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Along the U.S.-Mexican border, there are issues on both sides of the border confronting local governments. Examples of the issues include immigration and security policies; uncontrolled population growth driven by economic development; and lack of urban planning and infrastructure. This paper reviews these issues through an analysis of federalism and the sister cities of Calexico, California and Mexicali, Baja California.

A lo largo de la frontera EU-México, existen problemas en ambos lados que confrontan los gobiernos locales. Ejemplos de estos hechos incluyen inmigración y políticas de seguridad; crecimiento de la población descontrolado que obedece al desarrollo económico; la falta de planeación urbana e infraestructura. Este documento revisa estos problemas mediante un análisis de federalismo en las ciudades hermanas de Calexico, California y Mexicali, Baja California.

Key words: U.S.-Mexican border public policy; federalism; local government capacity

Palabras clave: Políticas públicas en la frontera de Estados Unidos y México, federalismo, capacidad de administración local
Local Government Capacity in the U.S.-Mexican Border: A Comparative Analysis of Calexico, California and Mexicali, Baja California

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Introduction

The political and economic capacity of local governments is very different on each side of the U.S.-Mexican border. But, many of the issues confronting local governments are the same. Local governments are impacted by migrants traveling through the region. There are demands for services for residents who live in one community but pay income and other taxes on the other side of the border. The inability to agree or to make decisions regarding business development in the region (competing instead of working together) is an ongoing issue. Finally, uncontrolled population growth, particularly on the Mexican side of the border, is a serious ongoing problem for local government.

Some differences between the U.S. and Mexican cities are due to the systems of federalism. U.S. cities have more autonomy and financial resources than do Mexican cities. However, even with more autonomy and finances, the smaller cities on the U.S. side of the border do not have the political capacity to deal with the problems that come with being on the border. This is particularly true for cities in Imperial County, California.

Local governments are the creations of their respective state governments. The amount of resources that are provided directly to the local governments and the amount of revenues they can collect vary according to the federal and state constitutions and legislation. There was also a taxpayer revolt in California in the late 1970s that sought to limit the amount of taxes local governments can collect. Proposition 13, a voter initiative in California, restricted the ability of local governments to raise revenues through property taxes. State control and taxpayer movements have decreased the income sources available to local governments, particularly in California.

The cities on each side of the border share economies, environment, culture and recreation, educational facilities, and housing, but do not share political systems. Many important decisions that affect life in the community, such as placement of power plants on the Mexican side of the border and border crossing wait times because of security...
measures, are made at the federal level—by two separate and sovereign federal governments. Most political problems are resolved formally at the federal level and, to a lesser extent, at the state level. Resolution of local transborder problems at the local level is often accomplished through informal means. Issues with cooperation between the government levels and the powerlessness of the local governments exacerbate local quality of life issues.

Local governments are important to quality of life because it is at the local level that government officials interact with, and are elected by, their neighbors. This permits transparency at the local level that does not exist with the state or federal government. But this closeness to the voters can also lead to poor decision and policy making by the political leaders as they try to please all constituents. In smaller cities, there is also a level of nepotism that cannot always be avoided as there are only so many people to fill decision making positions. These aspects of local governments are found in the city of Calexico, where a common phrase throughout Imperial County is “only in Calexico,” which is short for only in Calexico are the positives and negatives of local government so clearly visible. Nepotism is strong and is expressed through a small number of individuals and their close colleagues making the majority of the decisions. Corruption and problems in the government are spoken about every day by the residents and commentaries often appear in the newspapers. But beyond the gossip and personalities, what is the capacity of the city of Calexico to deal with the number of challenges facing the city?

In Mexicali, many of the local government challenges are the same as for Calexico but are based on different factors. Nepotism and favoritism come from the political party system and with interest groups, families, and friends (Ramos García and Sánchez Munguía, 2004). Party affiliation is used as a mechanism to move up the job ladder and many join a particular party to gain access to jobs not available to those who are non-partisan. Therefore, within this context, what is the capacity of Mexicali to deal with its local problems and challenges? How do the challenges in each city or municipality differ from the other? Is there common ground between the two? The answers...
to these questions are found in the bases of political and economic authority and power, or the systems of federalism in the United States and México.

Local government capacity can be divided into two categories: political and economic. The political capacity includes issues such as leadership in the community and the will to move forward with policies that improve community conditions. Political capacity is derived from state and federal intergovernmental aid and local effort. Economic capacity is based on the resources available in the community through local economic growth (Warner, 1997: 59). As Warner explained in her 1997 doctoral dissertation, “Urban sociologists have emphasized the importance of the interplay of local political and economic forces in creating the ‘growth machine’ which governs public sector investments and market regulation at the local level” (Warner, 1997: 70). As will be discussed throughout this chapter, the political and economic capacity in the cities and municipalities on both sides of the U.S.-Mexican border is not strong enough to deal with the problems and issues found in the border region.

