature (González Oropeza 2006: 199; Haggard and Webb 2004: 257). This amounts to post hoc control. Until a change in the law in 1997, *estados* could also use revenue sharing or *participaciones* funds as collateral provided that the ministry of finance and public credit approved the decision. This provision opened the door for federal–state bargaining, whereby the national president could decide to channel grants for debt payment to state governments (González Oropeza 2006: 199). From time to time, the federal government also bailed out politically friendly *estados* without subtracting that amount from *participaciones* (Haggard and Webb 2004: 258). The legal possibility to use federal grants as collateral, combined with the federal government's discretion in approving this option, amounted to *ex ante* control for the central

government over significant chunks of subnational borrowing. In the 1995 financial crisis, all *estados* received bailouts (Haggard and Webb 2004: 258). Considering that the use of federal grants as collateral is just an alternative borrowing option to the normal route through the state legislature, *estados* score 2.

In 1997, a revision of the *Ley de Responsabilidad Fiscal* prohibited *estados* using federal grants as collateral. As a result, *estados* became fully responsible for their debts. *Estados* were also required to publish their debts (Giugale et al. 2000: 248–9). This was a first step toward a more rules-based and market-oriented system. A 2000 reform of the *Ley de Responsabilidad Fiscal*, introduced by President Zedillo in 1999, consolidated this evolution. The law laid down rules to limit state indebtedness by linking the level of state borrowing to various market-based mechanisms, including limits on the exposure of banks to state government debt; linking capital risk weighting of bank loans to subnational governments' credit ratings; and stricter registration rules for state loans (Giugale et al. 2000: 258–9). The federal executive also gave up power over discretionary transfers and securitization of debt, thereby signaling that it would no longer bail out *estados*. Since 2000 the central government has credibly committed to a no-bailout rule (Haggard and Webb 2004: 258). As before, foreign debt is prohibited and loans must be used for investments (Haggard and Webb 2004: 259). Based on a constitutional reform which granted Congress the authority to set a debt ceiling and other rules for subnational borrowing (reformed Art. 73, VIII, 3) and audit *estados'* finances (reformed Art. 79, I), Congress passed in 2016 the Law of Financial Discipline of Federative Entities and Municipalities. This law created a warning system to rate subnational debt management and regulate governments' borrowing authority depending on their rating. Governments rated as having “sustainable debt” have a ceiling of 15% of their discretionary income; those with “debt under observation” have a 5% ceiling; and those with “high debt” cannot borrow (Art. 46). Still, no *ex ante* authorization from the federal government is required. As of 2019, only one *estado* (Coahuila, in 2016) had been rated as having “high debt,” but it improved its score to “under observation” for the following years.⁹ *Estados* continue to score 2 on borrowing autonomy.^β

Borrowing by the *Distrito Federal* required *ex ante* approval by the president and the national congress. The mayor of the *Distrito Federal* submitted annually to the president an estimate of the amount to be borrowed. The president needed to approve before sending it along to the national congress (C 1917, Art. 122B.III). The 2016 political reform eliminated the constitutional requirements for Mexico City to obtain *ex ante* central government approval for borrowing (reformed Art.

⁹ “Disciplina Financiera de Entidades Federativas y Municipios,” *Secretaría de Hacienda y Crédito Público*, <http://disciplinafinanciera.hacienda.gob.mx> Accessed August 10, 2019.

122B), but the city is still subject to the Law of Financial Discipline. We adjust its score to 2 from 2016. Metropolitan governance institutions cannot borrow.

REPRESENTATION

Legislaturas (legislative assemblies) in the *estados* are unicameral and directly elected throughout the period. State governors have been directly elected since 1917 (C 1917 Art. 116.IV.a), but the president had the right to remove and replace governors (Art. 73.VI.1-2), which resulted in a potential veto over governorships. We judge this configuration as equivalent to a “dual executive” responsible to both the regional constituency and the central government.^β The 1989 gubernatorial election in Baja California arguably broke this pattern, when a member of the PAN was the first non-PRI governor elected to office (Snyder 1999).^β By the 2000s, parties other than the PRI controlled approximately 50 percent of state governments.

