

The Subnational Local Governance Index in Mexico

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Abstract

Governance as an instrument of government requires an interactive public action, which acts by public policy networks made up by governmental and non-governmental actors. Identify the degree of ability to solve public problems that exist within subnational governments in Mexico indicates the existing governance level. In this sense, the Local Subnational Governance Index aims to reveal the ability of local governments to meet the needs of its population, making useful the resources available. The SILG integrates four components: the Social Backwardness, Institutional Capacities, Quality of Governance and Financial Capacity. It also shows that the difference between each municipal government and trends within each of the regions of Mexico. Currently there is no doubt that in Mexico there is great inequality between subnational governments. The size of them and the political party that governs variables that are not determined, but if the degree of poverty and the region to which they belong, and it is therefore appropriate to examine each of the components in the particular SILG. From this instrument is expected to provide sufficient data to make decisions in public policy actions expected to promoting development in Mexico.

Key words: Index, Subnational, Governance.

Introduction

Understand the problems and insufficient local governments in Mexico, with the aim of improving their ability to design public policies requires accurate updated information that allows having radiography of the institutional structure of local governments. It is from the data obtained in the various sections of the index to generate a tool to solve public problems, with emphasis on the situation arising for decision-making and action more efficient. This will identify the critical areas, highlighting the aspects that go into a right path and will file a local empowerment agenda in the medium and short term.

The questions we seek to answer in this paper are: What is the social backwardness of Mexico subnational governments?; What institutional structure subnational governments have?; What profile officials governors and sub-structuring public action?; What financial management capacity have?; What is the degree of confidence of society in public action?

As the level of government closest to the organization, this should become a space for dialogue with the local community, allowing adding it in the process of public policy making. Therefore it is important to answer the questions what are the scope of citizen participation in public action sub? What types of actions have been developed to build local governance? The proposal seeks to provide evidence of the extent of citizen participation in the management sub.

Seen in the context in which subnational governments are Mexicans participation faces rigid governance structures, very limited, usually restricted to federal government programs subject to operating rules, which require the incorporation of the citizenship. However, public participation is characterized by its low representation, is informative and the best, consultative, very few deliberative participation experiences.

Governance and institutional capacities

The urbanization and industrialization of the State as well as the plurality and political change, have created the need for new governance processes, which is why the design and implementation of public policies; note that the internal factors of the public administration, gain importance on external factors, which are related in a different way and in different aspects to the policy making. This situation has generated a coordinated institutional framework, which is structured and operates as a complex network.

The existence of political networks generates decentralization of government functions and focus on the result of the public policy rather than the compliance of the standard also creates the conditions for further discussion or dialogue in the public policy. Therefore, overcoming inequality, which remains the major public problem in Mexico, is possible due to the structure and governance performance in subnational public administration.

The concept of institutional capacity can be defined as an organization or as rules. For purposes of this paper, it will be considered as organization, so it is

related to the achievement of the objectives of subnational government. If the achievement of objectives has to do with the needs of society, then it is related to the governance, which can be defined as the ability to coordinate the activities of governmental and non-governmental actors in solving public problems. In this sense, public action is considered the central aspect of government, which should be considered as an interactive government with its environment.

Governance is an instrument of government that helps to resolve the problems of efficiency (use of resources), effectiveness (achievement of goals) and credibility (degree of confidence in the government). It arises in a context where resources are insufficient to deal with public problems and these problems, which exceed in magnitude and complexity to the government, which requires the incorporation of other social actors.

The complexity of public problems demands greater organizational capacity, which often goes beyond the institutions and agencies of government that requires deliberation spaces, interaction and public and private partnership. That is why it has generated a process of empowerment of society and its involvement goes beyond consulting their opinions.

In this sense, governance means government processes, where the offices of the public administration are an actor in the solution of public problems. That leads to the functional dynamic between moving hierarchical governance processes and interactive governance processes. For this reason, governance is based on public policy networks.

In short, governance means organizational structures and governance processes that generate the conditions for a cooperative public action. By that way, there is a transparent and democratic framework in the coordination of processes. The main feature of governance is the plurality of social actors with capacities to intervene in the solution of public problems. Consequently, governance depends on efficiency of the organizational setup of the government, and it's linked to issues such as society participation, accountability, presence of appropriate legal framework and political stability.

