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Democratizing aspirations and realities in Mexico. Decentralization of public spending through budgetary item 33 (Ramo 33) in the context of alternation

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Introduction

Political plurality in Mexico has generated important changes in the political regime, relationships between different levels of government –federal, state and municipal-, as well as between different powers of the nation –Executive, Legislative and Judicial- begin to have a different logic. New actors also begin to have greater presence in the political arena (such as governors, political parties, congress representatives and society) which influence important aspects of public decisions; however, this has not been enough to speak of true progress in the consolidation of fiscal federalism.

State governments are currently in “process of occupation” of spaces of the public policy agenda. Furthermore, political actors of federalism become known in the National Governors’ Conference (CONAGO)¹. The new composition of several scales of power materializes the change in relationships; governors are key figures in mobilization and conflict which allows them to play in a new arena that seeks to modify the central power-local power relationship.

The decentralization of federal public resources topic is an unresolved one in public agenda, it is cause for negotiation and conflict for new actors and more and more of them have influence in the process; in many cases some of them keep putting their own interests with corrupt practices, clientelism and corporatism before social the social interests of local governments and their citizens.

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¹ See Cabrero, E. (2005). p. 227-255.

This paper tries to explain in light of alternation in Mexico how the decentralization of public resources has been carried out and show the poor efforts that have been made to consolidate a fiscal federalism that allows more democratic processes in the country.

The challenge of this research is to prove through qualitative analysis how federal public expenditure is decentralized in an alternation context through Federal Contributions (Budgetary Item 33 / Ramo 33). Despite the changes the political system has suffered with alternation, there is not a genuine fiscal decentralization in Mexico.

To achieve the research's goal, firstly, an attempt is made to explain the political alternation process, due to the composition of the political regime of the last decade has spurred political pluralism, which to tell the truth has not been an important step to consolidate democratic transition in Mexico an consequently, an effective fiscal federalism.

Secondly, explain the decentralization process in Mexico and the new intergovernmental relationships, trying to make a brief compilation of the most important events and progresses made in this topic, as well as the difficulties the Mexican federal system has faced now that it is more heterogeneous and lacks an authoritarian presidential rule.

Thirdly, a brief description of public expenditure through Federal Contributions (Ramo 33) will be made to explain its configuration and the areas each one of the funds cover, to prove that despite the efforts that have been made to decentralize public resources, states still greatly depend on the federation and centralism is still present.

Finally, conclusions will be presented.

Alternation in Mexico

In the past, the political system in Mexico has promoted and tolerated authoritarianism. According to Paoli Bolio², it is a passive, providentialist, ritualistic culture which is full of implicit consensus or widespread innuendo. Mexico lived through a presidentialist political culture that highly valued personal power and national representation to govern and develop government opposition. If power is exercised by accumulating legal and real powers in the presidential figure, the opposition is also constructed with individual figures which have become a social force known by its name, resources and prestige for a number of reasons³.

² Paolo, J. F. (2012) p. 103 and 108.

³ Bolívar, R. (2003) p.190.

According to Attili Cardamone, democratic transition in Mexico is seen as a slow and trying process that has not been generated by a single decisive moment; it has been historically characterized by the construction of a legal normative and institutional framework that was able to open the causes and conditions of the suspicion towards the elections, make possible and finally ensure political participation all parties and citizens, as well as change and democratic exercise of power.⁴

Base on this idea, it can be said that Mexico, in the last few years has created better legal and institutional conditions that lead to democracy. Changes resulting in the construction of new regulations and institutions to confer credibility on electoral processes and settlement of political conflicts entail a number of deep changes in the political system, political system and Mexican state.

The structure of the Mexican political system, until almost two decades ago, had been a unified government structure in its three levels: federal, state and municipal; one hegemonic party led the federal and state government and was characterized by high levels of concentration of political power and meta-constitutional powers of the President. Going from a highly centralized one-party government system to a divide government system has been possible thanks to the ever growing electoral competitiveness and various constitutional reforms⁵ which have given greater political independence to institutional actors and greater participation margin to social actors in government matters.

Nonetheless, the new political system's operation also generated problems in the political regime⁶ by demonstrating constitutional omissions and contradictions (in regards to the relationships between the three government orders, the federal, state and municipal ones too); this was previously less evident because of the presence of a single party (Institutional Revolutionary Party (PRI)) and centralist and vertical presidential authoritarianism.⁷

In turn, this had consequences in the general configuration of the State. By partly modifying this new fundamental political framework (political regime) some changes were made in the state type or model. On the one hand,

⁴ Attili, A. (2010) p. 171.

