Backgrounder

Mexican Officials Feather Their Nests While Decrying U.S. Immigration Policy

By George W. Grayson

"Show me a politician who is poor and I will show you a poor politician" — Carlos Hank González

Executive Summary

exican politicians continuously demand more visas for their citizens, an expanded guest-worker program, and "regularization" of illegal aliens living north of the Rio Grande. While neglecting to mention that the United States admits nearly one million legal newcomers each year, they also fail to publicize: (1) the extremely high salaries they receive, often—in the case of federal and state legislators—more than their counterparts in developed nations that have substantially longer annual sessions, (2) the generous stipends that they grant themselves, including year-end *aguinaldos* and end-of-term bonuses of tens of thousands of dollars known as *bonos de marcha*, and (3) the generous sums that party leaders in legislative bodies have to spend with few or any strings attached.

For example,

- President Vicente Fox (\$236,693) makes more than the leaders of France (\$95,658), the U.K. (\$211,434), and Canada (\$75,582).
- Although they are in session only a few months a year, Mexican deputies take home at least \$148,000—substantially more than their counterparts in France (\$78,000), Germany (\$105,000), and congressmen throughout Latin America.
- At the end of the three-year term, Mexican deputies voted themselves a \$28,000 "leaving-office bonus."
- Members of the 32 state legislatures (\$60,632) earn on average twice the amount earned by U.S. state legislators (\$28,261). The salaries and bonuses of the lawmakers in Baja California (\$158,149), Guerrero (\$129,630), and Guanajuato (\$111,358) exceed the salaries of legislators in California (\$110,880), the District of Columbia (\$92,500), Michigan (\$79,650), and New York (\$79,500).
- Members of the city council of Saltillo, San Luis Potosí, not only received a salary of \$52,778 in 2005, but they awarded themselves a \$20,556 end-of-year bonus.
- Average salaries (plus Christmas stipends known as aguinaldos) place the average compensation of Mexican state executives at \$125,759, which exceeds by almost \$10,000 the mean earnings of their U.S. counterparts (\$115,778). On average, governors received aguinaldos of \$14,346 in 2005—a year when 60 percent of Mexicans received no year-end bonuses.

These same politicians turn a blind eye to the fact that, when petroleum earnings are excluded, Mexico collects taxes equivalent to 9.7 percent of GDP—a figure on par with Haiti. In addition, the policy makers (1) spend painfully little on education and health-care programs crucial to spurring social mobility and job opportunities, (2) acquiesce in barriers to opening businesses in their country, and (3) profit from a level of corruption that would have made a Tammany Hall precinct captain blush — with \$11.2 billion flowing to lawmakers in 2004 alone.



Many Mexican officials enjoy princely lifestyles, while expecting the United States to solve their social problems by allowing the border to serve as a safety-valve for job seekers.

Introduction

Mexico City — In mid-February 2006, a delegation of Mexican officials jetted to Washington to condemn pending U.S. immigration legislation. Many of these politicians turn the air blue with virulent criticism of U.S. immigration policy while they vote themselves princely salaries and lavish fringe benefits. Even as they feather their own nests, they demand that decision makers above the Rio Grande take responsibility for their citizens who are grossly neglected by Mexico's elite. They urge the United States to assume responsibility for their countrymen who cannot find opportunities at home. Specifically, they call for an expanded guestworker program, an increase in the number of visas, and the "regularization" — a euphemism for amnesty — of the status of Mexicans residing illegally north of the Rio Grande.

President George Bush's October 2005 proposal for the admittance of temporary workers for up to six years was met with widespread condemnation in Mexico. Deputy Antonio Guajardo Anzaldúa, a member of the left-wing Workers Party and chairman of the Mexican Congress' Committee on Population, Borders, and Migration Affairs, excoriated the initiative as "linking workers with employers without offering them a route toward legalization." He also criticized "the heavy fine" that would be levied on participants who also would be ineligible for American citizenship.¹

Guajardo's colleague Eliana García Laguna, a stalwart of the leftist-nationalist Revolutionary Democratic Party (PRD), shrilled that the threat posed by Bush "hurts and injures the interests of Mexicans who for various reasons must leave our country."²

Even more mordant was the outcry when the U.S. House of Representatives approved a bill in December that would crack down on scoff-law employers who hire illegal workers. The measure, now pending before the Senate, also would make it a federal crime to live in the United States without proper identification. In addition, the measure would require the mandatory detention of some immigrants; withhold some federal assistance to cities that furnish services to immigrants without checking their legal status; and would decrease the number of legal immigrants admitted annually by eliminating a program that provides 50,000 green cards. Needless to say, the House axed President Bush's request for additional guest workers.

Heliodoro Díaz Escárraga, leader of the Chamber of Deputies and a member of the Institutional Revolutionary Party (PRI), stated that it "is totally anachronistic to impose penalties on our migrants or erect walls as if we were in the Cold War." Indeed, Díaz Escárraga even nominated Dr. Jorge Bustamante, a professor at El Colegio de la Frontera Norte in Tijuana and a longtime advocate of increased immigration, for the Nobel Peace Prize because of his activism on behalf of international migration and human rights. Meanwhile, Congress's Permanent Commission excoriated U.S. immigration policy as "racist, xenophobic, and profoundly violative of human rights."

Members of President Vicente Fox's National Action Party (PAN) have joined the chorus of self-righteous criticism. They applauded an early January 2006 joint declaration by Mexico, Colombia, the Dominican Republic, and six Central American countries in opposition to treating migrants who illegally cross into the United States as law-breakers.

This statement ignored the strong support of American citizens for immigration reform. A Fox News poll conducted in April 2005 found that a lion's share of Americans believe that undocumented immigration is a "very serious" (63 percent) or "somewhat serious" (28 percent) problem for the United States. Sixty percent of respondents to a late 2006 ABC News/Washington Post survey favored erecting a barrier at the border; only 26 percent disapproved. There was no mention of the nearly one million legal immigrants whom the United States admits each year.

