

CONTEXT

SYSTEM OF GOVERNMENT: **Presidential**

- No. of ministries: 18 (2010)
- No. of governments over last 20 years: 4

STATE STRUCTURE: **Federal** (31 states and 1 Federal District)

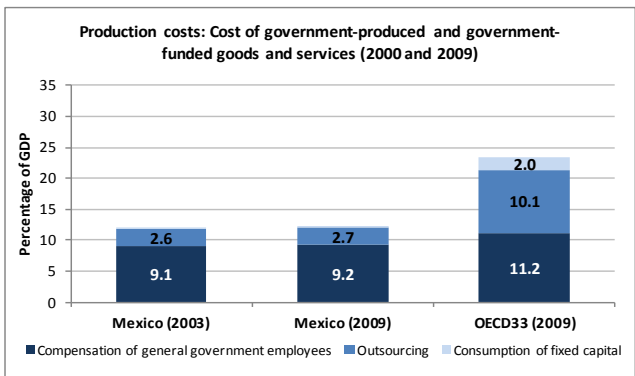
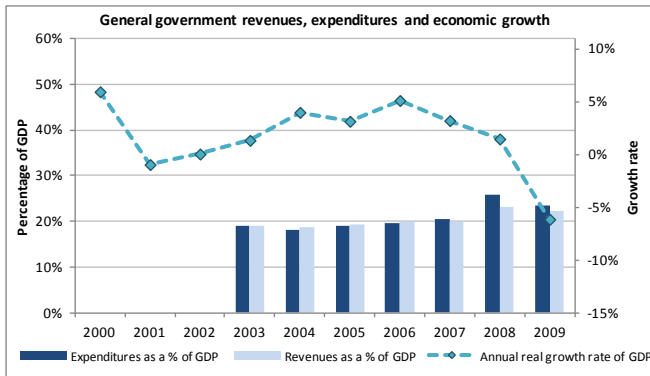
LEGISLATURE: **Bicameral**

- Upper house: elected
- Lower house: elected using Semi-Proportional Representation

PUBLIC FINANCE

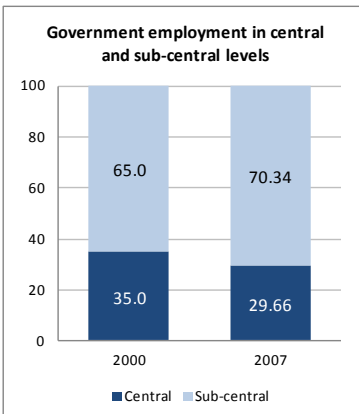
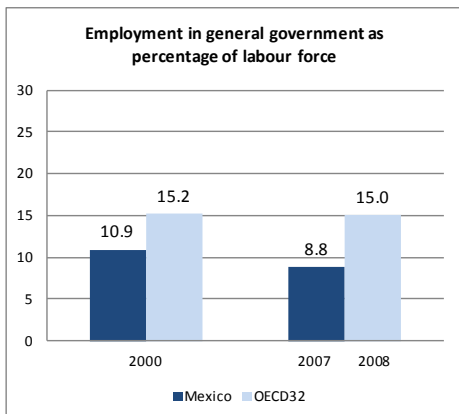
The Mexican government is one of the smallest in the OECD area in terms of revenues and expenditures as a share of GDP, which until recently were below 20%. Budgets were more or less balanced before the crisis hit in 2008, thanks to a fiscal rule. The fiscal stimulus measures in the 2009 budget increased infrastructure spending, provided subsidies to employment and increased social transfers. Much of this deficit spending was financed by using some of the oil stabilization funds.

About 12% of the economy was devoted to producing public goods and services in 2009, the lowest share among OECD members. Production costs as a share of GDP were relatively stable from 2000 to 2009. The Mexican government relies on its own employees in the production process to a much larger extent than other OECD countries (76.8% of public goods and services were produced or provided by government employees in Mexico in 2009 compared to about 48% on average in the OECD), and uses much less capital in the production process.

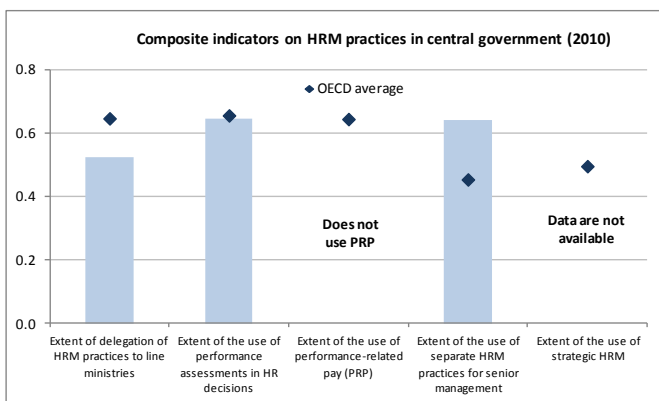


Source: OECD National Accounts and Economic Outlook 89. [\[Revenues\]](#) [\[Expenditures\]](#) [\[Production costs\]](#)

