

SUBNATIONAL UNDEMOCRATIC REGIME CONTINUITY AFTER
DEMOCRATIZATION: ARGENTINA AND MEXICO IN COMPARATIVE
PERSPECTIVE

Agustina Giraudy

“A dissertation submitted to the faculty of the University of North Carolina at Chapel Hill in partial fulfillment of the requirements for the degree of Doctor of Philosophy in the Department of Political Science.”

Chapel Hill
2009

Approved by:

Jonathan Hartlyn

Evelyne Huber

Lars Schoultz

John D. Stephens

Todd A. Eisenstadt

(American University)

© 2009
Subnational Undemocratic Regime Continuity After
Democratization: Argentina And Mexico In Comparative
Perspective
ALL RIGHTS RESERVED

ABSTRACT

**AGUSTINA GIRAUDY: Subnational Undemocratic Regime Continuity After
Democratization: Argentina And Mexico In Comparative Perspective
(Under the direction of Dr. Jonathan Hartlyn)**

This dissertation addresses the issue of regime juxtaposition –that is, the existence of subnational undemocratic regimes (SURs) alongside national democratic governments. More specifically, the study explores the factors that facilitate the reproduction of these regimes in Argentina and Mexico, two countries that have recently experienced national democratization albeit in a territorially uneven fashion. The first part of this study builds on an original dataset collected during fieldwork in Argentina and Mexico to measure levels of democracy across all twenty-four Argentine provinces and thirty-two Mexican states. In doing so, this dissertation then provides a systematic and comprehensive assessment of how subnational democracy has varied and evolved among disparate subnational units and over time. The second part of the dissertation develops an analytic framework to explain SUR continuity. The framework is then tested using a variety of qualitative and quantitative methodologies in two countries and four subnational cases. Building on a cross-sectional time series analysis, and on an in-depth qualitative comparative study which gathered evidence in 150 original interviews with key national and subnational political actors, the study finds that SURs’ financial dependency on the federal government and the nature of

SURs' state-administrations, in *combination* with national variables, are the primary factors explaining different trajectories of SUR continuity.

ACKNOWLEDGEMENTS

During the long process of researching and writing this dissertation, I have incurred many intellectual and personal debts. First, I wish to acknowledge my teachers at the University of North Carolina at Chapel Hill. I am deeply grateful to my advisor, Jonathan Hartlyn, who from the very start of my graduate education encouraged me to study patrimonial rule. Over the years, Jonathan has been an exceptional mentor. His profound knowledge about Latin American politics, as well as his sharp mind and tough questions not only helped me gain clarity about my research but also helped me to see Latin America and Argentina from a different, and more complex, standpoint. Evelyne Huber not only graciously read and commented on early drafts of different chapters, but above all provided exceptional intellectual and professional guidance during my years in Chapel Hill. Lars Schoultz has offered continuous encouragement, intellectual support, and editorial advice during the process of writing this dissertation. I am grateful for his kindness, generosity, and above all for his genuine concern about my intellectual and emotional wellbeing. John Stephens provided much needed methodological guidance as I was completing this project. I have had the privilege of interacting with John in the classroom and at various working group meetings and to learn a great deal from him –he is one of the brightest minds I have ever encountered. Finally, Todd Eisenstadt, at American University, went beyond the call of duty to provide advice before and after fieldwork. His willingness to share data, contacts, and ideas, are only a small proof of his generosity.

During my years as a graduate student, I had the good fortune of making true friendship with Mireya Dávila, Juan Pablo Luna, and Jenny Pribble. Life in Chapel Hill could not have been as pleasant and as interesting as it was, had it not been for Jenny, Mireya, and Juan. Jenny's companionship was also very important while I was away from campus. She has been a terrific friend and also a major source of intellectual guidance and inspiration. Upon my return from the field, I was lucky to meet Juan Bogliaccini, Sara Niedzwiecki, and Lucía Genta. They not only made me feel as if I had never left Chapel Hill, but most importantly, were there with me as I began the difficult and lonely process of writing this dissertation.

