The Evolution of Local Governance in Mexico City: Pursuing Autonomy in a Growing Region

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Executive Summary

This paper examines the evolution of Mexico City’s governance structure in relation to the pursuit of greater political and administrative autonomy. Although it is a federalist country, Mexico has had relatively centralized governments. The governance, finances, and legislation of the country’s capital, Mexico City (formerly the federal district), were in the hands of the federal government until recently. Yet since the 1980s, strong civic demands for greater local autonomy have led to significant victories, culminating in the first elections for Mexico City mayor in 1996.

Twenty years later, in 2016, the federal district was dissolved to make Mexico City the 32nd state of the country. The first local Constitution was completed a year later, along with the formation of a local-state congress. Such shifts would not have been possible without the participation of sociopolitical movements and organizations. Nonetheless, further social and political mobilization will be required to consolidate and put to good use the city’s autonomy and address persistent challenges, such as metropolitan and regional coordination with neighbouring states and municipalities to promote inclusive and sustainable growth and development across the entire metropolis.
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Introduction

Although Mexico has been a federalist country for almost 200 years, it has had highly centralized governments, particularly during the period of one-party rule that prevailed throughout most of the 20th century. Mexico’s 1917 Constitution established a federal but centralized regime in administrative and legislative matters; it was not until the end of the millennium that decentralization efforts strengthened the administrative and political autonomy of state and local governments, albeit with mixed results.

It has taken even more effort and time for the country’s capital city to gain sovereignty. Globally known as Mexico City, the former federal district’s governance, finances, and legislation were in the hands of the federal government until recently. As in some other federalist countries (such as Australia, Ethiopia, India, Nigeria, and the United States), Mexico’s capital was a territory with a distinct legal status, but without the constitutional sovereignty enjoyed by other states.1 In 1986, in response to strong civic demands for greater local autonomy, an Assembly of Representatives was formed. The most notable achievement came a decade later, when the residents of the federal district were able to vote for their mayor for the first time. Before 1996, the city’s government head had been appointed by Mexico’s president.

The local government continued to push for reform to the Mexican Constitution that would grant greater autonomy to the city, but initiatives were repeatedly disregarded or rejected by the Senate. The local aspiration for reform, as articulated in the 2007–2012 General Development Program, was “to achieve full rights for the city and its residents by ensuring their rights and serving their needs, by defending the full rights of the citizenry, and by creating a modern, efficient, and transparent government.”2 Yet it was not until 2009 that the Legislative Assembly (formerly called the
Assembly of Representatives) created a special commission to further reform and expand the autonomy of the city.

A bill was finally approved by the Mexican Senate in April 2015 and by the House of Representatives in December that same year to dissolve the federal district and make Mexico City the 32nd state of the country. The bill was approved by more than 23 state congresses (the minimum, two-thirds requirement) and enacted in January 2016. This reform allowed for the drafting of the first local Constitution, completed a year later, and for the formation of a local-state congress. This reform placed Mexico City in the ranks of city-states such as Berlin, Brussels, and Buenos Aires, capitals of their countries with their own legislative and judicial systems. As Enid Slack and Rupak Chattopadhyay have noted, city-states often have “the powers and responsibilities of both cities and provinces/states. City-states, as a result, tend to have more powers than other cities and generally more revenue-raising authority.”

This paper examines the evolution of Mexico City’s governance structure in relation to the pursuit of greater autonomy and the challenges of a growing metropolitan region. The next section provides Mexico City’s socioeconomic and political context, followed by a brief history of centralized governance in Mexico and the growth of Mexico City and its surrounding region in the 20th century. We then look at Mexico City’s democratic transition in the 1990s, and the governance challenges that remained. The following section details Mexico City’s transition to a city-state, using the city’s recently drafted local constitution to illustrate the changes resulting from the transition. This section also identifies continuing challenges for metropolitan coordination in the region. The paper concludes with considerations for further work in this area.

Although some observers have pointed out shortcomings in Mexico City’s reform over the last decade, others have argued that it is a step forward in a long and arduous federalization process and in the city’s pursuit of political and administrative autonomy. Such restructuring, however, would not have been possible without the persistent participation of various civil organizations and individuals operating outside the political system.