In their condemnation of U.S. policy, Mexican authorities seldom if ever talk about their failure to uplift the poor who constitute approximately half of its 107.5 million people, particularly when their nation is contiguous to the world's largest market and abounds in oil, natural gas, gold, silver, beaches, seafood, water, historic treasures, museums, industrial centers, and wonderful people. After addressing the main theme of this *Backgrounder*—the extraordinary salaries and benefits enjoyed by high Mexican officials—several points will be made about policymakers' responsibility for the skewed income distribution in Mexico.

President's Salary

Although Vicente Fox Quesada won election six years ago with a commitment to run an austere government, he approved legislation that raised his salary from \$196,800 (1,884,492 pesos) to \$236,693 (2,556,282 pesos) per year.⁴ This figure is 18.58 times greater than the average income of Mexicans and 727 times greater

than those whose incomes are in the lowest 10 percent of households. Fox's salary exceeds those of the president of France (\$95,658) and the prime ministers of the United Kingdom (\$211,434)⁵ and Canada (\$75,582).⁶

Feathering Their Own Nests

Mexico's 500 deputies and 128 senators live extremely well, exemplifying the adage: "Show me a politician who is poor and I will show you a poor politician." Although there are only two legislative periods—February 1 to April 30; and September 1 to December 15—the lawmakers' earnings exceed or approximate that of members of legislatures in industrialized countries that meet for longer periods. Mexican deputies earn \$148,000 (1.6 million pesos) per year. While this figure includes Christmas *aguinaldos*, it does not take into

account payments for constituent service, legislative staff, and coupons (vales) for food and other expenses.8 Taxpayers also pick up the tab for chauffeurs and bodyguards for some deputies and senators. Moreover, party leaders have discretionary funds with which they can provide additional resources to their colleagues. In 2004 the amount distributed to the three major parties was as follows: PRI/223 deputies: \$15,892,668 (171,640,820 pesos); PAN/153 deputies: (111,214,200 \$10,297,611 pesos); PRD/97 deputies: \$7,359,122 (79,478,520 pesos). Needless to say, these fat sums give leaders an opportunity to exert enormous pressure on their members amid minimal accountability for the use of their funds.9

The last Chamber of Deputies (2000-2003) voted themselves a "bonus for leaving office" or *bonos de marcha* of approximately \$28,000 (290,000 pesos).

In view of the growing weakness of the presidency in recent years, governors have become more influential and frequently supplement the salaries and perquisites of their party's legislators.

Leaving aside special allocations, the pay and benefits of Mexican legislators puts them ahead of their counterparts in France (\$78,000 for a nine-month session) and Germany (\$105,000 for nine months) and nearly on a par with legislators in Italy (\$163,000 for eight month) and the United States (\$162,000 virtually year-around), where living costs

are higher. Other congressmen in Latin America receive substantially less; for example, those in Bolivia earn \$28,000 for a four-month session and legislators in the Dominican Republic take home \$68,500 for six-months of service. Argentine lawmakers earned \$34,000 and those in Brazil \$62,000 in 2003, a year when the salary of Mexican legislators was \$100,500.

Despite such generous compensation, José Alarcón Hernández, vice coordinator of the PRI's 221-member faction in the Chamber of Deputies, is pushing for a sharp increase in compensation. He expressed his belief "that we should earn double because we earn less than cabinet secretaries and they have less responsibility than we have." 12

Mexican deputies frequently take to the skies or to the road. During 2005 the Chamber of Deputies spent \$1,018,518.50 (110 million pesos) on

Table 1. Presidential Salaries, Per-Capita GDP, and Presidential Salaries as a Multiple of Per-Capita GDP

Anne	ual Salary (dollars)	Per-Capita GDP (dollars)	Presidential Salary as a Multiple of Per-Capita GDP
Nicaragua	128,400	2,400	53.50
Ecuador	118,800	3,900	30.46
Japan	584,988	30,700	19.05
Mexico	185,844	10,100	18.40
Honduras	42,000	2,800	15.00
Guatemala	67,200	5,200	12.92
El Salvador	60,000	5,100	11.76
U.K. + Salary as MP	312,320	30,900	10.11
United States	400,000	42,000	9.52
Bolivia	22,500	2,700	8.33
Ireland	277,247	34,100	8.13
Germany	217,587	29,800	7.30
Belgium	230,221	31,900	7.22
Netherlands	147,538	30,600	4.82
Australia	152,000	32,000	4.75
Poland	59,227	12,700	4.66
Brazil	36,000	8,400	4.29
Canada + Salary as MP	126,710	32,900	3.85
Costa Rica	36,000	10,100	3.56
Norway	146,102	42,400	3.45
France	95,658	30,000	3.19
Uruguay	50,400	16,000	3.15
Peru	12,000	6,100	1.97
Argentina	12,624	13,700	0.92

Source: The figures for per-capita income came from the most recent Central Intelligence Agency, *The World Factbook* http://www.cia.gov/cia/publications/factbook/geos/ei.html. Salaries for national leaders were taken, when possible, from country web sites. In other cases, the author relied upon *Wikipedia* and recent newspaper reports.

domestic and foreign travel. These outlays amounted to \$2,095.24 (22,000 pesos) for each of the 500 deputies or \$2,927.78 for the 348 deputies who, on average, showed up for sessions. This spending on travel is dubious for two reasons: deputies, who cannot run for immediate reelection, do not have to return to their districts every weekend like so many U.S. representatives; and the Senate—not the Chamber of Deputies—plays the primary legislative role in international affairs.

Few would begrudge their pay and benefits if Mexican lawmakers had more to show for the several months that they spend in the capital each year. Regrettably, they prize vapid speech-making over the passage of major bills. Since Fox took office on December 1, 2000, the Congress has failed to enact fiscal, labor, energy, and judicial reforms vital for achieving sustained development in a country where per-capita income grew only 2 percent last year and joblessness abounds.