From this approach, institutions are the agendas of priorities, by improving the regulatory framework, increasing the quality of governance and fiscal strengthening. The idea of governance is immersed in these approaches to strengthening institutional capacities. According Lusthaus (1995), the definition of institutional capacities has different interpretations. One of them was conceptualized as building and strengthening organizational structures, while others relate to the exchange networks between actors of different nature. The components that can explain it would be: effectiveness (achievement of objectives), efficiency (resource use), relevance (response level of needs) and sustainability (economic viability). According to these definitions, institutional capacity refers to the organizational ability to achieve a goal that means the ability to drive public policy efficiently, effectively and cooperatively.

A definition of institutional capacity applicable for governance refers to the efficiency of formal and informal rules that significantly affect public action. Therefore, it is linked with the ability to structure organized spaces for the

coordination and aggregation of diverging interests, in order to design public policies that reflect the public interest and ensure the efficient presentation of public services. So institutional capacities can be seen as processes or results. As processes are evaluated by longitudinal analysis in regard to efforts to governance, while such results are measured by indexes. Specifically in the case of subnational governments, institutional capacity refers to the existence of management tools that enables a local government performs efficiently. According to this concept, institutional capacities are manifested in three categories: regulatory framework, organizational structure and human capital profile.

Another aspect to consider is the combination of institutional governance capabilities. Local governance necessarily includes strengthening local institutional capacity and requires a process of participatory public policy-making, creating a style of government acting through policy networks.

These components are to be proposed here to build a tool to assess levels of subnational governance of Mexico, through the following indicators: Social Backwardness Index (SBI), Institutional Capacities Index (ICI), Quality of Governance Index (QGI) and Local Financial Capacity Index (LFCI).

The role of local governments in the governance

As level of government closest to the people, the subnational government has more direct knowledge of the needs and opportunities facing their communities. That allows the government to channel the demands of society and to coordinate with other actors to share the responsibility of governing.

Local governments are public spaces in which any need or demand is immediately apparent. Here, in a space of interaction between actors from different nature to the design and implementation of collective public action. Local governments can also interact with other levels of government in its quest to increase the quality of public action.

Many of the most pressing problems facing local public problems are directly related to the limited capacity of local governments; for example, the low level of lifestyle is due in large part to the lack of clean water, sewer, and unplanned human settlements, inadequate public transport and poor quality and public insecurity.

Social Backwardness Index (SBI)

The SBI developed by the National Council for Evaluation of Social Development Policy (CONEVAL) allows subnational governments sort high to low social backwardness 2010. This indicator combines in a single index variables such as education, access to health care, basic housing services, quality and spaces in it, and household assets. With the SBI, it's possible to identify Social Backwardness in sectors like education, health, public services and housing quality. The

information provided by this Index, enable public policy actions to greater equality in the country.

The information considered by CONEVAL basis for the construction of this indicator was taken from the National Census of Population and Housing 2010. Here, for purposes Municipal Governance Index is weighted, the results with 25%, as measured by three criteria: low social backwardness, social backwardness and social backwardness medium high.

Institutional Capacities Index (ICI)

In subnational governments, institutional capacity refers to the existence of management mechanisms that allow the quality of public action; then in organizational terms requires three conditions: a regulatory framework that governs the structure and operation of local government, the professional profile of authorities, officers and employees and technology infrastructure.

Institutional capacities are closely linked with organizational elements of local governments, so that structures, processes, actors and results of the action are the central aspects of the levels of the institutional capacities of subnational governments.

The relationship between governance and institutional capacities, leads to the conception of governance ability to design, implement and evaluate public policy solutions cooperatively with stakeholders. The recognition of this concept will understand local public administration shares responsibility with the federal government and local states, subjected to processes of transparency and accountability.

The institutional capacity for the Subnational Index for Local Governance consists of the following aspects: structure of local government administrative capacity and planning and organization skills. The measurement criteria were threefold: low institutional capacity, institutional capacity medium and high institutional capacity.

Quality of Governance Index (QGI)

The concept of quality of governance is understood as the interaction between the institutional structure (the general framework of rules that directs the action of the government) and management practices (decisions and actions) to face public problems. The quality of government is determined by the performance of government and public administration, and not the result of government action, allowing the understanding of the role of the exogenous and endogenous factors in public action, which is not necessarily linked to good or bad exercise of government.