⁵ The 1994 Constitutional Reform gave greater political Independence to the Supreme Court and since 1997 the President's political party has not had the majority in Congress.

⁶ The political system is understood as the set of current relationships or interactions between public powers and political actors, refers to rules and practices, formal and informal that several actors (public authorities, parties and civil society organizations) follow. In other words, it refers to the set of effective and stable political relationships practiced in real life to reach government positions. See Attili, A. (*op. cit.*).

⁷ Attili, A. (*op. cit.*) p. 171.

democratic transition gradually led to a significant transformation of the State, leaving behind the presidentialist, authoritarian, one-party State that allowed the genuine separation of powers, control of the Congress of the Union, governors, local governments, cancelled essential democratic rights (free speech, grouping and representation, manifestation, independent press, free vote certainty, etc.). Unlike the authoritarian, corporatist State, the current State is limited and redimensioned by neoliberal reforms.

When alternation reaches the Executive Power, in the year 2000, Vicente Fox Quesada wins the presidency as candidate of the opposition with the National Action Party (PAN); however, this moment of change was not the only one to achieve alternation and vanquish the prevailing political regime; several factors also helped, like the internal crisis of the hegemonic party, the scope of the electoral popular demonstrations by considering ballot boxes as effective channels to manifest their nonconformity; as well as political transition that had before taken place in municipalities, in terms of power alternation⁸.

It is true that the result of the 2000 elections meant the arrival of a "democratically limited president" to the Republic's presidency; who is forced to negotiate and make agreements with oppositional forces of the three levels of government and between the federal powers and the Executive and Legislative ones to be more precise⁹.

According to Bolívar (2003), the July 2nd 2000 political alternation occurred gradually and several situations presented themselves:

- The President loses control of Congress
- The President of the Republic no longer belongs to the PRI.
- The President loses most of its power which came from the party's control.
- Seventy-one years of clientelist mechanisms of political control are disarticulated.
- Social corporations (unions, peasant unions, urban movements, business associations, professional associations, etc.) have the opportunity democratize themselves because their traditional leaders no longer have the President's support and their party no longer holds the power.
- The Judicial Power could acquire greater autonomy by breaking ties with the PRI and the President.

It is important to note that this does not ensure the complete disarticulation of authoritarian mechanisms of control, the absence of authoritarian

⁸ Alternation is the change of ruling party in local Executive Power.

⁹ Woldenberg, J. (2002). p. 383.

power structures in states, equal development levels in state and federal institutions or the existence of effective accountability mechanisms.

It is necessary to consider that alternation is just an important part of transition, competence conditions among parties have changed, one party substitutes another one; however, the State's general and institutional structure has not changed.¹⁰

Alternation has brought forward existing omissions and antinomies in the constitutional design of the relationship among the Executive, Legislative and Judicial powers, as well as among different levels of the federation's government which has generated crisis in political parties and corporative associations associated to the one-party regime.

These constitutional omissions and antinomies, worsened by the inexperience and stupidity of the group that had won the Presidency, had been hidden by the hegemonic system of the PRI; nonetheless, electoral alternation and pluralism have become a real obstacle to discuss, elaborate and implement public policies to solve problems which overwhelm our society.

Thus, if we want to speak of democratization in Mexico, we must not only think about electoral openness, but also of division of powers, adequate administration of justice, respect of human and citizen rights, respect to the enforcement of the Law and the modernization and objectivity of the media. And even though the Mexican political regime has become more open and plural in its political representation, it is also true that it is very far from being democratic, some conditions need to be met to achieve this.

The decentralization process in Mexico

The Mexican federal system throughout its history has been characterized by a high degree of centralism and inequity, which makes it difficult to promote development and increases the states' and local's governments' dependency on a central power. Resources transferred by the federation to the states represent over 90% of the states' total income; this generates a strong dependency to the federal order and at the same time does not allow state and municipal governments to generate alternatives to control their own development. Excessive centralization makes local governments more vulnerable to fluctuations in the main macroeconomic variables, denying or limiting their response capacity to the ups and downs of national and global economy.

The relationship between states and the federal government has been historically tense because the political center had to face the enormous power of the states on several occasions to take on these responsibilities.

¹⁰ Bolívar, R. (*op. cit.*). p. 190.