Instead, they come up with cynical measures like the one that supposedly would allow four million Mexicans living abroad to cast ballots in the July 2, 2006, presidential contest. Although the Chamber of Deputies passed a reasonably liberal bill—it included the installation of voting places in foreign countriesthe version that emerged from the Senate was largely cosmetic. The PRI, which ruled from 1929 to 2000, eviscerated the measure, fearing that expatriates would support the PAN or the PRD. By passing something, deputies and senators could claim that they had backed the vote for Mexicans who send back \$18 billion per year in remittances. At the same time, they encrusted the initiative with cumbersome procedures to ensure minimal participation. On January 15, the cut-off date for requesting a ballot, only about 50,000 men and women had submitted paperwork, and several thousand of these applications did not satisfy the requisite standards. Yet Congress approved almost \$100 million (1.062 million pesos) for this venture, which is the equivalent of just over \$2,000 per application.

State Legislatures

For better or worse, Mexico's investigative reporters occasionally shine a light onto the compensation shenanigans of the national Congress. With notable exceptions, such as the award-winning *Zeta* weekly newspaper in Baja California and the *Diario de Yucatán* in Yucatán, the media often fail to cover closely the activities of the 31 state legislatures. As a result, these lawmakers, who are frequently in thrall to governors, sometimes look after themselves better than federal

deputies and earn, on average \$60,632—more than twice as much as their U.S. counterparts (\$28,261). Only in dirt-poor Chiapas (\$8,333) do state deputies receive less than the U.S. average.

For example, the salaries and *aguinaldos* of legislators in Baja California (\$158,149), Guerrero (\$129,630), and Guanajuato (\$111,358) are higher that the salaries of representatives in California (\$110,880), the District of Columbia (\$92,500), Michigan (\$79,650), and New York (\$79,500). Many Mexican and U.S. legislators also receive allowances for travel, meals, lodging, special committee meetings, and constituent service. However, only in Mexico do lawmakers regularly vote themselves end-of-term bonuses that often total tens of thousands of dollars.

Governors

State lawmakers' salaries represent only a fraction of the bountiful resources to which Mexican governors have access. Average salaries (plus *aguinaldos*) for state executives equal \$125,759, which exceeds by almost \$10,000 the mean earnings of their U.S. counterparts — \$115,778. Narciso Agúndez Montaño, a cousin of his predecessor, runs Baja California Sur. Although his state has only 424,041 residents, he earns \$277,777. This is \$100,000 more than the salary of Arnold Schwarzenegger, who governs 36,132,147 Californians.¹³

Governors' wives frequently serve as head of the Integral Family Development program (DIF) in their states, enabling them to earn six-figure incomes when calculated in dollars. Some First Ladies take their responsibilities seriously; others treat the post as a sinecure.

On average, governors received aguinaldos of \$14,346 in 2005—a year when 60 percent of Mexicans, 30 percent in the underground economy and 30 percent in the formal workforce, received no year-end bonuses.¹⁴

During 30 years in public service, Arturo Montiel Rojas earned approximately \$2.5 million (26.4 million pesos) and his wife, Maude Versini, whom he married soon after winning election as governor of Mexico State in 1999, received an annual salary of \$88,889, as head of the state DIF. He has amassed lucrative properties, including a condominium in Paris (\$1.51 million; 16.3 million pesos), a get-away in Careyes, Jalisco (\$5.56 million; 60 million pesos), as well as a half-dozen homes in Toluca, the capital of Mexico State, the Valle de Bravo, Acapulco, and elsewhere. Montiel's case reflects the way that politicians can accumulate resources far in excess of their official income.

Table 2. State Legislature Salaries

	No. of	Annual Salary		Other	Aguinaldo		Total Compensation	
State	No. of Deputies	(pesos)	(dollars)	Comp. (pesos)	(pesos)	(dollars)	(pesos)	(dollars)
Aguascalientes	27	604,800	56,000	1,634,280	125,600	11,630		
Baja California	25	1,464,000 1	135,556		244,000	22,593		
Baja Cal. Sur	15	504,000	46,667		50,000	4,630		
Campeche	35	485,508 ²	44,954		36,189 ³	3,351		
Coahuila	20	693,321	64,196	149,000	91,233	8,447		
Colima	25	588,000	54,444		73,500	6,806		
Chiapas⁴	40	90,000	8,333	35,905	150,000	13,889		
Chihuahua	33	584,000	54,074		64,000	5,926		
Distrito Federal	66	720,000	66,667		80,000	7,407		
Durango	25	428,478	39,674		45,000	4,167		
Guanajuato	36	1,070,667	99,136	4,752	132,000	12,222		
Guerrero	48	1,200,000	111,111	20,000	200,000	18,519		
Hidalgo	29	468,000	43,333		68,000 ⁵	6,296		
Jalisco	40	915,420	84,761		100,320	9,289		
México	75	N.A	N.A	N.A	N.A	N.A	1,588,000 ⁶	147,037
Michoacán	40	547,500	50,694		60,000	5,556		
Morelos	30	720,000	66,667		180,000	16,667		
Nayarit	29	900,000	83,333		166,000	15,370		
Nuevo León	42	1,247,880 ⁷	115,544		103,419 ⁸	9,576		
Oaxaca	42	504,000	46,667		100,000	9,259		
Puebla	41	710,163 ⁹	65,756		92,000	8,519		
Querétaro	25	564,000	52,222	146,640	201,506	18,658		
Quintana Roo	25	540,000	50,000		60,000	5,556		
San Luis Potosí	27	823,392	76,240	151,000	205,848	19,060		
Sinaloa10	40	486,667	45,062		80,000	7,407		
Sonora ¹¹	31	465,396	43,092		98,217	9,094		
Tabasco	35	600,000	55,556	720,000	150,000	13,889		
Tamaulipas	32	132,000	12,222					
Tlaxcala	32	624,000	57,778		76,250	7,060		
Veracruz	50	648,000	60,000		54,000	5,000		
Yucatán	25	419,907	38,880	34,666	46,017	4,261		
Zacatecas	30	672,000	62,222	·	74,000	6,852		
Average		684,874	63,414		107,831	9,984		

¹ Salary will increase by 20 percent to 1,194,084 pesos in 2006. Aguinaldo distributed over 12 months.

² Congreso del Estado de Campeche, Tabulador de Sueldos y Salarios, http://www.congresocam.gob.mx/inicio/body0107.htm (accessed January 31, 2006).

³ Aguinaldo distributed over 12 months.