One reason for the limited capacity of local governments in the border region is globalization. The term globalization for this study is primarily related to the integration of markets through technological and transportation advances. These changes have also led to the increased movement of economic refugees or workers in search of better opportunities, and the intermingling of cultures and people. The deregulation of markets that has occurred through the North American Free Trade Agreement and the movement of goods across international borders are increasing rapidly. A large part of local economies in the border region is dominated by these local forces. There are also a large number of workers moving into and through the region, be it to work for just one day on the other side of the border, or looking to find work far from their homes. The mingling of cultures and people can

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2 The undocumented movement of people through local government jurisdictions, particularly in regions that are dangerous to human traffic, has put tremendous stress on local infrastructure and resources. This has been a point of contention.
also be seen directly in border cities as commerce and services are exchanged freely, and in cultural events attended by residents from both sides of the border. The aforementioned occurrences happen every day in the U.S.-Mexican border region, thereby providing a living laboratory in which to analyze the impacts of globalization.

The relationship among federal, state, and municipal governments has always been difficult along the U.S.-Mexican border as sovereignty issues have inhibited transborder cooperation at the local level. Even though local governments obtain their authority from federal and state governments, these institutions increasingly are unable to control the international or global markets (Saint-Germain, 1995: 572) and other forces of globalization. The power of the market over the government is supported through clauses in the North American Free Trade Agreement. This phenomenon influences the political capacity at the local level. For example, if a state or local government does not agree with a business plan of a company and decide to stop its activity, this company may file a complaint with a trilateral board that can overrule the government’s decision. This supranational authority limits the power of governments, moving the market and business above the three levels of government in the nation (Commission for Environmental Cooperation, 2002).

This paper begins with a review of the theories surrounding local government capacity. The core to this capacity is based in the federalist systems of the United States and México. Local authority, which is derived from the states, can be a moot question if there is not enough po-
Political or economic capacity at the local level. The following two sections review the local governments of Calexico and Mexicali, specifically, their organizational infrastructure. After the individual discussions of each municipal government, a short comparative analysis is presented. Finally, a regional view will be explored to understand the joint capacity of the governments, especially with the influences of globalization.

Theory and practice of local government capacity

This section provides an overview of federalism, intergovernmental relations, and insight into government services. It is through a review of these theories that the capacity of local governments to improve quality of life is analyzed.

Federalism and intergovernmental relations

Federalism and intergovernmental relations are the bases of authority and capacity of the different levels of government. Federalism is generally defined as the relationship between the federal and state governments and some interstate relations (Wright, 1982). Wright defines the federal, state, and local, as well as interstate interactions, as intergovernmental relations. Local governments do not have sovereignty, as do federal and state governments. This is an extremely important consideration when looking at the interaction of local governments in the U.S.-Mexican border region. Federal and state governments have the right to negotiate important issues with their counterparts on the other side of the border. Local governments do not have this same right, which limits binational planning.

Two components of federalism, the autonomy and authority of the governments to act, and the fiscal or economic resources for these governments to implement their policies, are reviewed in this paper. Political federalism is the basis for the political capacity of the governments in the United States and México. Within this same frame of thinking, economic federalism is a determining factor to the economic capacity of governments.
The concept of federalism was first explored in the 1500s by Johannes Althusius. This concept was based on the premise that the collective organization begins with individuals and families, which make up villages and cities, then combine to form provinces/states, and finally, the kingdom or empire. At each level there is a symbiotic relationship between the individuals and groups, creating a political type of relationship between them. The central state (or kingdom/empire) contains representatives of politically organized cities and provinces and is not made up of individuals or families. The rights of individuals were not as much of a consideration for Althusius. This differs from the theory of federalism developed in the United States in which individual citizen’s rights are a large part of the federalist system (Carney, 1964: 3).

From this initial discussion of federalism, the concept was developed and applied in many different nations throughout the world. Federalism does not have a single definition and has developed differently in nations depending on historical circumstances and beliefs of the people.

Understanding the intricacies of federalist systems in the United States and México provides the baseline structure of the political and economic capacity of local governments. In the United States, federalism was established to provide authority to the nation while maintaining the rights of the states and individuals. The system was established after fighting for independence from Great Britain and after much debate on how to strengthen the nation but still retain individual freedoms. In México, federalism evolved from a need to secure the power of the nation. The Mexican system that exists today was developed after an internal revolution and struggle for power within the central government. The primary goal was to solidify the central state and bring into the fold those that held power locally. This task was achieved in México through both federalism and the establishment of the central party.

There are two main categories of federalism: dual and cooperative (Berman, 2000: 39). From the 1890s to the 1930s, the dual system of federalism was prominent in the United States. It was based on dividing the authority of the state and federal governments, in which one type of government could not increase its sphere of influence without taking away authority from the other. This form of federalism was
based upon a legal, formal approach that strictly defined the role or responsibilities of the federal and state governments.

In México, dual federalism was established to form an efficient and equitable fiscal system, in which the majority of taxes are collected and disbursed through the centralized government (Instituto de Investigaciones Legislativas de Senado de la República, 2001: 29). This leads to another point about the Mexican federalist system. It was set up with the hope and goals to redistribute funds throughout the country in order to equalize disparities that exist among regions. Within this type of federalism, there is only so much power or authority allocated to each level of government. This creates a zero-sum game, for if one level of government gains any additional power or authority, another loses. This idea is held also in the United States, where the competitive systems are seen by some as destructive to the political process.

Cooperative federalism consists of the different levels of government working together and sharing resources on specific public policy challenges. With cooperative federalism, the focus is more on finding a solution to the problem by using all available government resources rather than on the powers of the national or state government (Berman, 2000: 39). This is the type of federalism most often practiced in the United States since the 1930s. The specifics of cooperative federalism have been transformed over the years as federal funding for state and local governments has changed.

