

Dear Friends

I want to recognize President Carter for the devotion he has to democracy in this hemisphere and the role of this institution in political change in Latin America.

I represent the President-elect of Mexico, Vicente Fox, at this conference and at this dinner.

Gathered here are long-time fighters for democracy, who have been friends and colleagues for many years. And the political agenda of Latin America is present in the documents and in the debates which we have read and which we will hear in a way in which it is not in many other events.

I would like to recall, as I have just done with President Carter, the very moving, historical moment, when the president of this Foundation visited then-candidate Vicente Fox, and the then candidates of the other parties. It was the afternoon of July 2.

When he left Fox's offices around five in the afternoon, it was a fact that the history of Mexico had changed. And that's the way President Carter expressed it to me when we said good bye.

Mexican history has changed, but how? And in what direction? Has Mexico gone through a democratic transition, or is barely beginning it?

The more conservative sectors of Mexican politics believe that the Mexican case is not one of a transition because we did not have a dictatorship.

But the more advanced political thinkers believe we are going through a transition, because we have gone from an authoritarian regime, a unique one, if you will, but authoritarian nonetheless, towards a democratic regime.

When did this transition begin? We believe it began in 1988, when for the first time, a set of political forces with diverse ideological leanings confronted the political regime.

A change in the ruling party was achieved through 10 years of civic struggle, of opening up the mass media, and above all of electoral reforms.

During the last decade ...

--I wish to greet, with all respect, my friend, President Hugo Chávez. *[applause]*--

[During the last decade,] five negotiations with the government succeeded in establishing an autonomous and credible electoral regime. The development of the political parties and of civil society took care of the rest.

Now, has this transition ended, has it been completed, or has it barely begun?

There are two different responses.

One says the transition has been achieved with a change in the ruling party. For the other, a change in the ruling party is just a precondition for a democratization of the country that will be shaped by changes in its institutions, in its public values and practices, which are what can guarantee in the long run a representative and participatory regime.

We are basing our decisions on the latter postulate. That is, we view the transition as a series of reforms.

President Fox has asked me to head a study commission on the reform of the state, which has brought together more than 130 Mexican experts and is on the verge of issuing a set of proposals for a new constitution for the country. We do not know if this will be done as in Venezuela, where they opted to have

a Constituent Assembly, or if the mechanism of the federal and state congresses will be used to adopt a series of amendments. My perception is that the majority of the political forces are not for calling together a Constituent Assembly but rather want the constituted bodies to process the most indispensable changes. But the decision, in the last analysis, will be in the hands of these bodies: the president of the country, the parties and the Federal Congress.

We have talked about the great issues and I am going to be brief because the richness of the debate has been exceptional and they are presented very well in the documents. From our point of view, the fundamental issues in establishing, consolidating and deepening a democratic system are the following:

One, the rule of law. Second, a balance and decentralization of the branches of government. And third, democratic governability.

For the countries from the Hispanic colonial tradition, the rule of law means, on the one hand, the transformation of subjects into citizens, and on the other, responsibility before the law of government bodies. The rule of law doesn't mean that the citizens should obey, but rather that the rulers should be subordinated to what the law dictates. It is, therefore, first a state which is law-abiding, in which there is supremacy of the judicial branch, as was the original design of our constitutions and of their master plan drawn up in Philadelphia.

Second, it is a state in which there is a rigorous rendering of accounts.

And third, it is a state in which the citizens, in terms of jurisdiction and liability can demand the fulfillment of all rights consecrated by law.

Two, the balance of power between the branches of government. In Latin America, this debate centers on presidentialism. There are very few countries that still have a presidential regime. It was something invented in the XVIII Century to fill the void that the colonial powers had left in this continent. Now, there are two different presidentialisms, the northern and southern types, Washington's and Bolivar's. One started with a group of strong colonies, the other with the task still ahead of it of creating unity among peoples and territories.

Given this, presidentialism has led to different outcomes on the two sides of the border. In the North it has been more or less counterbalanced by the judicial branch, by a strong federalism, and by a party and congressional system that does not follow ideological discipline.

Nevertheless, I believe the presidential system should be reviewed in both parts of the hemisphere. Latin America is living today with the incompatibility between a U.S.-style presidential system and a European-style party system. And there seem to be two basic tendencies, although there may be a third. One is to parliamentarize its system, as in Bolivia, Chile, Argentina or Uruguay, the other, to make it more like the United States by freeing the members of Congress from party discipline. In this situation, that is the central subject being debated.

A second point is a true decentralization of governmental power and resources. There has to be fiscal federalism, and municipalities need to recover their original authority. Ethnic autonomy, cultural autonomy and regional autonomy need to be recognized.

Lastly is the promotion of the participation of the citizenry through initiatives, referenda and plebiscites, through the strengthening and granting a constitutional role to non-governmental organizations, and through the incorporation of citizens in the planning, administration and evaluation of public services.

The great subject that follows is that of democratic governability. This is a problem only for democracies; the authoritarian regime did not face a problem of governability. It excludes the problem because it solves the matter through control. Governability is an issue for democracy. How to be free and at the same time be efficient as a government?

Democratic governability requires stability, common sense and efficiency. Stability in the short run, common sense in creating long-term programs and efficiency in responding to popular mandates.

We are proposing some measures. First, to put an end to treating the state as someone's property. This is the worst vice of the Latin American systems. It is the confusion between public authorities and private patrimony. It is a prolongation of feudal governmental systems. It is necessary to separate the institutions of the state from the institutions of the government, so that the state can become fully neutral and professional at the federal, state and municipal levels. The second challenge is creating a democratic culture, what in one document that has been presented has been called the "enclaves of self-determination." Symbolic enclaves. The enclaves of the powers that be. How these old powers transfer their vices to the democratic system.

This is a very long-term task, the solution by democratic means of political conflicts: preventing the old feudal relations from being transformed into a party-ocracy, keeping open the channels for political participation.

And, last, the subject of effectiveness. Why effectiveness? As I was leaving for Atlanta, very early at the Mexico City international airport, a group of migrant Mexican women approached me to ask me, "isn't it true that with the new government we will be able to return to Mexico?" That's what they said. I'm speaking about a city in which there are 300,000 Mexicans who have come here basically due to the enormous gap in wages.

I was Minister of Labor when the ratio of the minimum wage between the United States and Mexico was five to one. Today it is thirteen to one. The wage gap is going to integrate, or threatens to integrate our economies in the most vicious possible way.

Vicente Fox said on that very moving, festive night of the election victory, "I propose now to do away with the other dictatorship, with the dictatorship of misery and of ignorance. With the cruelest and most humiliating dictatorship of all."

The challenges today are equality of opportunities, a genuine integration of the societies, a reduction in salary differences, universal education, and providing efficient and proper public services.

I know that this foundation has been thinking about going beyond the very exceptional role that it has played in electoral democracy in the region. Allow me to suggest an agenda that goes beyond NAFTA, and takes up some matters that were left pending. The subject of human rights, of the social clause, of the educational revolution, of the exchange rates, of compensatory funds for regions that are relatively less developed. The subject of technical cooperation for progress and institutional reform. The subject of infrastructure investments. The subject of sustainable development in this hemisphere.

It is to be hoped that at the Quebec summit, for which this meeting is preparing documents, it will be possible to see, in our hemispheric relations, the world's most outstanding North-South forum. The Cold War, whose domination you ended, President Carter, only gave us the East-West relation, and placed at a misty distance the relations between the North and the South.

The agenda that is coming up for the hemisphere has a name: solidarity.

That is the message of Vicente Fox.

Thank you very much [*applause*].