While conducting fieldwork in Mexico and Argentina, many people opened doors for me. Andreas Schedler at CIDE (Mexico), and my former mentor, Catalina Smulovitz at Universidad Torcuato Di Tella (Argentina), provided me with institutional and academic support. Andreas' sharp mind and conceptual clarity were critical to help me refine many of the project's original categories. Cary not only gave insightful comments about my research project but above all reminded me that with dedication, rigorousness, and hard work women can also succeed in the Argentine academia. I am also indebted to the numerous politicians, officials, and social organizers, who in Buenos Aires, Mexico City, Puebla, Oaxaca, La Rioja, and San Luis were willing to talk to me. Without them this research simply could not have been possible.

In Argentina, I benefitted enormously from conversations with Carlos Gervasoni, Alejandro Bonvecchi, Germán Lodola, Lucas González, Julieta Suárez-Cao, and Marcelo Leiras. I wish I can someday know as much as they do about Argentine federalism. Ernesto Calvo, a dear professor and much admired scholar, Juan Pablo Micozzi, and Fred Solt

graciously shared hard-to-find data with me. Without Hernán Gullco's guidance I simply could not have been able to code subnational judiciary systems. Paulina Sánchez, Paula Bonessi, and Victoria Paniagua helped me get and crunch subnational data that I thought I would never be able to obtain. Florencia Guerzovich's sharp comments also contributed to improve several aspects of the theoretical framework. Finally, I must give credit where credit is most due: my interest in patrimonial rule would not have arisen if not for Sebastián Mazzuca's passionate teachings about state-building and patrimonial administrations which lit that first light bulb in my head while I was still an undergraduate.

During my months of fieldwork in Mexico, I was extremely fortunate to get to know phenomenal colleagues and, above all, true friends. Alejandra Armesto, Juan Olmeda, Matt Ingram, Sandra Ley, and Jason Lakin are, by far, the most valuable 'unintended consequence' of this research project. The long conversations with Matt about how to figure out causal mechanisms while interviewing Mexican politicians, as well as his invaluable methodological advice before and during the writing-up phase helped me navigate through the tough process of going back and forth between theory and data. Juan's work has been a constant source of inspiration. His knowledge and challenging questions about Mexican and Argentine intergovernmental relations have profoundly influenced my understanding of the Mexican and Argentine federal systems. Finally, the intense correspondence with Jason about Mexican subnational politics not only pushed me to think harder about the southern states, but made all the difference during the never-ending and lonely moments of fieldwork.

Outside political science, a number of friends have contributed in important ways to this dissertation. Roberto de Michele, María Poli, Paula Rincón, and Gerardo Gurza, have

been great friends and wonderful companions while I was in Washington DC, and Mexico City. Their warmth and encouragement have meant a lot to me.

Generous funding from a variety of sources helped support fieldwork in Argentina and Mexico. The Horowitz Foundation for Social Policy, the Inter-American Foundation with the Institute of International Education, the Graduate School at the University of North Carolina at Chapel Hill, as well as the Mellon Foundation, all allowed me to cover expenses and tickets during more than one year of fieldwork. A Dissertation Completion Fellowship from the Graduate School at UNC-CH made it possible to complete the dissertation writing-up phase during the 2008-2009 academic year.

Perhaps the most important support I have received throughout the years of my graduate education has come from my family in Argentina. My parents, Verónica and Justo, have always been there, encouraging me to accomplish my personal goals, providing at all times much needed emotional and moral support, even so during the difficult times of my dad's illness. I am extremely fortunate to have three unconditional and smart sisters who over the years worked hard to keep our camaraderie growing despite long distance. I am deeply grateful to all three of them for constantly reminding me that I have a life beyond academia. Marco, my husband, has unquestionably been my greatest source of moral, emotional, and intellectual support. From the very first time I met him, Marco showed his commitment to accompanying me in the project of pursuing a Ph.D. More importantly, he continued to do so after realizing that this enterprise was way more complicated than what he had anticipated. He stood stoically by my side, even when that entailed spending many (maybe too many) weekends alone while I was working. My debt to him is enormous. For his support, companionship, patience, and love I will be forever grateful.