Twenty years ago, social movements and organizations contributed to the democratization of the local government, alongside the establishment of notable social programs, policies, and institutions. As some members of these organizations sought elected office, they expanded their ability to influence local politics and policy. Although its implications are still emerging, a prime example of this influence is the city’s first local Constitution, which captures the city’s progressive character. Its inclusion of a collective right to the city, direct-democracy considerations such as participatory budgeting and referendums, and immigrant and indigenous rights, among other human, civil, and labour rights, make it a pioneering document in the country. Nonetheless, further social and political mobilization will be required to consolidate and put to good use the city’s autonomy. It remains to be seen whether Mexico City’s new position as a city-state will help fulfill long-standing needs for metropolitan and regional coordination with neighbouring states and municipalities.

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Mexico City was once the centre of Aztec culture and the site of the Great Tenochtitlan city-state. Since the 19th century, when it was established as a federal district, it has been Mexico’s political, administrative, and economic centre.

During the 20th century, population growth and migration from rural areas led to urban expansion and the creation of a greater metropolitan region (the Zona Metropolitana del Valle de México in Spanish or ZMVM) that has sprawled far beyond the boundaries of the former federal district and into two neighbouring states and several of their municipalities (see Figure 1). Before 1990, the metropolitan region included 17 neighbouring municipalities outside the federal district; that number increased to 56 in 2000 and to 60 in 2010.

Urban renewal projects in the 1970s and the privatization and development of communal lands in rural and peri-urban areas in the 1990s contributed to the sprawling of this and other Mexican cities (see Figure 2). Lower-income housing, in particular, has increasingly been built around the fringes of cities, where land is cheapest. This has resulted in a “floating” population that works in the city but lives in peripheral municipalities.

In the former federal district, the displacement of residential uses by more profitable land uses led to the loss of more than 1.2 million inhabitants and 100,000 housing units during the last three decades of the 20th century. This trend almost halved urban core densities (see Figure 3). As the
Figure 1. Urban Growth and Development Sprawling beyond the Boundaries of the Federal District


Figure 2. Population Growth in Mexico City's Metropolitan Region (millions)

Source: Instituto Nacional de Estadística y Geografía (INEGI) – Mexican census
city continued to expand, it formed a metropolitan area with a great deal of interstitial space and relatively low building heights, particularly compared with other megacities in Latin America and around the world.\(^8\)

Mexico City experienced rapid economic growth in the 20\(^{th}\) century, due to strong investments in infrastructure and public works, an import-substitution economic model, and the fact that the federal district is home to the federal government. By 1970, Mexico City accounted for 37.4 percent of the national GDP and in the 1980s it became the largest labour market in the world. Since then, industrial decentralization efforts have weakened the economic supremacy of the federal district, although manufacturing also contracted in the metropolitan region and country, but to a lesser degree.\(^{10}\)

Deindustrialization pushed some of the working population to the informal and tertiary sectors. Self-employment grew by 50.8 percent and the number of street vendors quadrupled during the 1980s.\(^{11}\) Nonetheless, Mexico City remains the most prominent urban centre in Mexico; although it has only 7.8 percent of the country’s population, the federal district accounts for 16.4 percent of national employment, 17.7 percent of its GDP, and its annual income per capita is 37 percent higher than the national average.

Furthermore, it has the highest Human Development Index, skilled labour force, and education levels in the country.\(^{12}\)

Like other important cities around the world, Mexico City also has a prominent information economy composed of financial, business, professional, and advanced consumer services, and receives 70 percent of all foreign investment coming into the country.\(^{13}\) These sectors have helped raise per-capita income and boost the prosperity of the city and metropolitan region.

### A History of Centralized Federalism and Sociopolitical Upheaval

In federalist countries like Canada, Germany, and the United States, the powers of the federal and state governments have generally been more balanced than in Mexico, where the federal government holds more power. Disputes between liberal and conservative factions, as well as federalists and centralists, also shifted the governance structure and territorial composition of Mexico City after 1824, when it was recognized as a federal district and the seat of Mexico’s federal powers.