They themselves and their governments have had an outstanding participation in the most delicate moments in national history and their power and autonomy often endangered the central power and most importantly even national unity. Centralism which would disrupt the essence of federalist principles was not the result of political perversity, but of a need to solve an historical tension.¹¹

Since the eighties there were frequent changes in the system that gradually increased local power and autonomy. Economic pressures led to a compulsory process of administrative decentralization that gave local governments tasks that had previously been addressed by the federation and shortly to significant financial resources. In a parallel fashion, democratic pressures became greater and promoted competition among parties and made it possible for the old opposition to win important positions.¹²

Since then, relationships between governments would be modified to the extent that leaders would be strengthened considerably as the Presidency and federal government lost handed over power, by their own decisions or mostly because of circumstances that forced them. Thus, those changes did not always respond to a clear plan, but to specific needs or situations.¹³

The first change was the administrative decentralization process that the federal government began in the early eighties so as to transfer tasks and responsibilities to states and years later, financial resources. Up until then, governors did not have to address important public matters, the federation automatically tackled them. And even though it entailed an obvious dependency, it also meant not having to deal with administrative and economic problems which gave them a lot of freedom to take care of internal politics.

As Hernández says, decentralization was not requested by states and was not welcomed either, it will substantially increase state autonomy and strengthen the role of governors making them responsible for politics and also economy. Little by little, these administrative responsibilities would bring resources that had been previously controlled by the federation and that would be handled entirely by the governors. Up until then, budget matters and federal interference in public works had not been politically discussed; when governors took control of administrative authority and powers, they pressured the federal government more and more to face them.

¹¹ Hernández, R. (2008). p. 335.

¹² *Ídem.*

¹³ *Ídem.*

Besides these two administrative and financial processes, two other political ones will happen and widen state autonomy. One will be the ever growing electoral competition that throughout history has been focused on states and will force the PRI system to give up the control of candidate selection to local positions, including positions of governors, and face the opposition. Another change will be the political modernization project that will be launched by President Carlos Salinas and that he will try to force upon the elite and governors.

Centralization of budget resources not only wants to generate an economic equilibrium, but also be useful means to control states and its authorities. These means depended on a presidential referee and could be modified voluntarily to support a governor or to make their distancing obvious¹⁴.

In the nineties –the scene of democratic transition- the game changes little by little. Governors and mayors members of the opposition that gain power by the will of the citizens are not indebted to the federal Executive Power (or very little) or the current governor.

From the beginning of the presidency of Ernesto Zedillo, in 1994, a “renewed federalism” initiative was put forward, it recognized the autonomy areas and respect to the competences of each order of government. In this scenario initiatives to redistribute functions between different government orders were generated, particularly in health, education, social development and fight against poverty areas¹⁵.

We can then say that an interesting element of the dynamics of intergovernmental relationships in Mexico is that the process not only depends on the center’s logic, but also on the growing participation of local governments that agitates and mobilizes centralist tradition. State governments undertake some initiatives of their own which increase their autonomous action areas. On the other hand, municipal governments are being pressured by more participative citizens that demands efficiency in actions done by the local governments, the latter have been forced to develop innovative proposals and alternative strategies of local public management. Some of these innovations have been adopted by the federal level and recommended to other states. And even though these are isolated experiences, we can understand these are the beginning of a greater process that pressures the center more and more to hand over greater decision areas.¹⁶

The absence of deep reforms that result in an adequate equilibrium of the Mexican fiscal system, the lack of equity and a non-subordinated treatment

¹⁴ Interview made to César Camacho. See Hernández (*op. cit.*). p. 335.

¹⁵ Cabrero, E. (2005). p. 227-255.

¹⁶ *Idem.*

in the fiscal pact, as well as the significant reductions of the federalized expenditure that weaken state and municipal finances; these are factors that have led state governments to create expression, analysis, dialog and discussion spaces of national topics, a dialog area with the federal government to achieve an authentic fiscal federalism.

In this sense, there have been little breakthroughs in fiscal federalism topics to decentralize public expenditure. In 1998, the Fiscal Coordination Law (LCF)¹⁷ was created; the federal contribution funds (Ramo 33) which are seven federal contribution funds in education, health, social infrastructure, public security and municipal strengthening.