TABLE OF CONTENTS

Chapter 1: Introduction	1
Chapter 2: An analytic framework to explain subnational undemocratic regime continuity	16
I. Existing literature: contributions and limitations	23
II. Explaining SUR continuity in contemporary Latin America: control, autonomy, and trajectories of SUR continuity.....	28
III. Control and autonomy across levels of government	32
IV. A two-level framework to explain trajectories of SUR continuity	45
V. An integrated analytical framework to explain SUR continuity across countries	50
Chapter 3: Political regimes and state administrations in the subnational world: conceptualization, measurement, and typologies	52
I. The access-exercise framework	54
II. Subnational political regimes and access to (state) power.....	56
III. Subnational state administrations and exercise of political power	75
IV. Access to state power vs. exercise of state power: a new classification of subnational political regimes.....	85
V. Conclusion.....	89
Chapter 4: Fiscal and partisan instruments of territorial control: Argentina and Mexico in comparative perspective	91
I. Fiscal instruments of territorial and political control.....	94
II. Partisan instruments of territorial and political control.....	116
III. Paths of fiscal, partisan, and fiscal/partisan presidential control	122
IV. Conclusion.....	125
Chapter 5: Subnational undemocratic regime's reproduction from above: quantitative evidence	127
I. SUR reproduction from above	128
II. Hypotheses	130
III. Variables and operationalization.....	133
IV. Data and analytic technique	139
V. Results	142
VI. Conclusion.....	160
Chapter 6: Subnational undemocratic regime continuity in Mexico (2000-2006). Oaxaca and Puebla in comparative perspective.....	167
I. Subnational case selection.....	169

II. OAXACA: A case of SUR self-reproduction	170
III. PUEBLA: A case of SUR reproduction from above	198
IV. Conclusion.....	222
Chapter 7: Subnational undemocratic regime continuity in Argentina (2002-2006).	
La Rioja and San Luis in comparative perspective	224
I. Subnational case selection.....	226
II. LA RIOJA: A case of SUR reproduction from above	229
III. SAN LUIS: a case of SUR self-reproduction	253
IV. Conclusion.....	276
Chapter 8: Conclusion.....	278
METHODOLOGICAL APPENDIX I.....	297
METHODOLOGICAL APPENDIX II.....	312
REFERENCES.....	325
LIST OF INTERVIEWS.....	343

LIST OF TABLES

Table 1.1: Summary of research design and case selection.....	14
Table 2.1: Governors and presidents' instruments of territorial and political autonomy/control (in absolute terms)	36
Table 4.1: Mexico's revenue-sharing system and main intergovernmental transfers (as of 2006)	100
Table 4.2: Size of provincial and national shareable revenues in Argentina.....	106
Table 4.3: Main institutional changes to revenue-sharing systems and effects on presidential power/discretion in Argentina and Mexico.....	114
Table 4.4: Fiscal, partisan, and fiscal/partisan paths in Argentina and Mexico	123
Table 5.1: Mexico: Determinants of Pafef, funds for public works, and <i>Oportunidades</i> with Robust Cluster Standard Errors	144
Table 5.2: Argentina: Determinants of ATN and Employment programs (Menem) with Robust Cluster Standard Errors	151
Table 5.3: Argentina: Determinants of Funds for Public Works and Employment programs (Kirchner/Duhalde and De la Rúa) with Robust Cluster Standard Errors	156
Table 5.4: MEXICO: Dependent and independent variables, description, and sources.....	163
Table 5.5: ARGENTINA: Dependent and independent variables, description, and sources	164
Table 5.6: Mexican states scoring below 0.1 on the access index (2000-2006).....	165
Table 5.7: Argentine provinces scoring below 0.1 on the access index (1989-2006)	166
Table 6.1: Oaxaca's indicators of democracy.....	172
Table 6.2: Oaxaca's governors, policy-orientation, and constituencies	174
Table 6.3: Oaxaca's indicators of neopatrimonialism	179
Table 6.4: Percentage of municipalities under PAN, PRI, and PRD control.....	181
Table 6.5: PAN's electoral performance in Oaxaca	189
Table 6.6: Puebla's indicators of democracy	199
Table 6.7: Puebla's governors, policy-orientation, and constituencies	201
Table 6.8: Puebla's indicators of neopatrimonialism	208