Mexico underwent a centralist phase with the passage of constitutional laws in 1836 that turned the federal district into a government department. The federalist system was restored in 1847 and Mexico City became a federal district
again, although the executive branch continued to encroach on the political and territorial organization of the city. An anti-democratic period during Porfirio Díaz’s 30-year rule, which ended in 1911, severely constricted political participation and spurred discontent and opposition, before the Mexican revolution established a new political reality. The 1917 Constitution created the basis of Mexico’s contemporary government – a representative, democratic, secular, and federal republic composed of free and sovereign states, but united in one federation.

A very different regime was envisioned for the country’s capital, however, which was not sovereign but subject to the executive branch of government. It had neither a local constitution nor control of its expenses, and management of its urban development was contingent on the federal budget. The 1917 Constitution also drafted the territorial, political, and judicial nature of the federal district. Although it did not concede it complete autonomy, it established the division of the city into territories with elected officials.

This arrangement was suppressed, however, by a 1928 constitutional reform that removed administrative autonomy from its territories and allowed Mexico’s president to assign the federal district’s head of government and its attorney-general. At the same time, the city’s municipal divisions were turned into boroughs, each with a delegate in charge of administering public services.

Over the following decades, the federal government consolidated its 71-year one-party rule and the political and economic control of the capital. The 20th century was characterized by what some have called an “exacerbated presidentialism,” meaning limited civic participation and opposition. Yet social unrest was a feature of the 1960s and 1970s, particularly in the country’s capital, where sociopolitical mobilizations became stronger and evolved into more consolidated organizations in the 1980s.

Sociopolitical mobilization at the grassroots level allowed the local government to gain administrative and political autonomy. Social movements and sectors of civil society have had a notable influence in Mexico City’s transformation by pushing for political reform to grant more autonomy to the local government. Since the devastating 1985 earthquake, mobilizations related to housing and relocation offered political momentum for later reforms in the 1980s and 1990s, beginning with the formation of the Assembly of Representatives in 1986.

The 1988 – and later the 2006 – presidential elections, with their close and contested results, also drove certain political forces to push for necessary reforms. The Federal Electoral Institute, for instance, was created in 1990. This political opening was driven by the country’s capital and its struggle to gain political and administrative sovereignty. A grassroots movement supported a sociopolitical evolution that has allowed the city and local government to bring forward novel policy and social rights proposals, and ultimately, a distinct reformation project.

The Democratic Transition

Mexico City’s democratic transition arguably began with the creation of an Assembly of Representatives for citizen representation, composed of 66 members, of which 40 were elected by a first-past-the-post system and 26 by proportional representation. The assembly could issue proclamations, ordinances, and police regulations pertaining to the federal district, as long as they did not go against the laws and decrees issued by the Mexican Congress.

Reform in 1993 allowed the assembly to examine, discuss, and pass the local expenses budget. In 1996, the Mexican Constitution was reformed once again for the Assembly of Representatives to become a Legislative Assembly charged with organizing local elections, regulating public service provision, and legislating on civil and criminal matters, public administration, local economic development, labour protections, urban development, cultural activities, social services and education, human rights, and citizen participation, among other matters. The 1996 reform that gave way to these changes also allowed for the first time the election of Mexico City’s mayor, Cuauhtémoc Cárdenas. In 2000, the city held its first City Council elections.

Local Governance and the Pursuit of Greater Autonomy

Despite the reforms discussed above, Mexico City’s government was still at a disadvantage with respect to other states, and both the president and Congress had significant decision-making authority to affect life in the city. Similarly, the territorial divisions or boroughs of the federal district had no rights or duties, unlike municipalities throughout the country. Boroughs or delegaciones had an elected chief and could manage their budgets in conformity with legal and regulatory provisions, but were subordinate to the federal
Consolidation of local institutions and urban governance in the 2000s

Despite constraints and shortcomings, Mexico City’s government introduced important social and urban policy innovations. The first local ministry created after the 1996 elections was the Ministry of Urban Development and Housing in 1998, along with a local Housing Institute and the housing bill of 2000. Housing and planning institutions and strategies promoted higher densities and affordable housing production at the urban core with better access to services and urban infrastructure to modify and reformulate previous housing and development patterns.21