Another concept important to local government capacity is intergovernmental relations. Intergovernmental relationships of local governments function on vertical and horizontal planes (Berman, 2000) (García del Castillo, 1999). The vertical plane is the relationship that local governments have with the state and federal governments. These are the top-down relationships of federal and state governments, with the local governments. The horizontal plane is the interaction or relationships that local governments have with other local governments (Berman, 2000: 19). All levels of government are tied to each other through funding, programs, political parties, and interest groups. The most important aspect of these ties for this discussion is funding, or fiscal federalism, in the region.
Fiscal federalism in the United States

The Tenth Amendment of the U.S. Constitution ratified in 1791 formalized the powers of states. Specifically, it indicates that “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, on to the people” (Wallin, 1998: 26). The authority and powers of local governments are defined by the state constitutions, along with the legislative and judicial branches. Federal and state intergovernmental relations since the 1980s have moved toward decentralization and devolution of authority, but more centralization has been the trend between state and local governments (Berman, 2000: 29). The separation of authority and responsibilities between the federal and state governments is discussed frequently during the development and implementation of policies and laws. For example, in early 2005, the governor of California requested additional homeland security funds and state control from the federal government to deal with possible terrorist attacks in the state. An example of the federal government taking control is found in larger policy decisions such as civil and social rights, or policy areas believed to be for the greater good of the nation. There, the federal legislation overrules state laws and regulations.

Local governments in the United States raise revenues through local taxes (property, sales, and income) and receive federal monies passed through their respective state governments, through competitive federal grants, and direct allocations approved in federal legislation. In the United States, the collection of tax revenues at the local government level is controlled by the state legislature and the will of the voters. For example, property taxes had long been the main source of revenue for local governments but this changed in California with the passage of Proposition 13 in 1978. As the amount of property tax available to local governments has decreased since then, cities have become more reliant on other sources, such as sales taxes and fees. This reliance on the sales tax has increased the competition for businesses and industry, prompting cities to offer incentives to the private sector to locate within their city limits. Competition and incentives
have impacted land use policies, created additional urban sprawl, and decreased the amounts of revenues available to provide services to the residents in the city (Hoene, 2000).

With Proposition 13, the voters capped the property tax at one percent of the fair market value of the home and set the value of the homes to 1978 levels (Hoene 2000). This was done primarily as taxpayers sought to control local government spending because, inherently, the taxpayer/voter did not trust local authorities to make fiscally responsible decisions. Another voter initiative to limit government spending was Proposition 4, passed in 1979. This limited the increase in local government’s spending to the previous year’s spending plus the amount of the increase in the consumer price index (Hoene, 2000: 30). The end result of these voter initiatives was that local governments were unable to raise sufficient resources through local means. Therefore, competition among local governments for new businesses and government grants has increased. This competition has not always led to good government. Programs that are not really needed in the community have been developed, for example. Additionally, as communities compete to bring in new development, incentives are provided to the private sector, which can lead to poor land use planning and a drain on the local revenues.

The type and source of federal grant moneys available change as leadership in Washington, D.C., changes, making the collection of revenues at the local level central to the ability to provide consistent services to residents. Local governments mainly receive federal funding through competitive grants and authorizations of dollars directly as specific attachments to legislation, otherwise known as “pork” or special projects. There was a time though when revenue sharing occurred directly between Washington, D.C., and state and local governments briefly in the 1970s and 80s, with the passage of the State and Local Fiscal Assistance Act.

The State and Local Fiscal Assistance Act was signed into law by President Richard Nixon in 1972, but was a contentious law that only lasted until 1986. The purpose of this act was to create a mechanism for revenue sharing that would empower state and local
governments, thereby improving horizontal and vertical fiscal imbalances between these governments. Wallin (1998: 35) describes the horizontal fiscal imbalance as “the fact that some state and some local governments are poorer than others, and thus it is more difficult for them to raise the revenue necessary to adequately fund services”. His definition of “vertical fiscal imbalance suggests that while it is easier for the national government to raise revenue, due to its broader base and limited fear of tax competition, state and local governments are in a better position to identify citizen needs and tailor responses to them”. This act was developed to fix the inequalities in the U.S. federalist system and better the quality of life in local communities by giving them enough resources to invest in their cities. The principles of this act, to equally share revenues, are similar to the basis for the Mexican federalist system.

The act failed due to the U.S. economic recession of the late 1970s and the growing federal deficit. Simply stated, the economic hard times of the late 1970s, in which the federal government was having difficulties managing its budget, killed the support for revenue sharing. The eventual failure of the State and Local Fiscal Assistance Act was the catalyst to devolution or “fend-for-yourself” federalism, which began in the 1990s and continues presently (Wallin, 1998: 135). This type of federalism puts more emphasis on local governments and states competing for funds, thereby, putting more pressure on the policymakers to raise their own revenues. This has been further complicated in the state of California by state legislative decisions and direct voter decisions limiting taxes, as discussed earlier.