Table 6.9: Percentage of municipalities under PAN, PRI, and PRD control.....	209
Table 6.10: PAN's electoral performance in Puebla.....	216
Table 7.1: La Rioja's indicators of democracy	230
Table 7.2: La Rioja's governors.....	231
Table 7.3: La Rioja's indicators of neopatrimonialism	237
Table 7.4: Percentage of municipalities under PJ control.....	239
Table 7.5: San Luis indicators of democracy.....	253
Table 7.6: San Luis' governors	254
Table 7.7: San Luis' indicators of neopatrimonialism.....	257
Table 7.8: Percentage of municipalities under PJ control.....	262
Table I.1: Access Indicators (Argentina)	302
Table I.2: Access Indicators (Mexico).....	303
Table I.3: Exercise Indicators (Argentina).....	306
Table I.4: Exercise Indicators (Mexico)	306
Table II.1: List of state-level newspapers used to code instances of post electoral conflict	314

LIST OF FIGURES

Figure 1.1: An integrated analytical framework to explain trajectories of SUR continuity across countries	9
Figure 2.1: A model of trajectories of SUR continuity	31
Figure 2.2: A two-level (sub-)model of presidential territorial and political control	48
Figure 2.3: An integrated analytical framework to explain trajectories of SUR continuity across countries	51
Figure 3.1: The “Access - Exercise” conceptual framework	56
Figure 3.2: A necessary and sufficient concept structure of subnational democracy	62
Figure 3.3: A schematization of political regimes’ classification.....	66
Figure 3.4: A family resemblance concept structure of neopatrimonialism.....	80
Figure 4.1: Intergovernmental distribution of taxes subject to sharing in Mexico.....	102
Figure 4.2: Distribution of total (taxable and non-taxable) revenues across levels of government in Mexico	104
Figure 4.3: Intergovernmental distribution of taxes subject to sharing in Argentina	109
Figure 4.4: Distribution of total (taxable and non-taxable) revenues across levels of government in Argentina	111
Figure 4.5: Share of total revenues not subject to revenue-sharing in Argentina and Mexico.....	115
Figure 4.6: Presidential party nationalization in Argentina and Mexico	119
Figure 6.1: Oaxaca: Income sources	187
Figure 6.2: Oaxaca: <i>Participaciones</i> , <i>Aportaciones</i> , and Other federal revenues as a share of total federal revenue	187
Figure 6.3: Oaxaca: Total income – total expenditures (1997-2007)*(in millions of Mexican pesos)	187
Figure 6.4: Oaxaca: Debt as percentage of state GDP (1997-2007).....	187
Figure 6.5: Puebla: Income sources	214
Figure 6.6: Puebla: <i>Participaciones</i> , <i>Aportaciones</i> , and Other federal revenues as a share of total federal revenue	214

Figure 6.7: Puebla: Total income – total expenditures (1997-2007)* (in millions of Mexican pesos)	214
Figure 6.8: Puebla: Debt as a percentage of state GDP (1997-2007)	214
Figure 7.1: La Rioja: Income sources	244
Figure 7.2: La Rioja: Type of federal revenues as a share of total federal revenue	244
Figure 7.3: La Rioja: Total income – total expenditures (1997-2007)	244
Figure 7.4: La Rioja: Debt as percentage of provincial GDP (2001-2006)	244
Figure 7.5: Export/import duties as a share of total central government's revenues	246
Figure 7.6: San Luis: Income sources	267
Figure 7.7: San Luis: Type of federal revenues as a share of total federal revenue	267
Figure 7.8: San Luis: Total income – total expenditures (1997-2007)	267
Figure 7.9: San Luis: Debt as percentage of provincial GDP (2001-2006)	267

LIST OF GRAPHS

Graph 3.1: Political regimes --access to state power (Argentina 1983-2006)	68
Graph 3.2: Political regimes --access to state power (Mexico 1997-2006)	69
Graph 3.3: Subnational state-administrations --exercise of state power (Argentina 1983-2006)	82
Graph 3.4: Subnational state-administrations --exercise of state power (Mexico 1997-2006)	83
Graph 3.5: Neopatrimonial vs. bureaucratic regimes in Argentina (1983-2006 avg.)	87
Graph 3.6: Neopatrimonial vs. bureaucratic regimes in Mexico (1997-2006 avg.)	87
Graph 7.1 Levels of democracy and financial dependency in the Argentine provinces (avg. 2003-2007)	228