From 2000 to 2006, Andrés Manuel López Obrador’s government also allocated unprecedented resources to low-income housing production and rehabilitation. His administration carried out massive expropriations of housing at flooding or structural risk. The rate of expropriations outpaced the Housing Institute’s capabilities and resources to rehabilitate such housing. Yet eminent domain came to be regarded as the necessary first step to addressing housing issues through rehabilitation and, when necessary, relocation. Furthermore, 77 publicly owned properties were used to build affordable housing projects during this administration, as opposed to four during the following one.22

During the administration of Marcelo Ebrard (2007–2012), affordable housing finance and production ceased to be a priority, while an increasing amount of resources went to transportation projects.23 Furthermore, the Metropolitan Development Council in 2008 helped deal with regional service provision (e.g. water, sewage, waste management, and public safety) and environmental protection. In 2009, the local legislative assembly also created a socioeconomic council, bringing together the business sector, workers, scholars, and civil-society actors to broaden democratic participation and discuss socioeconomic policies and law proposals presented to the legislative assembly.24

Going back to the country’s tradition of centralized federalism, public spending in the 2000s represented about 26 percent of Mexico’s GDP, 23 percent by the federal government and 3 percent by states and municipalities. At the same time, property tax collection and the financial revenues of the states and municipalities in Mexico were low and decreasing. In the 1980s, slightly more than 10 percent of the income of states came from their own revenues and tax collection. Given Mexico’s Law of Fiscal Coordination, this amount was, on average, reduced to 3 percent in the 2000s. In 2011, the amount was 5 percent. Certain states perform better, and this has notably been the case for Mexico City. The local government has undertaken significant steps to increase its property tax collection, including updating its property registry (see Figure 4). Thus, in contrast with other states, during the last decade local taxes, fees, and charges provided an average of 44 percent of the city’s resources.26

Political Reform: From a Federal District to a City-State

An important and somewhat contentious driver of Mexico City’s political reform was the “Pact for Mexico” of 2012, meant to ease the passage of several structural reforms27 at the national level through agreements and commitments between the federal administration and the three largest political parties. This pact was seen by its supporters as an innovative model of efficient political cooperation and negotiation to foster the continuous development of the country. Yet in practical terms, it also served to deliver on President Enrique Peña Nieto’s campaign promises, a campaign filled with irregularities that generated civic distrust, such as excessive campaign spending that surpassed the legal caps. Civic society and some smaller left-of-centre parties were thus critical of this pact. Nonetheless, Peña Nieto was able to reconcile his priorities with those of the largest political forces and signed a series of agreements with political party presidents on December 2, 2012. The fifth agreement covered federal electoral reform, including the possibility of local and legislative re-elections, and Mexico City’s political reform. The latter had been a long-term plea since 1997, promoted, in particular, by the left-wing governing party in Mexico City.28

On November 2013, Mexico City mayor Miguel Ángel Mancera and his party submitted their proposal for the city to become autonomous in governmental and administrative matters. The local government at that time had become more moderate and attempted to represent and compromise with different political factions, both locally and nationally. The reform passed on January 29, 2016, and has been seen by some as the culmination of the legal and political transformation of the city.
and allowing the head of government to appoint the local attorney-general and its public safety clerk without requiring the approval of the country’s president.

As in other states, each of the new municipalities now has an elected mayor and a 10- to 15-member council (formed through proportional representation defined by the elections) that can approve budget proposals in conjunction with the local Congress. Councils are primarily meant to oversee and evaluate the performance and public spending of each municipality. Nevertheless, Mexico City remains the capital of the country and seat of the federal executive, judicial, and legislative powers.

The Constitution: Rights, Promises, and Shortcomings

One of the main things that changed with Mexico City’s recent reform was the city’s new ability to draft a local constitution, as the other 31 Mexican states have been able to do.

The local Human Rights Commission recognized this reform as a step forward in promoting a true federalization process, as well as in guaranteeing legal certainty and the proper exercise of the rights of the city’s inhabitants. It also recognized that such reform would not have been possible without the participation of various civil-society organizations and actors outside existing institutions and the political system.29

The following month, 29 experts on human rights, urban development, environmental matters, and legal and political science were appointed to draft the preliminary local Constitution. They held debates on civil and political rights, socioeconomic rights, the rights of vulnerable and indigenous populations, participatory democracy, intergovernmental relations, government accountability, electoral matters, and the political and administrative organization of municipalities.

