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LADB Staff

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PRD, Other Parties Spar Over Removal of Education Subsidies for Mexico City

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In a controversial decision, the Chamber of Deputies voted in mid-October to amend Article 122 of the Mexican Constitution to remove 9 billion pesos (US$784 million) annually in special educational subsidies for the Mexico City government. The vote was preceded by acts of civil disobedience by local and federal legislators from the center-left Partido de la Revolucion Democratica (PRD), which disrupted proceedings in the Chamber of Deputies.

The subsidies had been provided as part of the financing structure created for the Federal District, which includes the area within the city limits of Mexico City. The public school system in the Mexican capital remained in the hands of the federal government during the 1990s even though education had been decentralized in most other states. The amendments to Article 122 do not remove federal financing of the educational system but require the Mexico City government to contribute to the cost of managing the school system, as is the case with other state governments.

The changes, which were approved by a 369-102 vote, must still be ratified by the Senate and 32 state legislatures. The governing Partido Accion Nacional (PAN), the former governing Partido Revolucionario Institucional (PRI), and two minor parties voted in favor of the measure. The PRD and its chief ally the Partido del Trabajo (PT) opposed the changes.

Critics say decision intended to harm Mexico City mayor

Some critics viewed the elimination of the subsidies as highly politicized because the administration of Mayor Andres Manuel Lopez Obrador and his successors would be forced to eliminate expenditures in other areas to replace the federal public-education subsidies that were cut.

Lopez Obrador's high popularity in Mexico City is the result in large measure of his cash-assistance programs for the poor and the elderly and his willingness to spend money on large public-works projects. The subsidy reduction, which amounts to 40% of the funds Mexico City receives from the federal government, is equivalent to the money spent by the city administration on its health programs, educational, and cash-aid programs for the needy.

"[The Lopez Obrador administration] will have to make cuts across the board," said Aurora Gomez Galvarriato, a researcher at the Centro de Investigaciones y Docencia Economia (CIDE). "But most of these will come in public-works expenditures." PRD legislators agree the Mexico City government should eventually finance and manage its primary and secondary schools, but they say the transition should be gradual to avoid a budgetary crisis. "They want to force the capital into a public-finance crisis," said Pablo Gomez, the PRD's leader in the lower house.
Debate centers on equitable distribution of federal funds

At the heart of the debate is a provision in the amendment that will redirect some of the subsidies that are being cut from the Mexico City government's budget to other states that spend most of their own budgets on education. The list includes Nuevo Leon and Mexico state, two of the wealthiest states. Lopez Obrador insists that federal deputies from Mexico state and Gov. Arturo Montiel have had an unfair influence on the process. This charge led to a war of words between the Mexico City mayor and the Mexico state governor, both of whom are potential presidential candidates in 2006. "We have to see how much of the bounty will go to Montiel and others who are pushing for these reforms," said the Mexico City mayor.

Montiel responded by pointing out that the Mexico City government would have sufficient funds to cover its educational costs if it had met its tax-collection goals during the past three years. "They would have 6.6 billion pesos (US$575 million)," said Montiel.

Other states joined in the debate, saying the Mexico City government already receives preferential treatment in the distribution of federal funds such as oil-export revenues. "We do not think it's just for Tabasco, Campeche, and Chiapas, which are our country's largest oil producers, to get smaller amounts than the Federal District," said Tabasco Gov. Manuel Andrade.

PRI and PAN federal legislators agree with this assessment. "For us, this is an issue of equity, of the fair distribution of resources and responsibilities," said Deputy Francisco Barrio Terrazas, who leads the PAN delegation in the lower house. PRD legislators, however, countered that Mexico City has had its share of federal resources cut over the last decade from 22% to 11.5% of total federal tax transfers.

PRD takeover of Congress creates animosities

In the days leading to the vote on Article 122, some PRD legislators engaged in acts of civil disobedience to express their anger about the pending cuts in education. In one instance, a faction of PRD members in the Mexico City legislature (Asamblea Legislativa del Distrito Federal, ALDF) stormed into the San Lazaro legislative building, which houses the federal Chamber of Deputies, and seized control of the speaker's podium.

The PRD legislators unfurled a banner in the party's colors reading, "You won't take our education funding away from the inhabitants of Mexico City." Later, the ALDF legislators agreed to leave the podium, but some vowed to continue a hunger strike within the building until Congress agreed to drop the proposal. The hunger-strike threat fizzled later. A day after the ALDF legislators vacated the San Lazaro building, some of their PRD counterparts in the Chamber of Deputies also engaged in their own act of civil disobedience.

The federal PRD deputies took control of the podium, surrounding speaker Manlio Fabio Beltrones Rivera. "We will do what is necessary so that there will be not be a vote on an arbitrary action," said PRD floor leader Pablo Gomez. The action by the federal deputies forced Beltrones to call a recess to allow the coordinators of the various political parties to "regroup."
The PRI, the PAN, and its allies in the Partido Verde Ecologista Mexicano (PVEM) and Partido Convergencia por la Democracia (PCD) said the takeover of the speaker's podium constituted an illegal act. This prompted Beltrones to file a criminal complaint with the Procuraduria General de la Republica (PGR) against the ALDF legislators, accusing them of mutiny and damage to public property. The PGR cannot immediately act on the complaint because the legislators enjoy immunity from prosecution through the end of their term in 2006.

The mayor defended the actions of the ALDF legislators. "These legislators were representing the rights of the citizens of Mexico City," said Lopez Obrador. "That's what they were elected for." PRI and PAN leaders, however, said they suspected the Lopez Obrador administration had a hand in planning the acts of civil disobedience. They said a recording released by local media stations showed the actions of the ALDF legislators were coordinated by Lopez Obrador's top aide Marti Batres.

Batres did not deny having had a planning role in the action. But he said the availability of the recording indicated that Interior Secretary Santiago Creel and the Centro de Investigacion y Seguridad Nacional (CISEN) were spying on the Mexico City government. The PRD acts of civil disobedience did not have unanimous support from the party's legislators.

Veteran PRD Sen. Demetrio Sodi de la Tijera urged the party's executive committee (comite ejecutivo nacional, CEN) to reprimand all the legislators who participated in the takeover. He also urged Lopez Obrador to ask for Batres' resignation because of his role in coordinating the takeover by ALDF members. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Oct. 20, reported at 11.47 pesos per US$1.00] (Sources: Reuters, 10/12/04; Associated Press, 10/05/04, 10/07/04, 10/13/04; El Financiero, 10/06-08/04, 10/11-13/04; Agencia de noticias Proceso, 10/05/04, 10/07/04, 10/12-14/04; La Cronica de Hoy, 10/06-08/04, 10/11-14/04; The Herald-Mexico City, 10/06-08/04, 10/13/04, 10/14/04; Spanish news service EFE, 10/06/04, 10/12/04, 10/13/04, 10/16/04; Unomasuno, 10/06-08/04, 10/11/04, 10/12/04, 10/19/04; Notimex, 10/06/04, 10/07/04, 10/10/04, 10/12/04, 10/14/04, 10/15/04, 10/16/04, 10/18/04, 10/19/04; La Jornada, 10/06-08/04, 10/11-14/04, 10/19/04, 10/20/04; El Universal, 10/06/04, 10/08/04, 10/11-14/04, 10/18-20/04)