LCF is an instrument that the Ministry of Finances and Public Credit (SHCP) uses to strengthen the relationship between states and municipalities of the federation. The SHCP recognizes the Contributions and Grants system offers the following advantages:

- Provide legal security to states and municipalities regarding the availability of public resources;
- Define the three orders of government's responsibilities in the execution, monitoring and accountability of these resources;
- Establish clear rules to allocate resources to states and municipalities;
- Allow these to know in advance the availability of these resources, strengthening their expenditure planning activities. Resources are used to finance services and obligations specified in the LCF;
- Ensure financial solvency by handing in the resources the first days of each month;
- Finally, it promotes the community's involvement in the destiny, implementation and monitoring of works and services as a result of the exercise of these resources.

Regarding this last statement, there are still has citizen participation lags in the monitoring of the use of resources, at the same time, authorities issue little and confusing information on this matter.

The decentralization of federal public resources topic is an unresolved one in public agenda, it is cause for negotiation and conflict for new actors and more and more of them have influence in the process. The new intergovernmental relationships logic maintains the essential bond of dependency of state governments and the federal level; in other words,

¹⁷ The Fiscal Coordination Law (1978) regulates the national fiscal coordination system. The essence of said system is that the federation and states can sign fiscal coordination agreements in which states agree to limit their tax powers in favor of the federation in exchange for a part of the return of federal taxes. One of the goals of the LCF is to determine the states' contributions.

centralization is still present. It is clear that there has been progress, but fiscal dependency is still very strong.

The prevailing vision of decentralization has been in accordance to the “up down” approach that has not necessarily meant the strengthening of regions and localities’ building of policies, they have the role of policy operators that have been centrally defined¹⁸. It would be interesting to know to what extent political and institutional actors are taking on their functions or if they are still mere operators and on the hand, the role of social actors and their influence on the definition of these policies that undoubtedly still come from the center and that should be translated into public policies that benefit citizens.

The transfer of resources to state and municipalities through federal contributions has been an important source of income for these governments which have had to take on more responsibilities. Even though the Fiscal Coordination Law established control, evaluation and monitoring responsibilities of federal funds among different government levels, it cannot be said that there is an institutional infrastructure so that the decentralization fiscal system works efficiently, transparently and that has the obligation to be accountable in the new intergovernmental relationships framework.

Public expenditure and resources of Ramo

In the eighties, changes made regarding decentralization and the search for greater federal equilibrium show that the states’ financial dependency of the federal government is still there, this not necessarily mean governors have shown subordination. In this sense, the maneuver margin that governors have over public resources is very big and the federal government has lost all control.

One of the states’ most important resources is federal public spending. In spending matters, there are three aspects. Firstly, funds given by Ramo 33 to City halls, which lack of precise regulations and specificity and are imprecise in their accountability. Secondly, funds executed by state or municipal governments that address federal regulations and attack state sovereignties and municipal autonomies. Finally, defines resources, which makes it necessary to induce state public spending to attract an agreed proportion of federal resources.

We also have to distinguish three public spending functions: *provision or allocation*—provide social goods and services or provide resources for their satisfaction—; *distribution or redistribution*—adjustment of distributive policies that have to be established at national level and can entail the dispersion of

¹⁸ Attili, A. (*op. cit.*). p. 171.

public spending (redistribution) or be linked to tax systems for an agile and democratic answer- and stabilization –while acknowledging the difficulty of carrying out local or state macroeconomic stability excluding money and credit criteria, it is necessary to adopt criteria of state stabilization by means of budget equilibrium through deficit control and surplus in this matter-.

An important step in the decentralization of federal public spending began in late 1997, with the reform and amendment of Chapter V of the Fiscal Coordination Law which gave birth to the Federal Contributions for States and Municipalities figure, which in turn led to the creation of Ramo 33, including the Expenditure Budget of the Federation for the 1998 tax period.¹⁹

I consider important to generally revise the process of decentralization of federal public resource to states and understand how these resources are distributed. In 1980 state and federal governments decided to create a system so that states could relinquish their fiscal powers in favor of the federal government, which would collect taxes nationally and redistribute these resources to the states. The National Fiscal Coordination System²⁰ established an homogeneous fiscal order, this reduced administration costs making it more efficient and gave greater resources to subnational governments by limiting their tax powers.

These coordination agreements stated that the federal government through non-conditioned transfers (grants) would distribute among the states income generated by taxes the same states had given the generation plus income generated by PEMEX. Once these non-conditioned funds reached state governments, they are considered as income of their own, governments can then freely distribute non-conditioned funds to sectors and programs; these funds are resources that allow governors to differentiate their political offerings from those of political opposition parties.