The reform of the city’s political and administrative government structure included assigning greater powers to the local legislative assembly (now a legislature similar to those of other states in the country) and to the city’s 16 jurisdictions (now closer to municipalities in Mexico), and allowing the head of government to appoint the local attorney-general and its public safety clerk without requiring the approval of the country’s president.

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to do. A group of scholars, jurists, politicians, and social activists drafted the first Constitutional proposal to guarantee social equity and participatory democracy principles. Shortly thereafter, the Constituent Assembly was formed to revise this draft. This assembly had 100 members, 60 elected on June 5, 2016, 14 assigned by federal deputies, 14 by senators, 6 by the local head of government, and 6 by the president of Mexico.31

This process was heavily criticized, primarily due to the inclusion of members appointed by the president, mayor, Senate, and House of Representatives to reflect their party interests. These appointments, it was argued, limited popular sovereignty, violated the principle of representation established in the Mexican Constitution, and over-represented the interests of the federal government. The influence of the president (through the assignment of members) in the drafting of the Constitution went against the historical struggle and the politically progressive nature of the city, where the president's party had almost no standing. Similarly, independent candidates were restricted by having to collect citizen support from 1 percent of the electorate, or about 70,000 signatures. This requirement led to the election of only one nonpartisan Assembly member, a situation that seemed ill-suited to the city's liberal character. Another critique was that the Constitution was not approved by a citizen referendum, as had been recommended.32

Nonetheless, the first assembly session took place on September 15, 2016, to debate and modify the constitutional proposal drafted by Mexico City's mayor and his party. The deadline for such revisions was January 31, 2017, by which the assembly delivered the document that became the first Constitution of the city on September 17, 2018.

There were 500 meetings with civic and social organizations, unions, indigenous groups, informal workers, human-rights activists, and the business community, among other stakeholders.33 Although success in the execution and implementation of the Constitution is yet to come, some have described it as one of the most progressive and innovative in Latin America, particularly in relation to its human-rights focus and in synthesizing the aspirations and historical demands of the city's diverse populations through political cooperation and civic involvement.34

The new Constitution has 71 main articles and 39 transitional ones. The first section (articles 1 to 14) addresses civic rights and liberties and the second the division of powers (executive, legislative, and judicial) and the operation of local institutions. The Constitution envisions the local Congress as an open parliamentary system, enables the formation of coalition governments, and guarantees the autonomy of the judicial system. Furthermore, it establishes the former delegaciones, now municipalities, as the government level closest to the people, and confers on them powers that were previously centralized. On budgetary matters, however, these new municipalities still depend on Mexico City's government.

The Constitution also seeks to strengthen participatory democracy through consultations, participatory budgeting, independent candidacies, citizen referendums and initiatives, and the ability to revoke the status of an elected official, among other strategies. Other important matters regulated in the Constitution include immigrant rights, indigenous rights, the right to protest, LGBT rights, reproductive rights, protection for journalists, and the formation of an anti-corruption institute among others. Furthermore, the Constitution grants special rights to historically vulnerable groups, such as children, women, people with disabilities, the homeless, and religious minorities. Arguably, however, the main promise of this Constitution is legal supremacy, which asserts the city's autonomy and the sovereignty of its inhabitants to amend it and define a transparent, representative, and open governance system that allows them to take part in the political and decision-making process.

Some critics, however, point out that the Constitution fell short in prioritizing social spending and promoting its progressive vision in socioeconomic matters. That is, it lacks provisions on such matters as collective property rights, gentrification and speculation controls, the right to a basic income, and progressive taxation measures and redistributive policies; without these provisions, equity goals will be hard to accomplish. Similarly, although the privatization of the water supply was forbidden, its treatment and all other public services may be arranged through private-sector concessions, contracts, or permits. The same may be said of the privatization of public space, which under the Constitution can occur through fiscal incentives for the private sector, generally resulting in semi-private commercial spaces.