⁴ Figure in Isaín Mandujano, "Los diputados chiapanecos se dan feliz navidad," *Este Sur/ Noticias de Chiapas*, December 9, 2005, http://www.estesur.com.

⁵ Aguinaldo estimated to be between 58,000 and 78,000 pesos.

⁶ This figure in Lorenzo Carlos Cárdenas, "Sale el congreso caro en Coahuila," *El Norte*, December 13, 2005, http://www.elnorte.com; includes net salary, aguinaldo, rent support, compensation for services, and support from parliament group.

⁷ Figure in Claudia García, "Recibirán diputados el Segundo descontón," *El Norte*, October 1, 2005, http://www.elnorte.com; Their salary will gradually fall to 881,760 pesos annually as part of a money-saving agreement with the Consejo Consultivo Ciudadano.

⁸ Figure given by Congreso del Estado de Nuevo Leon, Nómina correspondiente al mes de Diciembre 2005, January 31, 2006, <a href="http://www.congreso-nl.gob.mx/nomina_lxx/nomi

Figure from 2003 in Redacción Vanguardia, "Dan aguinaldos a diputados," Vanguardia, December 21, 2003, http://www.vanguardia.com.mx.
 Figures for Sinaloa from 2003 in Redacción Vanguardia, "Dan aguinaldos."

¹¹ Figures given by Gobierno del Estado de Sonora, Tabulador de sueldos por puesto y nivel, http://www.sonora.gob.mx/biblioteca/documentos/catapuesto2004.pdf (accessed January 31, 2006).

Table 3. Gubernatorial Salaries¹

		Annua	Salary	Other	Aguina	ldo	Aguinaldo as % of Salary
State (Party)	Governor	(pesos)	(dollars)	Comp (pesos)	(pesos)	(dollars)	
Aguascalientes (PAN)	Luis Armando Reynoso Fermat	1,128,396	104,481	1,634,280	115,974	10,738	10.28
Baja California (PAN)	Eugenio Elorduy Walther	1,786,925	165,456		156,662	14,505	8.77
Baja California Sur (PRD)	Narciso Agúndez Montaño	3,000,000 2	277,777				
Campeche (PRI)	Jorge Carlos Hurtado Valdez	1,078,380 ³	99,850		135,000	12,500	12.52
Colima (PRI)	Silverio Cavazos Ceballos	900,000	83,333		102,000	9,444	11.33
Chiapas (Independent)	Pablo Salazar Mendiguchía	875,520	81,066		145,920	13,511	16.67
Chihuahua (PRI)	José Reyes Baeza	1,452,152	134,458		159,140	14,735	10.96
Coahuila (PRI)	Humberto Moreira Valdés	1,114,344	103,180		158,172	14,645	14.19
Distrito Federal (PRD)	Alejandro Encinas Rodríguez	907,020	83,983		ŕ	ŕ	
Durango (PRI)	Ismael Hernández Deras	911,989	84,443		112,437	10,410	12.33
Guanajuato (PAN)	Juan Carlos Romero Hicks	1,697,039	157,133		209,224.5	19,372.6	12.33
Guerrero (PRD cand.)	C.P. Zeferino Torreblanca Galindo		13,518		ŕ	ŕ	
Hidalgo (PRI)	Miguel Ángel Osorio Chong	840,000	77,777		140,000	12,963	16.67
Jalisco (PAN)	Francisco Javier Ramírez Acuña	1,344,000	124,444		93,000	8,611	6.92
Michoacán (PRD)	Lázaro Cárdenas Batel	1,050,000	97,222		72,916	6,751	6.94
México (PRÌ)	Arturo Montiel Rojas ⁵	1,836,000	170,000				
Morelos (PAN)	Sergio Estrada Cajigal Ramírez	1,200,000	111,111		300,000	27,777	25.00
Nayarit (PRI)	Ney González Sánchez	526,464	48,746		87,744 ⁶	8,124	16.67
Nuevo León ⁷ (PRI)	Natividad González Parás	1,824,744	168,958	35,481 ⁸	152,062	14,079	8.33
Oaxaca (PRI)	Ulises Ruiz Ortiz	N.A. ⁹					
Querétaro (PAN)	Francisco Garrido Patrón	1,812,000	167,778		352,000	32,592	19.43
Quintana Roo (PRI)	Félix González Canto	900,000	83,333		112,500	10,416	12.50
Sinaloa (PRI)	Jesús Alberto Aguilar Padilla	926,856	85,820		154,477	14,303	16.67
Sonora (PRI)	Eduardo Bours Castelo	851,664	78,857		119,000	11,018	13.97
San Luis Potosí (PAN)	Marcelo de los Santos Fraga	1,278,708	118,399		319,677	29,599	25.00
Tabasco (PRI)	Manuel Andrade Díaz	1,236,000	114,444	1,200,000-	206,000	19,074	16.71
,				1,800,000			
Tamaulipas (PRI)	Eugenio Hernández Flores	272,040	25,188	42,985	130,000	12,037	47.79
Tlaxcala (PAN)	Héctor Ortiz Ortiz	515,820	47,761	,	57,320	5,307	11.11
Veracruz (PRI)	Fidel Herrera Beltrán	960,000	88,888		40,000	3,703	4.17
Yucatán (PAN)	Patricio Patrón Laviada	1,556,652	144,134	21,240	170,000	15,740	10.92
Zacatecas 10 (PRD)	Amalia García Medina	637,308	59,010		106,212	9,834	16.67
Average		1,152,201	106,685		150,286	13,915	14.80

¹ Unless otherwise noted, figures taken from "Gobernadores mexicanos recibirán aguinaldos superiors a 300 mil pesos, Jugosos aguinaldos," *El Universal*, December 12, 2005, http://www.eluniversal.com.mx.

² Figure for previous governor who is the incumbent's cousin.

³ Salary will increase by 20 percent to 1,194,084 pesos in 2006.

⁴ Salary is currently in dispute; This figure given by Zeferino Torreblanca in Fernando Coca, "Autorizan construcción de La Parota," *Es Mas*, December 27, 2005, http://www.esmas.com.