GOVERNMENT EMPLOYMENT AND HRM PRACTICES



Source: International Labour Organisation. [\[General government employment\]](#) [\[Distribution by level\]](#)



Source: OECD 2010 Strategic HRM Survey. [\[Delegation\]](#) [\[Performance assessment\]](#) [\[PRP\]](#) [\[Senior management\]](#) [\[Strategic HRM\]](#)











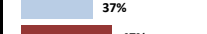


At only 8.8% in 2007, public employment as a share of the labour force in Mexico is one of the lowest in the OECD area, where it averages 15% and can be as high as 29.3%. Mexico has reduced the share of public employment since 2000, when it was almost 11% of the labour force, via several reforms, policies and programs, including the Austerity and Discipline of the Federal Civil Service Spending Measures Decree, the Federal Budget Expenditure Degree and the Professional Public Service Law. The reduction in public employment with the increase in public goods and services production can imply gains in productivity on the public sector. Government employment has also decentralised over the same period: in 2000, 35% of public employees worked at the central level, while in 2007 this had dropped to just under 30%.

The HRM system in the Mexican federal government is rather centralised with most of the HR responsibilities shared between the centre and the line ministries. While there is an extensive use of performance assessments, these are not linked to pay; there is no performance-related pay for central government staff. The Mexican central government established a separate senior civil service whose employment and working conditions differ from those of other staff. The Ministry of Public Administration (SFP) is in charge of organising and co-ordinating the governmental control and evaluation system as well as overseeing public expenditure together with the Ministry of Finance (SHCP). The SFP also defines the regulation and control procedures of the federal public administration, co-ordinates the administrative development of the entities. Furthermore, SFP is responsible for investigating the conduct of public servants that may constitute administrative responsibilities, establishing sanctions, and, when necessary, taking the case to the police.

Transparency in public procurement, 2010					
	Central proc. website	Contracting entity website	Domestic printed or electronic journal	Other website	Pct. OECD countries that publish info
Information for potential bidders	Yes	No	No	No	97%
Selection & evaluation criteria	Yes	No	No	No	97%
Tender documents	Yes	No	No	No	82%
Contract award	Yes	No	No	No	100%
Justification for award	Yes	No	No	No	59%
Tracking procurement spending	Yes	No	No	No	32%
Percentages refer to the share of OECD countries that reported publishing information "always" or "sometimes".					

Achieving greater transparency in public procurement is important; especially given that Mexico spent an estimated 5% of GDP on procurement in 2008. Mexico along with Korea, Chile and Spain, publishes almost all information related to public procurement on its central procurement website: www.compranet.gob.mx. The Ministry of Public Administration (SFP) manages this website, in which it is possible to consult information on different parts of the procurement process. The website was updated in June 2010 to increase the number of transactions that can be conducted on it, including the ability to carry out public tenders, invitations to limited bidders and direct purchases (sole source contracts) electronically. Providers do not need to enroll in a national registry in order to bid in a particular public procurement process. In Mexico, information on procurement laws and policies is also published in the Official Journal of the Federation (DOF: Diario Oficial de la Federación) while procurement plans are published by each contracting entity on their own websites. Furthermore, Mexico is one of the few OECD member countries that allows tracking procurement spending on line. Providing an adequate degree of transparency throughout the entire public procurement cycle is critical to minimise risk of fraud, corruption and mismanagement of public funds in order to ensure fairness and equitable treatment of potential suppliers. Additionally, it allows for effective oversight by concerned institutions and the general public.

Source: OECD 2010 Survey on Public Procurement. [\[Transparency in public procurement\]](#)

Regulatory governance mechanisms, 2008			
Functions of the oversight body		Percentage of OECD countries responding "yes"	MEXICO
Consulted as part of process of developing new regulation	2005	 73%	Yes
	2008	 82%	Yes
Reports on progress made on reform by individual ministries	2005	 43%	Yes
	2008	 56%	Yes
Authority of reviewing and monitoring regulatory impacts conducted in individual ministries	2005	 43%	Yes
	2008	 50%	Yes
Conducts its own regulatory impact analysis	2005	 43%	Yes
	2008	 47%	Yes
Anticipating compliance and enforcement			
Regulatory policies require that issue of securing compliance and enforcement be anticipated when developing new legislation	2005	 57%	Yes
	2008	 70%	Yes
Guidance for regulators on compliance and enforcement	2005	 37%	Yes
	2008	 47%	Yes
Existence of policy on risk-based enforcement	2005	N.A.	N.A.
	2008	 30%	No

This table presents two elements drawn from the wide range of activities for managing regulatory quality.