Finally, although the right to housing is included in the local constitution, article 21 indicates that this goal will be pursued in collaboration with the private sector and federal government, a strategy that has proven to be inadequate in reaching the lowest-income sectors.35

Local Finance and Governance

Despite some issues, in relation to the rest of the country, Mexico City's performance has continued to be notable in several areas. In fiscal terms, the city's tax collection represents an increasing percentage of its income, even though the city's economic dominance has been decreasing over the last several decades with respect to the rest of the nation (see Figure 5).

The local government has improved its revenue stream through discounts for paying property taxes in advance at the beginning of the year, by permitting electronic payments, and through agreements with the federal government, which
have brought federal contributions back to 51 percent in 2018 (local property, income, and business taxes accounted for 25 percent of total revenue in the same year, public service provision for 6.2 percent, and debt for 2.4 percent). Furthermore, the real annual increase in local revenues has exceeded 5 percent for almost a decade, and remains above initial estimates. As for its current budget allocation, the city’s largest expenses go to public safety (17.3 percent of total), housing and community development (16.9 percent), and transportation (11.2 percent).

Within the most important shifts in public finance, the new Constitution establishes that the city (but not its constituent municipalities) may acquire capped public debt for productive public investment and for refinancing or restructuring its debt, although not to cover operating costs.

Figure 5. Mexico City’s Budget and Income Composition (%)

Source: Secretaría de Finanzas del Distrito Federal

Urban Development and Governance Limitations in the 2010s

A prominent issue for recent local administrations has been the overshadowing of growth management considerations by development interests. Despite efforts to manage urban growth in peripheral areas, Mexico City’s urban core has experienced rapid development since 2000. Past local governments used fiscal incentives and public investment to attract private capital and allow the private sector to reap the benefits of urban revitalization projects.

In turn, ever-increasing land-use changes and building permits, as well as infrastructure pressures, raised neighbourhood concerns and anti-development sentiments. In parallel, land price increases have made affordable housing production almost impossible in central and well-located areas. The local government therefore drafted legislation to ensure that value added to real estate due to public infrastructure investment would not be captured by private actors. This measure was interpreted as an additional tax on property.

Public controversy, fuelled by the real-estate sector and construction companies, led the housing commission of the local Legislative Assembly to reject the proposed legislation on value capture. Although development fees and density bonuses are in place to mitigate the impacts of construction, they are closer to incentives than regulations, and are currently insufficient to maintain urban infrastructure needs.

The plan was also to assign a percentage of the land value capture to the local Housing Institute to buy land reserves and build social and affordable housing. Currently, however, the city continues to lose its own investment and absorbs many of the negative externalities of development.
expenses. The local Congress now approves the budgets of its municipalities based on resident and floating population, poverty and marginalization levels, territorial extension, the extent of green and conservation land, and investments in infrastructure, services, and maintenance. In turn, the Constitution dictates that municipalities must use at least 22 percent of their budgets for service and infrastructure investment. Furthermore, the city can now tax activities that are harmful to the environment or to public health.

The Issue of Metropolitan Governance

Mexico City has long struggled with its metropolitan governance. Coordination with the two states and 60 municipalities outside its political boundaries has historically been limited to pressing matters, primarily related to water and interstate infrastructure needs. A Metropolitan Fund, established in recognition that Mexico City’s metropolitan region has problems that pertain to both the city and neighbouring municipalities, finances public works that serve Mexico City’s “floating population” – those who work in the city but live outside it. Yet many other important concerns, such as managing metropolitan growth, have been much harder to coordinate.

The Constitution promotes the right to the city, regional coordination, and urban development and land-use regulations to improve the lives of its residents, as well as those of people living in neighbouring states and municipalities. Furthermore, it recognizes that metropolitan and regional management is a priority for residents of the city. Thus, it foresees that Mexico City’s government, along with its municipalities, will promote coordination with federal and other state and municipal governments to plan for matters such as human settlements, environmental management, transportation and mobility, water, sewerage, waste management, and security. Yet metropolitan governance has not been a priority in the city’s quest for autonomy, as the Constitution devotes less than two pages to the topic in a 212-page document.