⁵ Succeeded by Enrique Peña Nieto in September 2005.

⁶ Antonio Echevarría Domínguez, who left office on September 18 will receive 62,000 pesos.

⁷ Figures for Nuevo Leon given by Gobierno del Estado de Nuevo Leon, Administración Central, http://transparencia.nl.gob.mx/AdministracionCentral/FraccionVIII/Nomina (February 5, 2006).

⁸ Given for Spring Vacation.

⁹ Oaxaca has no transparency law.

¹⁰ Figures for Zacatecas given by Zacatecas Gobierno del Estado, Transparencia-Salario Mensual por Puestos de Contrato, <a href="http://transparencia.zacatecas.gob.mx/index.php?option=com_docman&task=cat_view&gid=3595<emid=65">http://transparencia.zacatecas.gob.mx/index.php?option=com_docman&task=cat_view&gid=3595<emid=65, 3 (accessed February 5, 2006).

Flying Under the Radar Screen

While an erstwhile presidential contender like Montiel found himself in the limelight, decision makers in municipalities and governmental agencies often avoid scrutiny. Even as they weakened the city's freedom-ofinformation law in 2005, members of the governing body of Saltillo, San Luis Potosí, voted themselves an end of term bonus of \$20,556 (222,000 pesos). This tidy sum came on top of their \$52,778 (570,000 pesos) annual salary, 15 as well as other stipends. Meanwhile, PRI council member José Luis Soto was negotiating a \$277,778 (3,000,000 pesos) bono de marcha for the 22 members of the Ecatepec municipal council in Mexico State. 16 Officials at the Mexico State Electoral Institute (IEEM) were trying to recover a total of \$277,778 (300,000 pesos) that five of the seven IEEM members collectively received before resigning amid a scandal involving questionable purchases of electoral materials.17

A seat on Mexico City's Electoral Court (TEDF) represents a plum assignment. During its first seven years of operation (1999-2005), this body held 123 public sessions to handle 594 election-related complaints. Even though the court averaged only 1.7 sessions per month, each of the five judges earned \$104,859 (1,132,368 pesos) annually in addition to *aguinaldos* and other benefits.¹⁸

At a time when millions of Mexicans survive on less than \$2 per day, the government spends millions of dollars on former Presidents Luis Echeverría, Miguel de la Madrid, Carlos Salinas de Gortari, and Ernesto Zedillo. In 2002 it paid out some \$5 million to each former chief executive in pensions, property-operation expenses, office equipment, travel, staff, and security. 19

Although the public can learn something about the benefits that accrue to the former leaders, 17 federal entities refused to supply the Chamber of Deputies information on the salaries of their employees in 2003. Among these holdouts were the Secretary of Agrarian Reform, the National Fishing Institute, the Federal Attorney for Consumers, the Autonomous Metropolitan University, and the National Polytechnic Institute.²⁰

Conditions of Mexico's Poor

Even as public officials fatten their bank accounts, figures from the government-funded and highly respected National Information, Geography, and Statistical Institute (INEGI) indicate that the wealthiest 10 percent of Mexican households command 42.1 percent of total national income, while the bottom 60 percent account for only 23.4 percent.²¹

Taxes. When oil revenues are excluded, Mexico' federal government collects taxes equal to only 9.7 percent Gross Domestic Product (GDP) — one of the lowest figures among the top tier of developing countries and roughly on par with Haiti, a socio-economic basket case. Mexico's percentage rises to 15 percent with the addition of revenues from royalties and earnings from the sale of electricity, petroleum, and other products.²² The Organization for Economic Cooperation and Development (OECD), which takes into account federal, state, and local taxes, found that Mexico had the lowest tax-to-GDP ratio of all its 30 member countries in 2004. Mexico's ratio of 18.5 percent (down from 19 percent in 2003) fell below South Korea (24.6 percent) and far below that of the OECD average of 50.7 percent. Not only is Mexico's collection rate low, but its tax system is riddled with loopholes and exemptions, giving rise to widespread evasion. Congress has rebuffed efforts to accomplish a fiscal reform. This means there is relatively little money to spend on education and health care, which are crucial elements in promoting social mobility.

Education. Mexico devoted 5.3 percent of GDP to education in 2002, the last year in which the World Bank did a comparative analysis. Mexico's outlays exceeded those of Argentina (4.01 percent), Ecuador (2.68 percent), Chile (4.22 percent), and Costa Rica (5.01 percent), Paraguay (4.38 percent), and Peru (2.99 percent), but fell behind Barbados (7.61 percent), Bolivia (6.31 percent), Cuba (9 percent in 2001), the Dominican Republic (5.82 percent), Guatemala (9.01 percent), Honduras (7.22 percent) and Uruguay (8.5 percent).²³

In actual expenditures on education, however, Mexico fares poorly among OECD countries, for which comparative data are available for 2000. In that year, Mexico spent \$1,415 per student in elementary and secondary schools, which was slightly below outlays by the Slovak Republic (\$1,732), Poland (\$1,988), Hungary (\$2,352), and the Czech Republic (\$2,541), but well below South Korea (\$3,644), Greece (\$3,696), and Ireland (\$3,976). The U.S. figure was \$7,397 and the OECD average was \$5,162.

Only Poland (\$3,222), Greece (\$3,402), and Turkey (\$4,121) earmarked less than Mexico (\$4,688) on post-secondary education for which the OECD average was \$9,509 (\$20,358 for the U.S.).²⁴

As serious as the unwillingness of Mexican legislators to raise taxes to increase funding of schools is the hammerlock that the SNTE teachers' union has on the nation's educational system. Run by Elba Esther

Gordillo Morales, corruption, cronyism, crookedness, and feather-bedding suffuse the 1.3-million members — Latin America's largest labor organization and one of the most powerful in the Hemisphere. Although at war with the PRI's presidential standard-bearer, Roberto Madrazo, Gordillo wields enormous power among mayors, governors, and cabinet members. She also has befriended Fox and his politically active wife, Marta Sahagún, whose "Vamos México" foundation has cooperated on projects with the SNTE. Politics plays a key role in the assignment of teachers, promotions, access to housing and other benefits, and the appointment of school inspectors. Concepts of merit evaluations and accountability are anathema to Gordillo and her SNTE. For this reason, Mexico's political elite shun public schools in favor of private institutions.