The QGI was constructed from the National Survey of Quality of Government 2011, which consisted of public perceptions of four components: political stability, control of corruption, participation and quality of public services.

In the first component was measured degree of political conflict, impartiality of government, treatment of officials, improving public services, the degree of credibility and satisfaction of the government. In the second assessment component of the public perception regarding the phenomenon of corruption as a phenomenon both government and society, and in which aspects of the public is present. In terms of participation, we evaluated the degree of involvement of society in the subnational government affairs. Finally, as it pertains to public services, we measured the degree of efficiency of the municipal administration to address the demands of society.

The Local Financial Capacity Index as a tool for local governance.

This indicator is constructed from a prejudiced sum of two components: the ability to generate income (financial autonomy, financial dependence, fiscal capacity and tax effort) and debt level (level of indebtedness and financial cost). These components show the ability of subnational governments to raise funds (either through their own fund or by obtaining credits). This subindex has the ability to show how local governments should generate their own resources, as well as the way they manage the balances.

The course has subnational public finance is that higher income-generating capacity greater their own governance, and that these resources will allow them to finance their infrastructure needs and public services autonomously and participatory as to generate a local level are not subject to regulations from other levels of government, as well as to increase their own revenue collection will allow local governments greater opportunities to obtain credit on better terms for the support account for their income. Subnational own revenues have an important role in this indicator, however, emphasizes that the tax structure of the municipalities is very limited, as they have few powers and tax collection levels are restricted.

It should be noted that taxes authorized by local governments have a credit balance of those with levels of urbanization, the most important property tax, so it is these municipalities that have higher levels of revenue collection, thereby reducing their dependence on federal transfers. In regard to public debt, high levels of indebtedness and financial cost, cause negative changes to the LFCI. The opposite effect occurs when debt levels are reduced.

According to the LFCI, Subnational governments can be classified into three groups according to their position:

1. Total financial capacity: refers to those local governments that have greater earning power themselves.

2. Average local financial capacity: includes local governments that are considered have an average capacity of generation of income.

3. Low local financial capacity: refers to local governments that have a high financial dependence on the resources from the federal government.

The importance of own revenue collection in municipalities and also have low debt levels observed in the position they were in this indicator.

Subnational Local Governance Index as a tool for the analyst of public policy (ISGL)

Governance is the necessary condition for the performance of an efficient and effective local government. In this context, this paper presents a methodology to build information on institutional capacities of subnational governments in Mexico, seeking to identify the levels of effectiveness, efficiency and credibility in solving public problems.

This concept of local governance is an appropriate benchmark for assessing progress and outstanding local governments in Mexico in the exercise of their functions. Especially institutional capacity is not perceived only as adequate mobilization of resources, but also the ability to bond with society to solve their problems. In short, governance as an instrument of government depends primarily on the regulatory framework, but also political stability levels surrounding the town, the ability to generate their own financial resources, interaction levels and reliability that you have with the local society.

The existence of an index to measure local governance does not guarantee the improvement of their public action, but if it helps to promote a results oriented culture and strengthen local public institutions differently. In addition, the collection of data to measure the results of municipal governance is seen as its main strength, as it comes from the governments and citizens. Accordingly, the construction of local governance, as measured by results, is a means to transform the way in which subnational governments are using resources in a particular environment.

Final considerations

Local governments in Mexico suffer from institutional weaknesses in the process of making of public policies that seek to solve public problems. The story told in this level of government is very weak institutions, which does not let you raise your level of compliance with the objectives and goals, and their efficient use of resources, and prevents it from acting in an environment of social credibility. Local governments in Mexico are still far from a strategic role in the development of the state, its institution building agenda is broad, ranging from strengthening their capacity to shape public policy, own revenue collection, to open up spaces for participation. Undoubtedly, the social, economic state requires a more active local government. The risk of maintaining weak

institutional structures of subnational government, with public finances dependent on the resources and programs of the federal government and lack of continuity in local policies is very high for the state, it will increasingly lose their levels of growth, stagnate democracy and social inequalities persist.

In summary, the diagnosis seeks to confirm the institutional fragility of subnational governments in Mexico. The different components of the index provide evidence of institutional gaps that are structured and operate most of such governments, which help to understand the institutional problem beyond bad governments. The institutional weaknesses, the lack of resources, insufficient human resources and lack of technical infrastructure determine the weakness of governance at subnational governments in Mexico.

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