Most of the numerous previous attempts to promote metropolitan governance have been non-binding and have lacked concrete goals or strategies to guide metropolitan development and measure success. The local Constitution also defines the Metropolitan Development Council, formed more than 10 years ago, as a technical entity. This definition has been criticized because it limits public participation. Another urban development matter that has divided opinion is that, previously, delegaciones and their urban development plans were subject to Mexico City’s government, which arguably made coordination easier in housing and transportation projects, for instance.

Metropolitan governance challenges are not exclusive to Mexico City, as cities often stretch beyond their geographic and political boundaries. People who commute to jobs in the city, and thus use its services, but do not live there, tend to contribute much less to the city’s finances through property or income taxes. Such fragmented governance requires coordination and cooperation mechanisms to address externalities across municipal, and in this case, state boundaries. Thus voluntary cooperation has been increasingly promoted to preserve local autonomy with respect to expenditure and tax decisions while achieving economies of scale and addressing externalities associated with service provision.

As Slack and Chattopadhyay have observed, “Where objectives are shared by policymakers in various local governments, voluntary cooperation can work to some extent and can be a first step toward a more formal collaborative governance framework.” Mexico City itself is doing relatively well in fiscal terms. The struggle lies more in peri-urban areas outside the city’s boundaries, where residents experience a lower quality of services and limited access to infrastructure. Yet government coordination has proven difficult and contingent at times on political alignments and priorities.

Conclusion and Outlook

Mexico City’s Constitution includes the right to good governance and participatory democracy, ratifies the right to a healthy environment for present and future generations, recognizes the social or use value of land and property and the right to housing and adequate living standards, prohibits the privatization of water supply, anticipates public consultation on large infrastructure projects, and incorporates limits on construction and urban development to protect ecological reserves and rural and communal areas. But what happens beyond the city boundaries? As the metropolitan region continues to expand and residents are increasingly unable to afford to live in the city, their access to the rights and benefits gained through years of sociopolitical struggle is restricted.

Nonetheless, the late 1990s represented a period of success for the city after decades of federal encroachment in local politics. Furthermore, in the last few years, the city has made another important step forward in its pursuit of
greater political autonomy and democratic decision-making. As a sovereign federal entity, the expectation is that there will be new and improved intergovernmental relations and management among the three government levels to achieve better local and regional governance. Similarly, the new Constitution represents a historical milestone that allows the city’s population to participate in public life, both individually and collectively. Thus its level of influence will likely be contingent on continuous sociopolitical debate and participation.

The outlook on ongoing civic engagement is promising, particularly in the country’s capital, where, despite significant difficulties, there is a history of civic mobilization and a fairly informed and engaged citizenry. This was arguably seen with the 2018 elections and the 2015 mid-term elections in which the party in power lost 8 delegaciones and 18 seats in the local legislature.

Civic mobilizing has had a democratizing influence on the city for decades, and when government actions cease to be consistent with the desires of the citizenry, citizens go out and vote. The use of excessive force during protests, increasing transit costs, poor management of the water provision crisis in the city, and rampant real estate development, among other issues, have led to citizen discontent, a drastic drop in government approval ratings, and ultimately, electoral defeat.¹⁵

Sociopolitical actors and civil society in Mexico City have been able to influence socioeconomic, political, and urban conditions in the past. Yet the challenges ahead are still substantial. Beyond what has been achieved so far, a set of concrete legal and policy frameworks need to be effectively implemented and monitored to promote a more inclusive, just, democratic, livable, and sustainable city, one that addresses the issues faced by the entire metropolitan region.

### Endnotes


³ J.L. Pérez Santos, *Una interpretación a la reforma política de la Ciudad de México - Ensayo para obtener el título de licenciado en ciencias políticas y administración pública* (Mexico: Universidad Nacional Autónoma de México, 2018).

⁴ The German city-states of Berlin (also the country’s capital), Bremen, and Hamburg have a parliamentary government, a local judicial system, and the same rights and autonomy as other German states. Brussels, Belgium’s capital, is also a city-state, albeit one that does not enjoy constitutive autonomy, yet historically, the federal authority exercised over Brussels has been largely symbolic. Buenos Aires is an autonomous city and the federal capital of Argentina.