Until 1988, the *Distrito Federal* was governed by congress. The first direct election for the *asamblea de representantes* of the *Distrito Federal* took place in 1988. The 2016 political reform and the 2017 Constitution of Mexico City converted the *asamblea* into the Congress of Mexico City (CDMX C 2017, Art. 29), with the same constitutional status as state legislatures. The *regente* (mayor) was appointed by the president until direct mayoral elections were introduced in 1996 (reformed Art. 122); the first election took place in 1997. That reform changed the name of the *regente* to head of government of the Distrito Federal, and the 2017 Constitution of Mexico City changed it to head of government of Mexico City (CDMX C 2017, Art. 32).

All CDMs are made up of a majority of state government officials (Acuerdo por el que se emiten las Reglas de Operación del Fondo Metropolitano, 2008; see also Ahrend and Schuman 2014; Iracheta and Iracheta 2014), so they score 0 on both assembly and executive representation. The same situation holds for *zonas metropolitanas* in Hidalgo (Ley de Coordinación para el Desarrollo Metropolitano del Estado de Hidalgo, Arts. 5, 10, and 15). In Colima, the *comisión metropolitana* for Colima-Villa de Álvarez is chaired by the state governor but municipal representatives outnumber other state representatives, so we code it as an indirectly elected assembly with a dual executive (Ley de Zonas Metropolitanas del Estado de Colima, Art. 9). Jalisco’s metropolitan governance law also gives municipal representatives a majority on *juntas de coordinación metropolitana* (Ley de Coordinación Metropolitana del Estado de Jalisco, Art. 27). The 2016 Law on Human Settlements leaves the specific makeup of *zonas metropolitanas*’ governance bodies to be decided either by state law or by each individual *zona metropolitana* (LGAHOTDU, Art. 36). Federal and state representatives constitute a majority in the *comisiones de ordenamiento metropolitano* of Chiapas,

Campeche, Coahuila, Quintana Roo, and Zacatecas,¹⁰ so *zonas metropolitanas* in these states score 0 on both legislative and executive representation.

Shared rule

Metropolitan governance institutions have no shared rule.

LAW MAKING

Throughout the period states have been the unit of representation in the senate and had majority representation (*L1, L3*); senators have been directly elected rather than appointed by state governments (*L2*). The senate and the house have equal power (*L4*); senators sit for six years, while members of the chamber of representatives serve for three years.

The implementation of these principles has changed over time. Under the 1917 constitution the *cámara de senadores* was composed of sixty-four directly elected members: two members for each *estado* and the *Distrito Federal* (Art. 56). After the 1993 reform, the senate doubled to 128 members, allocating four seats to each *estado* and the *Distrito Federal*—three for the majority party and one for the first minority party (reformed Art. 56). Since 1996, senate seats are filled by a combination of majority rule and proportional representation. Each *estado* and the *Distrito Federal* (Ciudad de México after the 2016 reform) receive three seats, whereby two go to the majority party and one to the first minority party. The remaining thirty-two senators are elected by proportional representation in a single national multi-member constituency (reformed Art. 56).

EXECUTIVE CONTROL

Under one-party rule there was virtually no coordination between the *estados* and the federal government. Executive policy making was primarily top-down and the limited coordination was organized through party channels.

This system began to change with the *apertura*. In 1982, the newly created *Sistema Nacional de Planeación Democrática* (National System of Democratic Planning, SNPD) enhanced coordination of national, state, and local executives in national policy. Given the dominance of the PRI, the National System of Democratic Planning was ignored during its first decade of existence. In the 1990s some *estados* and *municipalidades* started to implement decentralized planning (Wilson et al. 2008: 70). Although governors have participated in specific meetings

¹⁰ The composition of each state's *comisiones* is stipulated either in a state law (as in Chiapas and Quintana Roo) or in individual *comisiones*' statutes. See Chiapas, Decree 036 (2017); Campeche, Convenio de Coordinación (2018); Coahuila, Acta de Instalación (2018); Quintana Roo, Decreto 194 (2018); Zacatecas, Acta de Instalación (2018).

to negotiate national policies such as health care decentralization in 1996, such meetings were never institutionalized. Bilateral ad hoc, i.e. non-routine, agreements between the federal government and an *estado* have been the predominant mode of coordination.