LIST OF MAPS

Map 3.1: Subnational Democracy (avg. 1983-2006).....	68
Map 3.2: Subnational democracy (1997-2006)	69
Map 3.3: Subnational neopatrimonialism (average 1983-2006).....	82
Map 3.4: Subnational neopatrimonialism (average 1997-2006).....	83
Map II.1: Subnational democracy (Argentina, 1980s)*.....	315
Map II.2: Subnational democracy (Argentina, 1990s).....	316
Map II.3: Subnational democracy (Argentina, 2000s)*.....	317
Map II.4: Subnational democracy (Mexico, 1990s)*	318
Map II.5: Subnational democracy (Mexico, 2000s)*	319
Map II.6: Subnational neopatrimonialism (Argentina, 1980s)*	320
Map II.7: Subnational neopatrimonialism (Argentina, 1990s)*	321
Map II.8: Subnational neopatrimonialism (Argentina, 2000s)*	322
Map II.9: Subnational neopatrimonialism (Mexico, 1990s)*.....	323
Map II.10: Subnational neopatrimonialism (Mexico, 2000s)*	324

LIST OF ABBREVIATIONS

<i>Acronym</i>	<i>Original name</i>	<i>English translation</i>
ATN	Aportes del Tesoro Nacional	Contributions of the National Treasury
FC	Fondo de Compensaciones	Fund for Compensations
FFM	Fondo de Fomento Municipal	Fund for Municipal Promotion Fondo de Compensación
FGP	Fondo General de Participaciones	Participaciones General Fund
FIES	Fideicomiso para la Infraestructura de los Estados	Trusteeship for States' Infrastructure
IPF	Inversión Pública Federal	Federal Infrastructural Development
LC	Ley de coparticipación	Coparticipation law
LCF	Ley de Coordinación Fiscal	Law of fiscal coordination
Pafef	Programa de Apoyos para el Fortalecimiento de las Entidades Federativas	Program of Subsidies to Strengthen the States
PAN	Partido de Acción Nacional	
PJ	Partido Justicialista	Peronist party
PJ-FpV	PJ-Frente para la Victoria	
PPSL	President's party strength at the local level	
PRD	Partido de la Revolución Democrática	
PRI	Partido Revolucionario Institucional	
PRONASOL	Programa Nacional de Solidaridad	National Solidarity Program
RPI	Régimen de Promoción Industrial	Industrial Promotion Regime
SA	State-administration	
SNCF	Sistema Nacional de Coordinación Fiscal	National System of Fiscal Coordination
SUR	Subnational undemocratic regime	
UCR	Unión Cívica Radical	Radical party

MAPS

Argentina



Mexico



Chapter 1: Introduction

During the past two decades a growing number of countries have transitioned away from autocracy and authoritarianism towards democracy. Yet, much of this democratic advancement has been territorially uneven and mostly limited to the national level. Indeed, one persistent aspect of these new democracies is the existence of what scholars have referred to as “regime juxtaposition” –that is, the prevalence of subnational undemocratic regimes (SURs¹) alongside a democratic national government.

Latin American countries have certainly not escaped this trend. Quite the contrary, as numerous studies show, many countries in the region combine nationally democratic regimes with subnational undemocratic regimes.² The existence of regime juxtaposition has presented analysts with the challenge of advancing explanations about SUR continuity. Despite the fact that recent scholarship has begun to generate knowledge about the conditions that foster SUR’s survival, most explanations still remain partial. This may be explained by the tendency of analysts of regime juxtaposition to generate explanations based on evidence drawn from a small number of either national or subnational cases (i.e., many subnational cases within a single country, or one single subnational unit across different countries). As a

¹ Unless otherwise specified, the term “subnational” *only* refers to state/provincial-level (rather than municipal or lower-tier) governments/regimes/politicians.