The top-down decision-making process as to who gets funding, in which the federal government has the greatest say, established a system of competition among local governments and resulted in applications to funding programs that did not really provide the solutions to a community’s needs. City and county managers look to the federal government for grants purely to bring funding into their communities without adequate consideration if the program is needed or not (Agranoff and McGuire, 2001: 673). This system of management im-
The local governments’ weakened fiscal capacity in California has created a crisis for many cities. The causes and effects were identified by the League of California Cities in its *Western City* magazine of March 2005 (League of California Cities, 2005: 7). These include:

- State and federal aid to California cities is declining, down from 21 percent of a city’s budget in 1974-75 to 10 percent today.
- The sales tax base is declining due to a shift toward a service-oriented economy and increasing Internet and catalog retail sales.
- Limitations on taxes and fees that cities can impose are driven by Proposition 13, Proposition 218 and other state laws.
- The state’s population growth is higher in cities.
- Cities must respond to citizens’ demands for a greater array of services that bring with them additional costs and new challenges (high tech, cable, transit, etcetera).
- Public safety spending is up.
- Infrastructure improvements and maintenance are lagging.

Decreasing fiscal capacity, competition for grant funds, and the need to raise revenues locally have stressed city infrastructure. This is especially true for smaller, rural cities such as Calexico. As is discussed in other analysis conducted by the author, Calexico does not rank high in quality of life in comparison to similar communities in the United States. One reason for this is the low fiscal capacity of the city and the surrounding county because of the federalist system in the United States. This situation is exacerbated further with the levels of poverty, population growth, social ills, and shared problems with its closest neighbor, Mexicali.
**Fiscal federalism in México**

The Mexican constitution provides basic rights to municipal governments. Article 115 of the 1917 Mexican Constitution directly establishes municipal authority at the will of the state legislatures (Cárdenas, 1963: 18). In 1983, changes were made to the constitution to provide more power and financial resources to Mexican municipalities. Yet, even with constitutional support, municipalities have had difficulties in obtaining appropriate levels of funding or resources, and there have been many challenges to their development (García del Castillo, 1999: 48). One challenge is found in the centralized, one party system that ruled México for more than 70 years. The Institutional Revolutionary Party (Partido Revolucionario Institutional—PRI) system did not allow for local governments to develop into autonomous entities, independent from the central government and party. Decisions were made at the federal level and delivered through the states. The legacy continues in México, even though the ruling PRI no longer has unilateral control over the government.

As in the United States, the Mexican federal government has the largest share of the resources, as it has the right to collect more taxes (income, sales, etcetera), obtain rent from buildings and lands, receive value added income from industry, and collect income from the energy sector, commerce, and others. The state governments are limited to collecting taxes on the production of goods and services within the state. The municipal government’s main sources of revenue are property taxes and fees for services (Instituto de Investigaciones Legislativas del Senado de la República, 2001: 45). Additionally, there are significant administrative capacity differences among states and municipalities in México. Some states and/or municipalities have a stronger infrastructure to collect revenues because of their geographical location, level of economic development, and political, social, and administrative development in the government. For those state or municipal governments that do not have the ability to collect the taxes due, they are further limited in the amount of local funding that is available.
Taxes and fees collected by the Mexican federal government are distributed to the states and municipalities through 10 different types of funds. All of these funds together constitute approximately 25 percent of the federal funds available that are shared with local governments—17 percent to states and 8 percent to the municipalities (Instituto de Investigaciones Legislativas del Senado de la República, 2001: 45). This method provides a fairly equal distribution of funds throughout all of the states and municipal governments. Again, as discussed in the review of federalism, this system was developed to ensure fiscal equality in México and does not have the competitiveness found in the U.S. system.

The bulk of the revenues available to the states and municipal governments from the federal government are conditional. This means that the funds must be used to implement a specific function in the government and does leave spending to the discretion of the local policymakers. The inability to decide how the funds available will be spent has maintained the dependence of the state and municipal governments on the federal government, and has limited the capacity of the local governments to provide for the basic needs of the population (Instituto de Investigaciones Legislativas del Senado de la República, 2001), (Calzada, 1983), (Guillén and Ordóñez, 1995).

In theory, it makes sense to have a system that allocates equally federal revenues to local governments, but in practice, the central strength of the federal government has limited the political and economic capacity of the state and municipal governments. Instead of delivering prosperity to all of the regions, the federal government does not finance municipal governments sufficiently and does not provide them with the ability to manage many of the issues important to quality of life in their jurisdictions.

This is even truer for those states and municipalities that have experienced high levels of migration and business development. In these regions more revenues are generated but they are not returned at the same level. Therefore, those areas with greater growth receive the same amount as those areas with less activity. In other words, states and municipalities that are growing quickly in population and industry do not
have an appropriate level of financing to plan and develop for a better life for those residing in the area. This can physically be seen in the cities of Tijuana, Baja California, and Ciudad Juárez, Chihuahua, two northern border cities with tremendous growth and an inability to provide services to all of its residents.

In both México and the United States, federalism, particularly the fiscal kind, has limited the capacity of local governments. In México, the centralized system and dependence on the federal government have limited political capacity (Guillén and Ordóñez, 1995: 20). In the United States, competition for federal dollars and limitations on local funding sources do not allow for a correction of the horizontal and vertical fiscal imbalances that exist. This limits the abilities of cities and counties to improve the quality of life in their communities (Wallin, 1998: 147). This shows that even though the federalist systems are different in both countries, the impact on local governments have been similar.