Executive coordination has increased under the rubric of the *Convenio Único de Desarrollo* (Unified Development Agreement) since the late 1990s, but an overarching legal framework for intergovernmental coordination is still lacking (Jordana 2001: 84). Coordination usually happens within the context of a national law. The federal government sets up a secretariat to provide administrative support to a joint federal–state committee that meets to coordinate implementation. State capacity to influence upstream policy making is limited and meeting decisions are non-binding; the particularities of intergovernmental coordination vary from sector to sector or from law to law. This configuration falls short of routinized coordination.^β

In a separate development, governors from the opposition party PRD began to organize in 1999 to discuss amongst themselves the decentralization of resources and responsibilities, especially in health and education. This concept was generalized and formalized in 2002 with the creation of the *Conferencia Nacional de Gobernadores* (National Conference of Governors, CONAGO). By 2007, CONAGO included all governors from different political parties and provided them with greater negotiation power in their dealings with the government (Falleti 2010: 73, 228).¹¹ According to CONAGO’s webpage, the conference met an average of four times per year from 2001–10. After 2011 there have been no more than two meetings per year. The president of the republic signed a number of agreements reached by CONAGO. While the central government is not regularly and formally involved in this system, the governors’ regular meetings provide the *estados* with some leverage to demand regular sectoral consultation and can occasionally secure binding agreements. Nevertheless, since no formal role exists for the federal government, we score *estados* and *Distrito Federal/Mexico City* 0 on executive control.^β

FISCAL CONTROL

While the senate has extensive legislative authority, it has no authority over taxation or the budget, and fiscal control through intergovernmental channels has been weak.

There was limited, non-binding, intergovernmental coordination between 1953 and 1979. The 1953 Fiscal Coordination Law (*Ley de Coordinación Fiscal* (LCF)) created a consultative committee of three representatives of the federal government,

¹¹ In 2011, all thirty-one governors were part of CONAGO. “Listado de Gobernadores Miembros de la CONAGO.” <http://www.conago.org.mx>

five state representatives, and three non-voting citizens to supervise the share of revenues transferred to the *estados*; the committee did not determine the rules for the allocation of the *participaciones* (Diaz-Cayeros 2006: 129–30). Hence, the committee constituted a venue for ongoing negotiations on revenue sharing between *estados* and the *Distrito Federal*, on the one hand, and the federal government on the other, but did not provide *estados* with veto power over national taxation.

In 1980, the National System of Fiscal Coordination (*Sistema Nacional de Coordinación* (SNCF)) and the Fiscal Coordination Law centralized fiscal matters but did not set up routinized intergovernmental coordination. The LCF is approved nearly every year in the lower house, but not in the senate. *Estados* voluntarily agreed to join the SNCF, and governors signed administrative collaboration agreements to work with the federal government to increase federal tax compliance (Diaz-Cayeros 2006: 133). *Estados* retain the right to withdraw from the arrangement at any time. The SNCF and LCF have undergone many adjustments, but none that provide direct participation for the *estados* (Jordana 2001: 86).¹²

BORROWING CONTROL

The constitution provides congress with the power to set the rules on borrowing, which are then executed by the federal government (C 1917, Art. 73). Until the late 1990s, the federal government (specifically the ministry of finance) executed borrowing policy in accordance with the LCF. There was no routinized system for federal–state consultation. Most negotiations on bailouts, or the use of federal grants as collateral, were bilateral and ad hoc (Giugale et al. 2000).

The 2000 reform of the LCF laid down a rules-based system for subnational borrowing, but did not set up a routinized executive coordination system involving state governments. The Fiscal Discipline Law also does not set up such a coordination system. Hence all subnational units score 0 throughout the period.