Health Care. In 2002 Mexico earmarked only 6.10 percent of its GDP for health care. Among Latin American nations, this figure was higher than that of Chile (5.80 percent), Ecuador (4.80 percent), Guatemala (4.80 percent), Peru (4.4 percent), and Venezuela (4.90 percent). Nevertheless, Mexico trailed Argentina (8.90 percent), Barbados (6.90 percent), Brazil (7.90 percent), Colombia (8.10 percent), Costa Rica (9.30 percent), Cuba (7.50 percent), El Salvador (8.00 percent), Haiti (7.60 percent), Nicaragua (7.90 percent), Panama (8.90 percent), and Paraguay (8.40 percent).

In 2003 Mexico's per-capita health care expenditure (\$583) was the lowest of all OECD countries with the exception of Turkey (\$453). Even Poland (\$677) and the Slovak Republic (\$777), which are still ridding themselves of Soviet influence, spent considerably more. The problem is not only the low outlays on the physical well-being of Mexican citizens, but the crazy-quilt of publicly-financed providers, many of which are grossly under-funded. Among these entities are the Mexican Social Security Institute (IMSS), the Social Security Institute for State Workers (ISSSTE), as well as separate schemes for Petróleos Mexicanos, Banobras, Bancomex, Nacional Financiera, el Banco de México, the armed forces, and major public universities. IMSS and ISSSTE are struggling under enormous operating deficits as their unions have negotiated high pay and generous pensions for members, reflected in the joke that "a potential IMSS professional studies not to become a physician but a retiree." Although modifications were agreed to in late 2005 for 65,000 new hires, a family doctor who earned 285,590 pesos (\$26,444) enjoys a retirement stipend of 307,852 pesos (\$28,505). Needless to say, the retirement age is still young enough to spend 20 years in private practice or a private clinic.

Savings. Personal, business, and government savings represent an important instrument to propel economic development. According to the World Bank, Mexico's savings rate — as a percentage of GDP — is not only the lowest of major Latin America nations, but it was lower in 2000 (18.2 percent) than in 2004 (21.8 percent). During the same period, Chile's rate grew from 23.5 percent to 30.5 percent.

Doing Business. The World Bank Group found that it took 58 days to vault the legal and bureaucratic hurdles to open a business in Mexico compared with two days in Australia, three days in Canada, and five days in the United States. Mexico came out better than Ecuador (69 days), Paraguay (74 days), Costa Rica (77 days), Venezuela (116 days) Brazil (152 days), and Haiti (203 days), but ran behind Jamaica (9 days), Chile (27 days), Argentina (32 days), Guatemala (39 days), El Salvador (40 days), Nicaragua (42 days), Colombia (43 days), Guyana (46 days), and Bolivia (50 days).

This same study ranked Mexico 73rd out of

countries in 155 terms of the "ease of doing business." It held position 84 with respect to "starting a business," 49 with respect to "dealing with licenses," 125 with respect to "hiring and firing," 74 with respect to "registering property," and 68 with respect to "getting credit." Among Latin American nations, Mexico was virtually on a par with El Salvador (76) and Argentina (77) the "ease of doing business" category, while falling behind Chile (25), Panama (57), Nicaragua (59), Colombia (66), and Peru (71).25

Barriers to Competition. Lack of competition poses a severe barrier to sustained

Table 4. Savings as a % of GDP for Latin American Nations

Savings as a

Country	Percentage of GDP
Chile	30.5 %
Panama	30.1 %
Venezuela	29.2 %
Argentina	26.4 %
Ecuador	26.0 %
Brazil	25.1 %
Peru	20.9 %
Costa Rica	19.2 %
Mexico	18.2 %
Uruguay	17.5 %
Bolivia	15.1 %
Paraguay	14.2 %
Honduras	13.7 %
Colombia	13.4 %
Nicaragua	10.3 %
Guatemala	6.0 %
El Salvador	2.4 %

Source: José Luis Caballero and Ernesto Sarabia, "Pierca México ahorro interno," *Reforma*, September 24, 2005, Internet ed. http://busquedas.gruporeforma.com/utilerias/imdservicios