Conditioned transfers (contributions) are used by the federal government to address subnational crucial issues. These funds are mainly spent in education, health and fight against poverty. These funds are not only spent in specific sectors, but in specific programs. Resources are transferred to state and municipal governments through Budgetary Item 33 or Ramo 33²¹

¹⁹ See, www.cefp.gob.mx

²⁰ National Fiscal Coordination System (SNCF), its explicit goal was to avoid double taxation by limiting the taxable competences for each level of government and distribute among states a part of federal collection through the establishment of adherence agreements signed by sovereign powers: Federation and states.

²¹ Article 25 of the Fiscal Coordination Law establishes that the Federation transfers Ramo 33 resources and conditions its spending to the fulfillment and achievement of goals for each contribution stated in the aforementioned law; each one of these funds has different criteria to distribute their resources and specifies areas in which said resources can be used. See Barceinas, C. and Monroy, R. (2002).

of the federal budget. Unlike non-conditioned transferences, states have to legally account for the spending of these funds²².

These contributions are established in the federal budget which includes Ramo 33 since 1998 and is divided into specific funds. In 1998 it included the Basic Education Fund (FAEB); Health Services Fund (FASSA); Fund for Social Infrastructure (FAIS); The Fund to strengthen municipal finance (FORTAMUN-DF); Multiple Contributions Fund (FAM); a year later, in 1999, the Technological and Adult Education Fund (FAETA) and the Public Security Support Fund (FASP) were added. Finally, the reform made to the Fiscal Coordination Law (LCF) in 2006 made it possible to add to Ramo 33 the Strengthening of the States Fund (FAFEF)²³.

It is important to note that the transfer of resources to states and municipalities through federal contributions has been an important source of income for these governments; however, it has made them take on more responsibilities.

Configuration of Ramo 33:

Basic Education Fund (FAEB): these resources are to be used for basic education, including education for indigenous communities, special and teacher training.

Health Services Fund (FASSA), resources from this fund must be spent to address health services; respecting the Federation's and states' health competences in general health and coordinating powers according to the agreements signed by the Ministry of Health and the states in the Single Agreement for Development framework.

Fund for Social Infrastructure (FAIS) is divided into two funds:

State Social Infrastructure Fund (FISE) and / or Municipal Social Infrastructure Fund (FISM). Specifically FISM addresses: drinkable water, sewerage, drainage and latrines; municipal urbanization; rural electricity and poor neighborhoods; basic health infrastructure; basic education health; housing improvement, rural roads and productive rural infrastructure²⁴. FISE takes care of regional or inter-municipal works and actions.

The Fund to strengthen municipal finance and the Federal District's territories (FORTAMUNDF), also known as FAFM. The federal contributions

²² See Flamand, L. (2006). p. 315-359.

²³ See Cejudo, G. and Gerhard, R. (2010). p. 205-233.

²⁴ LCF states that municipalities can use up to 2% of FISM for an institutional program of municipal development that will be signed between SEDESOL, the State Government and the corresponding municipality.

of FAFM that municipalities receive from states and territories of the Federal District will be used to meet the needs, giving priority to “the fulfillment of financial obligations, payment of rights and better use of water resources and the direct addressing of needs that have to do with the citizens’ public security”²⁵.

Multiple Contributions Fund (FAM), divided into *Basic Education Infrastructure Fund* and / or *Superior Education Infrastructure Fund*; LCF establishes that this fund’s resources are divided into two components: I. Social aid: breakfasts in schools, food aids and social aid for extreme poverty and homeless population. II. Education Infrastructure: construction, equipment and rehabilitation of physical infrastructure of basic and superior level education.

Technological and Adult Education Fund (FAETA), this fund operates thanks to two components: FAETA-INEA which contributes to the formation of adults through education that allows them to have better development for life and work; this fund’s resources strengthen the operation of existing services and widens educational spaces for adult education, according to regional needs FAETA-CONALEP also tries to strengthen the technical professional education in states.²⁶

Public Security Support Fund (FASP) for States and the Federal District: LCF states that resources of FASP “... must be exclusively spent for the recruitment, training, selection, evaluation and purge of human resources that work in public security”. FASP’s goal is to also provide extraordinary payments to public ministry agents, experts, judicial police or their equivalents in state justice departments, preventive police or prison guards.²⁷

Strengthening of the States Fund (FAFEF), its resources are used for “physical infrastructure investment including construction, reconstruction, enlargement, maintenance and conservation of infrastructure”, acquisition of goods to equip acquired or generated works; hydro-agricultural infrastructure and indirect spending to carry out research, development and evaluation of projects; monitoring and control of this infrastructure works –up to 3% of the program’s cost or programmed project in the fiscal period-.²⁸

²⁵ Article 37 of LCF.