CONSTITUTIONAL REFORM

The constitution can be reformed by two-thirds of the attending members of congress. The amendments must then be approved by a majority of state legislatures (C 1917, Art. 135); therefore, a majority of regional governments can veto constitutional change. In addition, an interpretation of the constitution explains that the reform initiative needs to be approved by both chambers, amendments must be approved by a simple majority of state legislatures, and state legislatures cannot cede their authority to other representatives in the *estado* (Carbonell 2006). Until

¹² This centralized system became increasingly contested as the party system became more pluralistic, which led in the early 2000s to a direct challenge by the governor of Baja California.

the 2016 political reform, the legislative assembly (*asamblea legislativa*) from the *Distrito Federal* had no control over its special statute (Carbonell 2006: 229–33). The 2016 political reform grants the Congress of Mexico City a vote, equal in status to the *estados*, to approve or reject constitutional reforms (reformed Art. 135), but it does not give it veto power over the city’s constitutional relation with the federation.

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Self-Rule in Mexico

		Institutional Depth	Policy Scope	Fiscal Autonomy	Borrowing Autonomy	Representation		Self-Rule
						Assembly	Executive	
Estados	1950–1979	1	1	2	2	2	1	9
	1980–1982	1	1	1	2	2	1	8
	1983–1988	2	1	1	2	2	1	9
	1989–1992	2	1	1	2	2	2	10
	1993	2	2	1	2	2	2	11
	1994–1996	3	2	1	2	2	2	12
	1997–2003	3	3	2	2	2	2	14
	2004–2018	3	3	3	2	2	2	15
Baja California	1950–1952	1	0	0	1	0	0	2
Baja California Sur	1950–1973	1	0	0	1	0	0	2
Quintana Roo	1950–1973	1	0	0	1	0	0	2
Distrito Federal / Ciudad de Mexico	1950–1987	1	1	0	1	0	0	3
	1988–1992	2	1	0	1	2	0	6
	1993–1996	2	2	0	1	2	0	7
	1997–2003	2	3	2	1	2	2	12
	2004–2015	2	3	3	1	2	2	13
Zonas metropolitanas of Colima and Jalisco*	2016–2018	3	3	3	2	2	2	15
	2006–2018	1	0	0	0	1	1	3
	Consejos para el Desarrollo Metropolitano	2008–2018	1	1	0	0	0	2
Zonas metropolitanas of Hidalgo, Chiapas, Campeche, Coahuila, Quintana Roo, and Zacatecas**	2009–2018	1	0	0	0	0	0	1

Note:

* We start coding these states' *zonas metropolitanas* (ZMs) on the year they acquired a formal legal basis: 2006 for Colima, 2011 for Jalisco, and 2018 for Coahuila.

** We start coding these states' ZMs on the year they acquired a formal legal basis: 2009 for Hidalgo, 2017 for Chiapas, and 2018 for Campeche, Quintana Roo, and Zacatecas.

Shared Rule in Mexico

		Law making						Executive control		Fiscal control		Borrowing control		Constitutional reform		Shared rule
		L1	L2	L3	L4	L5	L6	M	B	M	B	M	B	M	B	
Estados	1950–1979	0.5	0	0.5	0.5	0	0	0	0	1	0	0	0	4	0	6.5
	1980–2018	0.5	0	0.5	0.5	0	0	0	0	0	0	0	0	4	0	5.5
California Baja	1950–1952	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
California Baja Sur	1950–1973	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Quintana Roo	1950–1973	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distrito Federal / Ciudad de México	1950–1979	0.5	0	0.5	0.5	0	0	0	0	1	0	0	0	0	0	2.5
	1980–2016	0.5	0	0.5	0.5	0	0	0	0	0	0	0	0	0	0	1.5
Zonas metropolitanas of Colima and Jalisco*	2017–2018	0.5	0	0.5	0.5	0	0	0	0	0	0	0	0	0	2	3.5
	2006–2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Consejos para el Desarrollo Metropolitano	2008–2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Zonas metropolitanas of Hidalgo, Chiapas, Campeche, Coahuila, Quintana Roo, and Zacatecas**	2009–2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

National legislature has: L1=regional representation; L2=regional government representation; L3=majority regional representation; L4=extensive authority; L5=bilateral regional consultation; L6=veto for individual region. Total for shared rule is either multilateral (M) or bilateral (B).

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