Table 5. Transparency International Corruption Perceptions Index, 2005

1 Iceland 2 Finland New Zealand 4 Denmark 5 Singapore 6 Sweden 7 Switzerland 8 Norway 9 Australia 10 Austria 11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	ry	2005 CPI Score ¹	Confidence Range ²	Surveys Used ³	Rank	2 Country	005 CPI Score ¹	Confidence Range ²	Survey Use
2 Finland New Zealand 4 Denmark 5 Singapore 6 Sweden 7 Switzerland 8 Norway 9 Australia 10 Austria 11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		9.7	9.5 - 9.7	8		Fiji	4.0	3.4 - 4.6	
New Zealand 4 Denmark 5 Singapore 6 Sweden 7 Switzerland 8 Norway 9 Australia 10 Austria 11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		9.6	9.5 - 9.7	9		Seychelles	4.0	3.5 - 4.2	
4 Denmark 5 Singapore 6 Sweden 7 Switzerland 8 Norway 9 Australia 10 Austria 11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		9.6	9.5 - 9.7	9	59	Cuba	3.8	2.3 - 4.7	
5 Singapore 6 Sweden 7 Switzerland 8 Norway 9 Australia 10 Austria 11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		9.5	9.3 - 9.6	10	00	Thailand	3.8	3.5 - 4.1	•
6 Sweden 7 Switzerland 8 Norway 9 Australia 10 Austria 11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		9.4	9.3 - 9.5	12		Trinidad and Tobago	3.8	3.3 - 4.5	
7 Switzerland 8 Norway 9 Australia 10 Austria 11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		9.2	9.0 - 9.3	10	62	Belize	3.7	3.4 - 4.1	
8 Norway 9 Australia 10 Austria 11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		9.1	8.9 - 9.2	9	02	Brazil	3.7	3.5 - 3.9	
9 Australia 10 Austria 11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		8.9	8.5 - 9.1	9	64	Jamaica	3.6	3.4 - 3.8	
10 Austria 11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		8.8	8.4 - 9.1	13	65	Ghana	3.5	3.2 - 4.0	
11 Netherlands United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		8.7			03			3.2 - 4.0 3.3 - 3.7	
United Kingdom 13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius			8.4 - 9.0	9		Mexico	3.5		•
13 Luxembourg 14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		8.6	8.3 - 8.9	9		Panama	3.5	3.1 - 4.1	
14 Canada 15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		8.6	8.3 - 8.8	11		Peru	3.5	3.1 - 3.8	
15 Hong Kong 16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		8.5	8.1 - 8.9	8		Turkey	3.5	3.1 - 4.0	
16 Germany 17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		8.4	7.9 - 8.8	11	70	Burkina Faso	3.4	2.7 - 3.9	
17 USA 18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		8.3	7.7 - 8.7	12		Croatia	3.4	3.2 - 3.7	
18 France 19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	ny	8.2	7.9 - 8.5	10		Egypt	3.4	3.0 - 3.9	
19 Belgium Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		7.6	7.0 - 8.0	12		Lesotho	3.4	2.6 - 3.9	
Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		7.5	7.0 - 7.8	11		Poland	3.4	3.0 - 3.9	
Ireland 21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	n	7.4	6.9 - 7.9	9		Saudi Arabia	3.4	2.7 - 4.1	
21 Chile Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		7.4	6.9 - 7.9	10		Syria	3.4	2.8 - 4.2	
Japan 23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		7.3	6.8 - 7.7	10	77	Laos	3.3	2.1 - 4.4	
23 Spain 24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		7.3	6.7 - 7.8	14	78	China	3.2	2.9 - 3.5	
24 Barbados 25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		7.0	6.6 - 7.4	10	. •	Morocco	3.2	2.8 - 3.6	
25 Malta 26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	ne	6.9	5.7 - 7.3	3		Senegal	3.2	2.8 - 3.6	
26 Portugal 27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	05	6.6	5.4 - 7.7	5		Sri Lanka	3.2	2.7 - 3.6	
27 Estonia 28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	al.	6.5		9			3.2	2.7 - 3.6	
28 Israel Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius			5.9 - 7.1	-	00	Suriname			
Oman 30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	l	6.4	6.0 - 7.0	11	83	Lebanon	3.1	2.7 - 3.3	
30 United Arab Emirate 31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		6.3	5.7 - 6.9	10		Rwanda	3.1	2.1 - 4.1	
31 Slovenia 32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		6.3	5.2 - 7.3	5	85	Dominican Rep.	3.0	2.5 - 3.6	
32 Botswana Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius			5.3 - 7.1	6		Mongolia	3.0	2.4 - 3.6	
Qatar Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		6.1	5.7 - 6.8	11		Romania	3.0	2.6 - 3.5	
Taiwan Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	na	5.9	5.1 - 6.7	8	88	Armenia	2.9	2.5 - 3.2	
Uruguay 36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		5.9	5.6 - 6.4	5		Benin	2.9	2.1 - 4.0	
36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		5.9	5.4 - 6.3	14		Bosnia & Herzegovina	2.9	2.7 - 3.1	
36 Bahrain 37 Cyprus Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	ıy	5.9	5.6 - 6.4	6		Gabon	2.9	2.1 - 3.6	
Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	1	5.8	5.3 - 6.3	6		India	2.9	2.7 - 3.1	
Jordan 39 Malaysia 40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		5.7	5.3 - 6.0	5		Iran	2.9	2.3 - 3.3	
 Malaysia Hungary Italy South Korea Tunisia Lithuania Kuwait South Africa Czech Republic Greece Namibia Slovakia Costa Rica El Salvador Latvia Mauritius 		5.7	5.1 - 6.1	10		Mali	2.9	2.3 - 3.6	
40 Hungary Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		5.1	4.6 - 5.6	14		Moldova	2.9	2.3 - 3.7	
Italy South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		5.0	4.7 - 5.2	11		Tanzania	2.9	2.6 - 3.1	
South Korea 43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	y	5.0	4.6 - 5.4	9	97		2.8	2.5 - 3.3	
43 Tunisia 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	Corpa	5.0	4.6 - 5.3	12	31	Argentina	2.8	2.5 - 3.1	
 44 Lithuania 45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius 		4.9	4.4 - 5.6	7		Madagascar	2.8	1.9 - 3.7	
45 Kuwait 46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius			4.5 - 5.1			Malawi			
46 South Africa 47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	lia	4.8		8			2.8	2.3 - 3.4	
47 Czech Republic Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius	N f!	4.7	4.0 - 5.2	6		Mozambique	2.8	2.4 - 3.1	
Greece Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		4.5	4.2 - 4.8	11	,	Serbia and Montenegr		2.5 - 3.3	
Namibia Slovakia 51 Costa Rica El Salvador Latvia Mauritius		4.3	3.7 - 5.1	10	103	Gambia	2.7	2.3 - 3.1	
Slovakia 51 Costa Rica El Salvador Latvia Mauritius		4.3	3.9 - 4.7	9		Macedonia	2.7	2.4 - 3.2	
51 Costa Rica El Salvador Latvia Mauritius		4.3	3.8 - 4.9	8		Swaziland	2.7	2.0 - 3.1	
El Salvador Latvia Mauritius	a	4.3	3.8 - 4.8	10		Yemen	2.7	2.4 - 3.2	
Latvia Mauritius	Rica	4.2	3.7 - 4.7	7	107	Belarus	2.6	1.9 - 3.8	
Latvia Mauritius	ador	4.2	3.5 - 4.8	6		Eritrea	2.6	1.7 - 3.5	
Mauritius		4.2	3.8 - 4.6	7		Honduras	2.6	2.2 - 3.0	
	us	4.2	3.4 - 5.0	6		Kazakhstan	2.6	2.2 - 3.2	
55 Bulgaria		4.0	3.4 - 4.6	8		Nicaragua	2.6	2.4 - 2.8	
Colombia		4.0	3.6 - 4.4	9		aragua	2.0	2.1 2.0	