**Government services provided in Calexico and Mexicali**

This last section discusses the government services of Calexico and Mexicali. Government services, as analyzed by Peterson (1981), can be broken down into developmental, allocative, and redistributive. Developmental services are those that develop the local community, such as schools and industrial parks. Allocative services include police, firefighters, and administration of the city. Redistributive services are benefits provided to low income residents such as health services and transportation and housing subsidies. Each service provided has economic considerations: the cost to supply the service as well as the community demand. Some of this cost can be offset through buy-in and investment from the private sector and civil society. Getting the buy-in from business and residents is based upon the amount of trust they have in the local government. One way trust is developed is through a history of effective and efficient governance.

In the United States, development services provided at the muni-
municipal level include the promotion of economic development, schools, and parks and recreation. The redistributive services are health care and social services, including public housing. The allocative services include public safety, zoning, infrastructure development such as water and wastewater, waste collection, public transportation, and road infrastructure. The level of these services provided influences the residents that live in the community. Cities with high costs for redistributive services have less funding for the allocative or development services. Those taxpayers that contribute more to the system (from the middle or upper classes) are hesitant to live in communities that spend the majority of their public funds to assist those that need additional social services.

Defining the services provided by the municipal governments in México with Peterson’s framework is more complex. Many of the services provided by U.S. cities are shared by the municipalities and state governments in México. Development services provided by municipal governments include parks and recreation (including sports), industrial development, and tourism. Overall economic development and promotion are led by the state government. Mexicali has both an Industrial Development Commission that attracts local industry to the area and a tourism department that works with state and federal officials. Local governments in México also have the authority to make decisions regarding allocative services such as local transportation infrastructure; public safety (although shared with state and federal governments); land use/planning (through issuing construction permits within their jurisdictions); and environmental issues, particularly waste collection and storage, and development and enforcement of environmental laws. Redistributive services are not provided by the municipal governments, with the exception of the DIF (Integral Family Development—Desarrollo Integral de la Familia), which is run at every level of government by the wife of the president, governor, or mayor. The level of services is not as competitive as found among local governments in the United States, and therefore, growth is not determined by the services provided.
Organization and authority of the City of Calexico

As local governments are defined by their respective states, the discussion here will be focused primarily on the structure of local governments in the State of California. Local governments in California include cities, counties, special districts, and regional bodies, and are defined by the California Government Code. Within California, cities and counties are given two options to governance: “home rule” or developing their own charter. The home rule option is also referred to as “general law” and sets the governing framework of the local governments by the California Government Code. The option of developing their own charter allows local governments more freedom in running their affairs.

Before the 1980s, the type of governance, either the general law or charter government, provided for the level of tax dollars that could be raised by the local administrators and/or politicians. This changed with the passage of a number of voter propositions that limited local government revenue collection and spending.

Another important factor in the structure of local governments is how the leadership is organized. General law cities have the choice of a council-mayor, council-manager, or council-administrator (Bowers and Rich, 2000) (Hoene, 2000). The council-mayor option allows for a strong or weak mayor but in both cases the mayor is specifically elected by the voters along with the council members. A weak mayor serves primarily as a ceremonial figurehead and the council has the authority to hire and fire certain employees and make budgetary decisions. A strong mayor, in comparison, makes these decisions instead of the council. As separately elected, strong mayors must answer directly to the electorate. It is therefore assumed that they are limited in their decision making by the voter (Hoene, 2000: 21).

The council-manager or council-administrator form of government has a rotating mayor that is one of the council members and is the ceremonial figurehead for the city for a period of usually one year. This type of arrangement puts a large part of the authority and decision-making in the hands of the manager or administrator. The
unelected manager or administrator is chosen by the council and does not answer directly to the electorate, allowing for a greater discretion in making budgetary decisions (Hoene, 2000: 21). In terms of the budget decisions in the community, the managers have more power than the council members as they usually have a larger staff that provides for the development of the budget. Once the budget is prepared it is presented to the council, which rarely has a staff to assist with any substantial changes. If the council members want to add in any programs or change levels of funding, they need to reduce another program as local government budgets cannot run with deficits.

Local elections in Imperial County and its cities such as Calexico are non-partisan, which means that candidates run without an affiliation to a political party. This allows for additional degree of separation from the party system. Therefore, there is no direct support from a political party or tutelage to be paid. This does not mean that there are not influencing factors or individuals in elections, as local leaders many times promote their candidates through an informal network within the city. This is especially true in a city such as Calexico where key community leaders provide support for one candidate over another. This support often provides the electoral edge needed to win.

In communities with low educational and literacy rates, community leaders can exercise a fairly high level of influence over local voters.

Calexico has a council-manager style of government. There are five council members who are elected city-wide by a majority vote. Those top two or three candidates, depending on the number of seats available, with the most votes win. With the low voter turnout rates in Calexico (approximately 30 percent for the last U.S. presidential election), a candidate can win a seat with less than 1,000 votes. The elections are held every four years and the seats available are staggered to make sure that all members are not newly elected and the council holds some institutional memory. There are no term limits for council members and with the population size of the city, members interact with, and are influenced by, the local electorate.

This arrangement leads to a pragmatic style of leadership, with council members making decisions to address immediate concerns
and who do not have long-term planning skills (Buchanan, 1969). This lack of long-term planning and the push for additional business or tax dollars into a city because of funding needs limit the political capacity of governments to improve the quality of life in their communities. This is particularly true for communities such as Calexico that have not been historically wealthy and do not have a strong tax base.