The government of Mexico has developed an institutional structure for regulatory management. Regulatory management in Mexico is under the responsibility of the Federal Regulatory Improvement Commission (Comisión Federal de Mejora Regulatoria, COFEMER), an administrative independent body within the Ministry of Economy.

COFEMER's mandate is to ensure transparency in the drafting of federal regulations and to promote the development of cost effective regulations that produce the greatest net benefit for society. Its scope of work includes the preparation of regulatory reform programmes in specific sectors, reduction of administrative burdens on citizens and businesses, review of new proposals from ministry and regulatory authorities as well as regulatory impact assessments, review of existing legislation, and promotion of regulatory reform countrywide. The government has set up an advisory body in support of COFEMER. The Federal Regulatory Improvement Council (Consejo Federal para la Mejora Regulatoria), which comprises government officials and labour and business representatives, gives directions and makes recommendations on regulatory issues to COFEMER.

The government of Mexico has not developed a specific policy on risk-based enforcement. However, the RIA procedure in Mexico includes consideration of resources needed for effective enforcement, and the survey shows that guidance has been given to regulators on enforcement and compliance issues.

Source: OECD 2008 Survey on Regulatory Management; OECD (2004), Mexico – Progress in Implementing Regulatory Reform, OECD Reviews of Regulatory Reform Reviews, OECD Publishing, Paris. www.cofemer.gob.mx [\[Oversight bodies\]](#) [\[Compliance and enforcement\]](#)

E-Government building blocks and e-procurement, 2010		
e-enabling laws and policies	Mexico	OECD25
Recognition & use of digital signature	●	100%
Electronic filing within the public sector	●	88%
Administering PPPs for e-government projects	●	64%
Services offered on single-entry procurement website	Mexico	OECD34
Tender searches	●	62%
Tracking of outcomes of contracts	●	32%
OECD percentages refer to percentage of responding countries answering in the affirmative. ● Yes ○ No .. Data unavailable		

Similar to most OECD countries, the Mexican Federal Government has put laws and/or policies in place to promote the use of digital signatures and electronic filing in the public sector, and has initiated the Advanced Digital Signature project that aims to give the same legal recognition to the digital signature as the one that has the written signature. Like the majority of OECD countries with a single-entry public procurement website, Mexico allows businesses to perform tender searches and is among a small group of OECD countries that offers users the functionality of tracking the outcomes of contracts on the website, making the procurement process more transparent. The portal (Compranet) enables users to carry out full electronic procurement procedures, organize and classify historical information, and receive quotes online.

Source: OECD 2010 e-Government Survey and OECD 2010 Public Procurement Survey. [\[E-enabling laws\]](#) [\[E-procurement\]](#)

Disclosure of public sector information, 2010

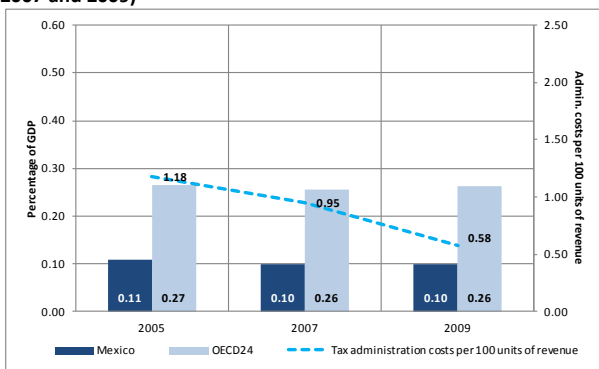
Types of information disclosed	Proactive disclosure		
	Mexico	OECD32	Publication channels
Budget documents	●	94%	CP
Audit reports	●	72%	CP, MA
List of public servants and their salaries	●	28%	CP
Sharing of administrative data			
Administrative data sets	⊙	66%	MA
Requirements on publishing in open data formats	Yes	53%	–

● Required to be proactively published by FOI laws
 ⊙ Not required by FOI laws, but routinely proactively published
 ○ Neither required nor routinely published
 CP= central portal; MA= ministry or agency website; OW=other website

OECD percentages refer to the percentage of the 32 responding OECD countries that either require that information be published by law or do not require it but routinely publish information.