²⁶ It is important to note that even though LCF states that economic resources FAETA provides to states and the Federal District have to be used to finance technological and adult education services, said resources are complementary ones used in said activities through Budgetary Item 11 (Ramo 11: Public education).

²⁷ See www.cefp.gob.mx

²⁸ See, Consejo Nacional de Evaluación de la Política de Desarrollo Social, (2011).

In 2007 the Law defined the formula to annually distribute the approved resources in the budget²⁹. The creation of Ramo 33 gave States and Municipalities greater legal certainty and certitude in regards to resource availability and more responsibilities on the use and monitoring of these. According to the Fiscal Coordination Law (LCF), the eight funds that Ramo 33 includes are assigned, distributed and implemented to meet social needs in regards to education, health, social infrastructure, public security, etc. These resources are earmarked transfers that can be used only for the purposes stated in LCF.

In general terms, the distribution of expenditure powers in each federation depends on the combined legislative and administrative responsibilities allotted to each government area within the federation.³⁰

Even though the Fiscal Coordination Law established control, evaluation and monitoring responsibilities of federal funds among different government levels, it cannot be said that there is an institutional infrastructure so that the institutional infrastructure works efficiently, transparently and has the obligation to be accountable.

In this sense, citizen participation in Mexico is still incipient, although alternation has allowed the development of some democratic processes such as freedom of organization and speech, there is still a great distance between State and society.

Conclusions

The logic present in intergovernmental relationships has not been a simple one since its historical origins and has been full of complexities due to alternation and processes that materialized it thanks to the changes in government, the Executive Power and the presence of greater plurality in congresses, it has been a logic with greater participation of citizens and social actors which pay more attention to public affairs; however, we need to emphasize that this logic has also replicated centralist ideas in more than one way.

From this point of view, it can be said that Mexico has created legal and institutional conditions to make way for democracy. Nonetheless, democracy means more than regular and clean elections that have an honest counting of the votes.

It is worth mentioning that when the regime is democratized and pluralized it makes current legal omissions in the relationships between public powers;

²⁹ See Informe del Resultado de la Fiscalización Superior de la Cuenta Pública (2009).

³⁰ See Astudillo, M. (*op. cit.*). p. 65-86.

which reflects complex and deficient intergovernmental relationships. The complexity of the institutional framework among powers and the role and influence of new actors in the political arena where corruption and clientelism practices are still in force; these elements have not paved the way for a real consolidation of the decentralization of states' public resources.

Decentralization is still seen as out of time, erratic and with uneven effects, this is why the strengthening or weakening of state governments will mainly depend on the way their main representatives (governors and local congresses) put social interests before political and personal ones. On the other hand, it is essential to have a more participative and committed citizenry in government affairs.

Thus, considering the Fiscal Coordination System's goal we can see there is not a genuine fiscal federalism in Mexico, there is a lot to think about before the consolidation of a true decentralization of the federal public spending through Federal Contributions that translate into tangible results to strengthen the states of the federation through public policies that benefit society, decrease great economic and social inequalities to give citizen's a better quality of life and make intergovernmental relationships more efficient.

It is also true that with alternation, there has been greater political plurality in the three levels of government and although divided governments have greater participation and influence in political decisions of their governments, we cannot say that in Mexico there has been a real consolidation of fiscal federalism, a true decentralization of federal public resources to states it is still under construction.

The democratic transition process in Mexico is still under construction, political pluralism has been the reflection of greater electoral competition, a system which evaluates and negotiates every governmental initiative and the last thing it has done is generate proposal and position diversity that benefit social interests; on the contrary it has allowed the participation of new actors that have empowered public areas of power. We cannot speak of genuine fiscal federalism in our country, due to the lack of institutional coordination that does not have the necessary mechanisms to make government exercise more efficient and mainly because different actors do not have the will to put the interests of common citizens before their particular ones and those of their friends.

The political class is no longer subject to old rules, but it does not comply with written rules of a democracy under construction. I think it is important that Mexico builds a society that pays more attention to government affairs, which takes responsibility and monitors each decision made by their rulers.

The latter also have to carry out their functions in a transparent manner and make the results of their actions known and be accountable for them.

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