**Organization and authority of the municipality of Mexicali**

The municipalities are led by a strong, directly elected mayor or *presidente municipal* and a municipal council called the *ayuntamiento*, whose members are directly elected by proportional representation (Ramos García and Sánchez Munguía, 2004: 81). There is only one form of local government organization in México, differing from the California system described earlier. With only one established organization of municipal governments, locals do not have the flexibility to build a local administrative system that represents their community needs.

The legal basis for the Mexican municipal governments is found in the federal and state constitutions, municipal laws, edict of police and good government, and regulations. The programmatic foundations are found in the National Development Plan, the State Development Plan, the Municipal Plan, and programs related to the three levels. Coordination fundamentals are in Municipal Development covenants, and covenants and agreements on specific collaboration activities (García del Castillo, 1999: 50).

As with other elected offices in México, the *presidente municipal* is limited to holding office for one term—municipalities are three years, and national presidents and state governors have six-year terms. The turnover every three years of the government (most of the department heads are political appointees that bring their own staff) limits long-term planning and project implementation. The current Mexicali *presidente municipal*’s term began in January 2005 and runs until December 2007. In reality, the time frame to get projects done is only
two years as the last year is usually a “lame duck,” in which little is accomplished.\(^3\)

The turnover of the political leaders after every term or the system of term limits has also limited the professional staff or civil service in México. With a changing staff, the incoming administrations are left with no record and institutional memory, and many of the pertinent documents that discuss the activities of the agency are missing. This lack of professionalism with a standing civil service is detrimental to the continuation services or continuity in policies. This short-term view, or perspective, in the government limits long-term planning and implementation of projects for the good of the community residents. It also limits the level of trust for the government officials as there are no consequences if corruption occurs. The politicians do not need to answer to their constituents because they do not have the ability to run again for office. This limits the accountability of the politicians and their staffs.

The political party is central in the discussion of public administration at all levels of government in México. Baja California and the municipality of Mexicali are special in that this was the first state to have a candidate from a party other than the PRI win the governorship. From 1989 until 1995, Ernesto Ruffo was the first panista (from the PAN party—National Action Party) governor of Baja California. In 1995, the PAN also won the municipal presidency of Mexicali with cooperation of the Green Ecological Party and Eugenio Elorduy Walther became the first panista presidente municipal in Baja California.

The PAN leadership provided a level of greater professionalism at the municipal level as the new party leadership tried to move away from the technocratic style of the PRI (Ramos García and Sánchez Munguía, 2004). This professionalism also derived from the business background of the PAN leaders (Saint-Germain, 1995). One of the goals of the PAN leadership is to develop the economy through an in-

\(^3\) This opinion is based upon discussions with the current director of the municipal ecology department and a regidor from the previous municipal administration.
Industrialization process. This has been particularly true during leadership of Elorduy as the governor of Baja California.

One problem of this increased business-like governance as found with the panista is the lack of analysis of, or factoring in, social, cultural, and political issues with public policy making (Ramos García and Sánchez Munguía, 2004: 86). The development of public policies to deal with challenges in society is focused on financing or economics, which limits the scope of the project and can actually create additional problems in the community. For example, problems and conflict have arisen between Mexicali and Imperial County because of the construction and operation of two natural gas, thermoelectric power plants in Mexicali. The decision to place these plants was a business decision to provide infrastructure for business development and to provide additional income in the selling of power generated in México to the California market. The environmental concerns were not addressed causing much consternation in Imperial County as well as among some sectors in Mexicali. Baja California/Mexicali officials have answered these complaints with a countercomplaint that once again the Americans are trying to stop the economic growth in México.

**A comparative analysis of the two local government systems**

The political systems in Calexico and Mexicali are different but not incompatible. There are varying levels of authority and many actions taken to make policy in the border region are taken informally. Local governments in the border region generally do not have any authority or power to negotiate with their counterparts on the other side of the border. Cooperation and agreements are established through memorandums of understanding (MOU), signed by officials on both sides of the border. The implementation of these MOUs is limited by the human resource infrastructure of the municipal and city governments.

It is difficult to ascertain the fiscal or economic capacity of Calexico and Mexicali by just looking at actual and per capita budget figures, although they do provide some understanding of the economic realities in the region. A comparative analysis of the city's and...
municipality’s budget by per capita revenues and expenditures included in Table 1 demonstrates how the funds are received and spent in both communities. In conducting a comparison of the budgets by actual figures, Mexicali had approximately $150 million in revenues and $146 million in expenditures in 2000. Calexico had $18.8 million in revenues and $19.5 million in expenditures. These differences are put into context with the per capita figures for each city. Mexicali has $191 in per capita revenues compared to Calexico’s $695. Expenditures are also similar in differences with $187 in per capita expenditures for Mexicali and $721 for Calexico.

The majority of the per capita expenditures in Calexico are toward public safety. Mexicali does not have a line item in their budget for public safety expenditures. The largest expenditure per capita is third party payments for contractors, dues and other expenses. The reason for the lack of resources can be found in the systems of federalism in their respective countries, as discussed previously in this paper. This is where the similarities end, as the details of each nation’s federalist systems differ.