Table 5. Transparency International Corruption Perceptions Index, 2005

Rank	Country	2005 CPI Score ¹	Confidence Range ²	Surveys Used ³	Rank	Country	2005 CPI Score ¹	Confidence Range ²	Surveys Used ³
	Palestine	2.6	2.1 - 2.8	3		Venezuela	2.3	2.2 - 2.4	10
	Ukraine	2.6	2.4 - 2.8	8	137	Azerbaijan	2.2	1.9 - 2.5	6
	Vietnam	2.6	2.3 - 2.9	10		Cameroon	2.2	2.0 - 2.5	6
	Zambia	2.6	2.3 - 2.9	7		Ethiopia	2.2	2.0 - 2.5	8
	Zimbabwe	2.6	2.1 - 3.0	7		Indonesia	2.2	2.1 - 2.5	13
117	Afghanistan	2.5	1.6 - 3.2	3		Iraq	2.2	1.5 - 2.9	4
	Bolivia	2.5	2.3 - 2.9	6		Liberia	2.2	2.1 - 2.3	3
	Ecuador	2.5	2.2 - 2.9	6		Uzbekistan	2.2	2.1 - 2.4	5
	Guatemala	2.5	2.1 - 2.8	7	144	Congo, Dem. Rep.	2.1	1.8 - 2.3	4
	Guyana	2.5	2.0 - 2.7	3		Kenya	2.1	1.8 - 2.4	8
	Libya	2.5	2.0 - 3.0	4		Pakistan	2.1	1.7 - 2.6	7
	Nepal	2.5	1.9 - 3.0	4		Paraguay	2.1	1.9 - 2.3	7
	Philippines	2.5	2.3 - 2.8	13		Somalia	2.1	1.6 - 2.2	3
	Uganda	2.5	2.2 - 2.8	8		Sudan	2.1	1.9 - 2.2	5
126	Albania	2.4	2.1 - 2.7	3		Tajikistan	2.1	1.9 - 2.4	5
	Niger	2.4	2.2 - 2.6	4	151	Angola	2.0	1.8 - 2.1	5
	Russia	2.4	2.3 - 2.6	12	152	Cote d'Ivoire	1.9	1.7 - 2.1	4
	Sierra Leone	2.4	2.1 - 2.7	3		Equatorial Guinea	1.9	1.6 - 2.1	3
130	Burundi	2.3	2.1 - 2.5	3		Nigeria	1.9	1.7 - 2.0	9
	Cambodia	2.3	1.9 - 2.5	4	155	Haiti	1.8	1.5 - 2.1	4
	Congo, Rep. of	2.3	2.1 - 2.6	4		Myanmar	1.8	1.7 - 2.0	4
	Georgia	2.3	2.0 - 2.6	6		Turkmenistan	1.8	1.7 - 2.0	4
	Kyrgyzstan	2.3	2.1 - 2.5	5	158	Bangladesh	1.7	1.4 - 2.0	7
	Papua New Guinea	2.3	1.9 - 2.6	4		Chad	1.7	1.3 - 2.1	6

Source: Transparency International http://www.transparency.org/policy_and_research/surveys_indices/cpi/2005.

development. Only North Korea and Mexico bar risk contracts in the exploration and production of oil and gas. Mexico also has two sprawling state-run electricity companies: Luz y Fuerza (Mexico City and neighboring states) and Comisión Federal de Electricidad (the rest of the country). In the private sectors, a small number of firms — closely linked to government officials — control telecommunications, television, food processing, transportation, construction, and cement. Politicians who talk about, much less propose, trust-busting are as rare as a snowfall in the Sonoran desert. This was evident in the recent congressional approval of media legislation that greatly benefitted the super-giant Grupo Televisa and mini-giant TV Aztec networks.

Corruption. A study by the highly respected Private Sector Center for Economic Studies (Centro de Estudios

Económicos del Sector Privado) estimates that 34 percent of businesses made "extra-official" payments to legislators and bureaucrats totaling \$11.2 billion in 2004. In a similar vein, Transparency International (TI) ranked Mexico as tied for sixty-fifth to sixty-ninth place among 158 countries surveyed for corruption. TI found Mexico to be even more corrupt than nations like South Korea, Bulgaria, Colombia, Cuba, and Brazil.

Conclusion

Geography, self-interests, and humanitarian concern mean that the United States and Mexico must cooperate on myriad issues, not the least of which is immigration. The material presented in this *Backgrounder* indicates that Mexico's elite has failed through omission and commission to make the difficult decisions necessary

¹ CPI Score relates to perceptions of the degree of corruption as seen by business people and country analysts and ranges between 10 (highly clean) and 0 (highly corrupt).

² Confidence range provides a range of possible values of the CPI score. This reflects how a country's score may vary, depending on measurement precision. Nominally, with 5 percent probability the score is above this range and with another 5 percent it is below. However, particularly when only few sources (n) are available, an unbiased estimate of the mean coverage probability is lower than the nominal value of 90%.

³ Surveys used refers to the number of surveys that assessed a country's performance; 16 surveys and expert assessments were used and at least three were required for a country to be included in the CPI.

to use its country's enormous wealth to benefit the 50 percent of people who live in poverty. U.S. leaders and the American public have every right to insist that

Mexican officials act responsibly, rather than expecting that their neighbor to the North will shoulder burdens that they themselves should assume.

End Notes

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** Backgrounder

Mexican Officials Feather Their Nests While Decrying U.S. Immigration Policy

By George W. Grayson

exican politicians continuously demand more visas for their citizens, an expanded guest-worker program, and "regularization" of illegal aliens living north of the Rio Grande. While neglecting to mention that the United States admits one million legal newcomers each year, they fail to publicize: (1) the extremely high salaries they receive, often—in the case of federal and state legislators—more than their counterparts in developed nations that have substantially longer annual sessions, (2) the generous stipends that they grant themselves, including year-end aguinaldos and end-of-term bonuses of tens of thousands of dollars known as bonos de marcha, and (3) the generous sums that party leaders in legislative bodies have to spend with few or any strings attached.

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