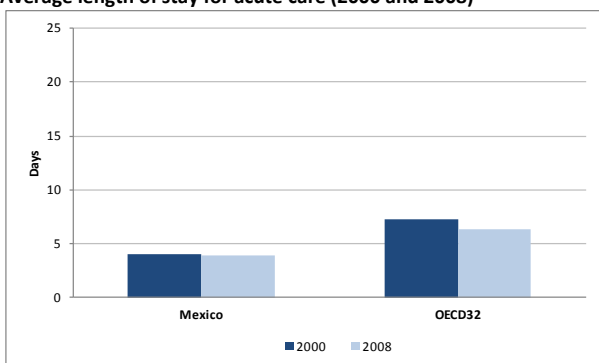
Mexico's Freedom of Information legislation- which includes the Federal Transparency and Access to Governmental Public Information Act- requires that the government publish budget documents and audit reports. Over half of OECD countries also publish this information. The government also publishes administrative data sets although it is not required to do so by the law. Less than a third of OECD countries proactively publish lists of public servants and their salaries, and Mexico is among the few countries that disseminates this information through its central portal. However, this information is made available only for select positions. The Mexican government has also put in place requirements for publishing information in open data formats, which allows its re-use by other parties.

Source: OECD 2010 Survey on Access to Information. [\[Disclosure of information\]](#) [\[Publication channels\]](#)

Tax efficiency: Total revenue body expenditures as a percentage of GDP and tax administration costs per 100 units of revenue (2005, 2007 and 2009)


Growing fiscal constraints have led to increased attention on improving the efficiency of tax administrations. The "cost of collection ratio," for instance, is one efficiency measure which compares the annual administration costs incurred by a revenue body with the total revenue collected over the course of a fiscal year. Over time, a decreasing trend could reflect greater efficiency in terms of lowered costs and/or improved tax compliance. In Mexico, the administration costs of collecting 100 units of revenue decreased considerably from 2005 to 2009. Total revenue body expenditure as a percentage of GDP has remained relatively stable during this period, suggesting the change in the ratio could be due to greater tax compliance and/or revenues as well as efficiency improving organizational measures. For instance, Mexican officials reported that it had integrated all its accounts receivable work into one organisational unit, segregated customs service from customs enforcement activities, and integrated tax audits and tax refund functions, also into one unit.

Source: OECD (2011), Tax Administration in OECD and Selected Non-OECD countries: 2010 Comparative Information Series, OECD Publishing, Paris. [\[Total revenue body expenditures\]](#) [\[Tax administration costs per 100 units of revenue\]](#)

Average length of stay for acute care (2000 and 2008)


The average length of stay (ALOS) for acute care indicates the average number of days that patients spend in the hospital for curative care. Over time, reductions in ALOS could reflect efficiency gains, as it could signal that hospitals are expanding early discharge programmes, shifting to day-case surgery for suitable procedures, utilising less invasive procedures, and/or improving pre-admission assessment, all of which can help reduce costs. In Mexico, the ALOS is nearly half that of the OECD average, and has slightly decreased from 4 days in 2000 to 3.9 days in 2008. This reduction is less than that of the OECD average, where the decrease was about one day over the same period. In some countries, lower lengths of stay can be due partly to a shortage of hospital beds for example.

Source: OECD Health Data 2010. [\[ALOS for acute care\]](#)

Production costs are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, outsourcing (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

HRM Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available in Annex E at: www.oecd.org/gov/indicators/govataglance.

- The **delegation index** gathers data on the delegation of determining: the number and types of posts needed in an organisation, the allocation of the budget envelope, compensation levels, position classification, recruitment and dismissals, and conditions of employment. This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.
- The **performance assessment index** indicates the types of performance assessment tools and criteria used, and the extent to which assessments are used in career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **performance-related pay (PRP) index** looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **senior management index** looks at the extent to which separate management rules and practices (such as recruitment, performance management and PRP) are applied to senior civil servants, including the identification of potential senior civil servants early in their careers. The index is not an indicator of how well senior civil servants are managed or how they perform.
- The **strategic HRM index** looks at the extent to which centralised HRM bodies use performance assessments, capacity reviews and other tools to engage in and promote strategic workforce planning, including the use of HRM targets in the assessments of middle and top managers. The index does not reflect situations where strategic workforce planning has been delegated to the ministry/department/agency level.

Regulatory governance: The OECD average refers to the following number of countries:

- Functions of oversight bodies 2005: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.
- Functions of oversight bodies 2008: OECD34. Data for Chile, Estonia, Israel and Slovenia refer to 2009.
- Anticipating compliance and enforcement 2005 and 2008: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.

Tax efficiency: Tax administration efficiency ratios are influenced by differences in tax rates and the overall legislated tax burden; variations in the range and in the nature of taxes collected (including social contributions); macroeconomic conditions affecting tax receipts; and differences in the underlying cost structures resulting from institutional arrangements and/or the conduct of non-tax functions.