The political capacity in both cities’ administrations is weak but for different reasons. Calexico’s political leadership is pragmatic, working to solve the problem of the day, with little emphasis on future planning. Additionally, council members frequently change their positions on issues as they try to please different constituent segments. Administration of the city has also been a challenge as strong relationships and factions exist within the city structure. Another large issue in Calexico is nepotism, in which those who make the decisions are few with little community input or support. However, a strong manager and civil service provide institutional continuity and memory —this contrasts to a much larger turnover in México.

In Mexicali, the local political capacity is weak as it was not permitted to develop under the one party system that grew out of the Mexican Revolution. Local administrators have only a few years to accomplish projects and most of the funds available are allocated by the federal government for specific items. This has limited the decision-making ability within the municipal government. It should be
Table 1. City of México and municipality of Mexicali Budgets, 2000
(in U.S. dollars 11 to 1 exchange rate used for conversion from pesos)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Calexico</th>
<th>Mexicali</th>
<th>Per cápita</th>
<th>Per cápita</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actual</strong></td>
<td><strong>Per cápita</strong></td>
<td><strong>Actual</strong></td>
<td><strong>Per cápita</strong></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 11,105,642</td>
<td>$ 410</td>
<td>$ 15,150,869</td>
<td>$ 19</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>$ 608,023</td>
<td>$ 22</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>$ 368,233</td>
<td>$ 14</td>
<td>$ 8,640,450</td>
<td>$ 11</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>$ 1,024,744</td>
<td>$ 38</td>
<td>$ 700,692</td>
<td>$ 1</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$ 3,104,106</td>
<td>$ 115</td>
<td>$ 49,546,573</td>
<td>$ 63</td>
</tr>
<tr>
<td>Fees for services</td>
<td>$ 2,514,310</td>
<td>$ 93</td>
<td>$ 6,639,375</td>
<td>$ 8</td>
</tr>
<tr>
<td>Developer fees</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Other</td>
<td>$ 117,511</td>
<td>$ 4</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>(Third party funds in Mexicali)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 69,462,978</td>
<td>$ 89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 18,842,569</td>
<td>$ 695</td>
<td>$ 150,140,938</td>
<td>$ 191</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>General government</td>
<td>$ 1,729,290</td>
<td>$ 64</td>
<td>$ 55,656,606</td>
<td>$ 71</td>
</tr>
<tr>
<td>Public safety</td>
<td>$ 5,866,301</td>
<td>$ 216</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Public works</td>
<td>$ 3,628,652</td>
<td>$ 134</td>
<td>$ 16,688,198</td>
<td>$ 21</td>
</tr>
<tr>
<td>Parks and recreation</td>
<td>$ 1,200,352</td>
<td>$ 44</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Community development</td>
<td>$ 4,231,580</td>
<td>$ 156</td>
<td>$ 2,927,569</td>
<td>$ 4</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>$ 694,986</td>
<td>$ 26</td>
<td>$ 4,136,261</td>
<td>$ 5</td>
</tr>
<tr>
<td>Debt service</td>
<td>$ 2,195,281</td>
<td>$ 81</td>
<td>$ 1,147,907</td>
<td>$ 1</td>
</tr>
<tr>
<td>Third party (union dues, contractors)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 66,287,975</td>
<td>$ 85</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 19,546,442</td>
<td>$ 721</td>
<td>$ 146,844,516</td>
<td>$ 187</td>
</tr>
</tbody>
</table>

*Source:* City of Calexico, California Department of Finance and INEGI, Simbad.
noted, though, that Mexicali is more organized and is a better planned city than other municipalities in Baja California because it is the state capital. There are more resources and human capital because the federal, state, and municipal offices are located together and the urban center receives additional attention from policymakers.

The discussion thus far has covered the internal factors of the system in the development of local government capacity, there are also external influences. The pressures from the outside world are changing the capacity of local governments even though it is at the local level that governments theoretically have the most control over quality of life issues (Giddens, 2000). The following section discusses the impact of globalization on life and governance in the border region.

The phenomenon of globalization and its impact on life and governance in a region

The dynamics of border regions have been analyzed for many years. Topics such as the binational characteristics of society and culture, influence of multinational corporations on development, economic interdependence, and pressures on public and private infrastructure from population growth are historically part of the border region. The development of the region, particularly in Calexico and Mexicali, was based upon asymmetries. Imperial Valley’s and Mexicali’s economy began in agriculture, which needed not only water but also an ample and inexpensive labor force. These needs were supplied by nature, human migration, and location.

The need to create jobs and develop economically has put a tremendous pressure on the social and environmental conditions in border cities (Ganster, 2000), (Herzog, 2000), (Clement, 2002). This development was based primarily in multinational corporations assembling or manufacturing their products using less expensive labor than found in their country of origin. This development has led to environmental and social clashes between one of the world’s wealthiest countries with a postindustrial economy and an industrializing country. The U.S. economy is increasingly based on service industries, and research
and development. Mexican leadership is looking to develop their economy through manufacturing and industry in order to provide jobs. This clash, therefore, becomes pronounced as there are different ideas on each side of the border regarding development. With different economic opportunities and levels, considerations such as sustainability, the environment, and worker health have different priorities.