⁹ Innerburbs or the “first-suburbs” surround the historical downtown or urban core area of the city and were developed from the 1950s to the 1970s, largely as informal settlements that are now, for the most part, consolidated, although housing and infrastructure may remain of low quality. These areas are relatively dense, but composed of one-storey self-help dwellings. See Peter M. Ward, Edith R. Jimenez Huerta, and Maria Mercedes Di Virgilio, “Latin America’s ‘Innerburbs’: Towards a new generation of housing policies for low-income consolidated self-help settlements,” in *Housing Policy in Latin American Cities: A New Generation of Strategies and Approaches for 2016 UN-HABITAT III* (New York: Routledge, 2014).

¹⁰ Mexico’s manufacturing sector over-relied on a low-wage maquila industry and imports more than it exports.

¹¹ Only 44.6 percent of the employed population in Mexico City’s metropolitan region had access to social security in 1990 (Instituto Nacional de Estadística y Geografía: https://www.inegi.org.mx/).

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13 Laura Gómez, “DF, principal receptor de inversión extranjera directa,” La Jornada, March 13, 2012, p. 35. The finance, insurance and real estate sector is among the most dynamic in the federal district. Its location quotient (LQ) was 3.2 in 2010. Professional services had a LQ of 1.98 in the same year and the business sector one of 2.17. A location quotient or level of specialization greater than one indicates that an urban area is producing a good or service for export whereas a location quotient smaller than one suggests that the urban area imports the good or service (John F. McDonald and Daniel P. McMillen, “The economic functions of cities,” in George Lobell, ed., Urban Economics and Real Estate: Theory and Policy (Hoboken, N.J.: Wiley, 2010), pp. 70–71.


15 Pérez Santos, Una interpretación a la reforma política, 2018.


17 Pérez Santos, Una interpretación a la reforma política, 2018.

18 This legislating body also approved the local budget and revenue laws and audited the Federal District resources (Delgado Carrillo, “Mexico City, Mexico,” 2009).

19 The new mayors or heads of government had six-year terms and had to comply with and enforce the laws passed by the Mexican Congress regarding the federal district. The mayor was also empowered to promulgate laws issued by the legislative assembly and to appoint or remove public servants employed by the local executive body (Delgado Carrillo, “Mexico City, Mexico,” 2009).


22 Instituto de Vivienda del Distrito Federal (INV), Hacemos Ciudad con Vivienda: 10 Premios al INVI, 2007–2012 (México D.F., 2012.)


26 Delgado Carrillo, “Mexico City, Mexico,” 2009. A similar trend has occurred with respect to the debt of states, which doubled from 2001 to 2015 and constitutes about 3 percent of their GDP. Mexico City reduced this level from 2.8 to 2.2 percent during the same period. Meanwhile, the country’s debt has increased significantly, from 16.4 to 30.4 percent.

27 Labour reform, tax reform, finance reform, energy reform, political and electoral reform, government accountability reform, telecommunications reform, economic reform, education reform, new amparo (constitutional protection) law, and a national code of criminal procedures.


31 None of them held public office at the time, and they assumed the post in an honorary capacity without pay. The largest number of elected members, 22, came from Morena, a new left-wing party that also won the local and presidential elections in 2018. Yet given the 40 appointed members, Morena had much less weight in the assembly. The justification for doing so was to limit the influence of any political group, in this case the left-wing political mainstream, and to promote equilibrium and moderation (L. Beauregard, “Un grupo de sabios redactará la Constitución de la Ciudad de México,” El País, February 6, 2016, retrieved from: https://elpais.com/internacional/2016/02/06/mexico/1454726592_843112.html; Sandoval, “Reforma Política de la Ciudad de México,” 2016).


33 The drafting of the Constitution included 21 plenary sessions and the review of 544 initiatives from assembly members and 978 citizen proposals. This allowed for the participation of more than 10,000 people.

34 Pérez Santos, Una interpretación a la reforma política, 2018.


37 Chart excludes 2017 and 2018 data referenced in the text due to the shift in the governance structure and nomenclature of revenue sources.


44 Primarily through the establishment of an anti-corruption system headed by a citizen council.