México has been a central part of the discussion regarding the development of the global factory (Herzog, 2000: 142). In addition to the development of global laissez-faire capitalism in the border, there is the mixing of cultures and economies. It is in the U.S.-Mexican border region, as well as in Western Europe, that border city-regions have developed (Herzog, 2000: 139). Residents no longer live only in a city but within a region. This concept has always been part of border living (Clement and Sparrow, 2001). The city-regions share many of the same characteristics and issues. Additionally, as described by Ritzer in 1996, individual characteristics of communities are becoming neutralized as the availability of goods and services is similar to other areas since individuals look for security in goods and purchases in an unstable, global world.

An example of the city-region is found in analysis conducted by Ryan in 2003 regarding border cuisine. In this article, Ryan describes how Calexico is an extension of Mexicali and vice versa, as residents visit many of the same restaurants and eat similar foods on both sides of the border (Ryan, 2003). Residents not only share cuisine, but also cultural events, educational facilities, shopping, and recreational activities. The sharing of services and opportunities in the region is a large part of the quality of life of the residents in the region.

As the residents live in a regional space that is impacted by globalization, what does this mean to local governance? As discussed previously in this paper, Calexico and Mexicali share a region but do not share political systems. There are two separate governing systems that impact what public resources are available to the community. It is possible with the globalization process and decline in power of the nation-state, that local border communities will be able to “transcend the limitations put upon them” (Ganster, et. al., 1997: 5). Under this
theory, the issues of sovereignty would decrease as the nation-state loses power and free trade increases.

In Europe with the development of the European Community, this has been found but the same unfortunately cannot be said in the implementation of the North American Free Trade Agreement (NAFTA) (Ganster, et. al., 1997), (Brunet-Jailly, 1999). In the European Community, the supranational policies and governing structure have worked directly with local governments, thereby empowering and strengthening them at the cost of the nation-state. The NAFTA has only increased competition between local governments and has not empowered them as the nation-states continue to negotiate with little input from the locals.

The North American Free Trade Agreement has further limited the ability of local governments with its Chapter 11 provisions. This provision was placed into the agreement to avoid the nationalization of industry, particularly in México. In other words, it was developed to protect private sector investments from arbitrary actions by governments. This chapter was written with broad and imprecise words, creating vagueness in the implementation (Chiu, 2003: 71). It has been used by companies to claim that governments have infringed upon their investments, which is “tantamount to expropriation” (Chiu, 2003: 71). This provision has limited the authority of local governments to make decisions regarding issues that impact the quality of life in their communities. A prime example is the case of Metalclad versus México. In this case, a U.S. corporation sued the country of México for being denied local permits to build a hazardous waste site near the city of Guadalcazar in the state of San Luis Potosí. Residents, the local government, and the state were against this site because of potential health problems for residents. A three-person tribunal ruled that the company had been denied its right to conduct business in the area and that the Mexican federal government was liable for $16.7 million in damages (the investment made by Metalclad in the project). In NAFTA Chapter 11 cases, the federal government is responsible for the actions of their state or municipal government as set out by Article
105 of the NAFTA (Duncan, 2005: 16). The federal governments are central to the process and have the authority and responsibilities that come with this authority. This leaves the states and local governments further separated from the decision making process and with limited powers.

With the development of fiscal federalism in the United States as discussed earlier, competition for funds from the federal government has increased since the 1980s. This competition is increased further by the NAFTA agreement as local governments compete against each other to bring in new businesses in order to increase their tax base (Brunet-Jailly, 1999: 2). This competition is seen among the cities in the County of Imperial, and between Mexicali and Imperial County. There has been little need to cooperate except in principle on issues. An example is found with industry and growth in Mexicali and air quality in Imperial County. The County was able to maintain a moderate non-attainment status from the U.S. Environmental Protection Agency because they were located next to a large metropolitan area that had severe air quality issues. This status was changed to serious non-attainment in 2004, which limits the availability of federal transportation funds to the county and forces the local Air Pollution Control District to undertake a number of actions to reduce levels of contamination. Therefore, industrial development in Mexicali is seen as a threat to the quality of life in the U.S. communities but necessary for the Mexican communities in their need to have the infrastructure for future industrial development.

The conflicts of globalization are experienced in the city-regions on the U.S.-Mexican border on a regular basis. These conflicts impact residents both directly and indirectly. They also affect wages and salaries and the environmental conditions, which can impact human health; but, generally, the correlations are rarely made by individuals. The next section of this paper explores the importance of voter participation on residents’ lives and a few of the realities regarding quality of life issues and local governance. It is with this analysis that the linkages of globalization to the U.S.-Mexican border region, local governance, and quality of life are clarified.
Conclusion

The economic and political capacity of local governments in the border region is not strong enough to deal with the major issues impacting the quality of life in the region. The main reason for this lack of capacity can be found in the systems of federalism of both nations. The fend-for-yourself federalism that emerged in the U.S. system since the late 1980s created a competitive funding system in which small, poor communities such as Calexico have difficulty competing. This lack of funds has contributed to the lack of political capacity as well. In Mexicali, the federalist and political party system have both limited the economic and political capacity. Even though this system is changing in México, municipalities are still dealing with the legacy of this system.

The lack of capacity at the local level impacts the quality of life in communities. As Anthony Giddens so rightly indicated in his 2000 book, *Runaway World*, local governments are the essence to improving life in a global world in which the free market and competition are the strongest deciding factors. Building capacity in the local governments will take more than just funds or changing the federalist system; there needs to be a concerted effort that builds the government and the community or, in other words, the social capital as well as the financial and political capital.
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