² See Fox 1994; Rodríguez and Ward (1995); Eisenstadt 1999, 2004; Snyder 1999, 2001; Solt 2003; Gibson 2005; Gervasoni 2006, 2008; Montero 2007; Lakin 2008; Benton forthcoming; and the series of chapters in the edited volume by Cornelius, Eisenstadt, and Hindley 1999.

result, the scope of these explanations has been limited because it fails to account for SUR continuity occurring across subnational units *and* across countries. Thus, from a theoretical point of view, the issue of how and why SURs are still alive despite national democracy still looms large.

This dissertation seeks to advance a new analytic framework to better understand the conditions and factors that facilitate the continuity of subnational undemocratic regimes in contemporary Latin America. The framework I develop in this study builds on and integrates existing approaches to regime juxtaposition. By building on existing works, I acknowledge that current scholarship provides valuable analytic tools to explain SUR continuity. Yet, by refining these models, I also recognize that current approaches are limited and incomplete, in that they do not have explanatory power beyond a selected set of case studies.

The analytic framework developed in this study is tested in contemporary Argentina and Mexico, two federal countries that have recently experienced national democratization processes, although in a territorially uneven way.³ These two countries, as I will show in chapter 3, offer a wide variety of SURs and thus constitute excellent country cases to test the theoretical propositions outlined in this dissertation. To assess the validity of my theoretical premises, I use a variety of methodologies, including cross-country and within-country comparisons, as well as a combination of both quantitative analysis and in-depth, qualitative case studies. Before turning to present and briefly discuss the building blocks of the analytic framework, some clarifications are in order.

³ See below for a justification of the cases' selection.

SUR continuity versus SUR origins and change

In this dissertation I am only concerned with understanding the factors that allow SUR *continuity*. For this reason, I look at the provinces/states that continue to be or became undemocratic and remained so (i.e., survived), despite national democratization. This means that my study does not look at SUR *origins* or SUR *change*. In other words, I do not seek to explain how subnational political regimes became undemocratic –be it before or after national democratization began its course. Nor am I interested in putting forward an explanation about how subnational units that were undemocratic when national democracy first ensued managed to move away from non-democracy to (subnational) democracy.

There are two primary reasons for focusing on regime continuity rather than regime change. As I will show in chapter 3, subnational nondemocratic regimes tend to be far “stickier” than previously thought. Indeed, the evidence that I present in this dissertation indicates that once in place, the vast majority of SURs stay alive for long periods of time, with only few of them making strides towards democracy. Thus, the conditions that facilitate the sustainability or stickiness of SURs deserve careful attention, as they seem to be more important than the conditions that spark regime change, which occurs rarely.

The second reason that justifies my focus on subnational regime continuity rather than regime change responds to the fact that, as I will show throughout this dissertation, national incumbents are only seldom in a strong political position to pursue strategies of wholesale SUR dismantlement. In general, presidents are prevented from promoting democratization in subnational arenas because the costs of doing so outweigh the benefits of keeping these regimes alive (Gibson 2005). This is especially so in the case of weak presidents who, for instance, do not have solid legislative majorities; whose parties are weak,

divided, or do not reach the peripheries; or who face deep economic crises and social/ethnic uprisings. Under these circumstances, presidents may find it politically costly to dismantle SURs, as nondemocratic governors may become key partners to strengthen president's political positioning.

Explaining SUR continuity in contemporary Latin America

Regime juxtaposition, and more specifically SUR continuity, has usually been analyzed from an intergovernmental perspective (see Snyder 1999, 2001; Cornelius 1999; Gibson 2005, 2008; Gervasoni 2006). This view assumes that in large-scale systems of territorial governance, such as occurs in federal countries, political institutions are entangled across space, and precisely for that reason, political action and political outcomes (such as the continuity of SURs) are not limited to a single arena. Indeed, the unfolding of politics within subnational units is strongly determined by the dynamics that play out at the intersection of national and state-level arenas.⁴

Several works illustrate how intergovernmental relations affect SUR continuity. For example, Snyder (1999; 2001) shows that the implementation of market reforms at the national level contribute to SUR strengthening. These reforms, as he notes, trigger reregulation projects in the states through which incumbent nondemocratic elites generate rents and resources to remain in power. Alternatively, Gibson (2005) shows that national incumbents' strategic needs may lead federal politicians to foster SUR continuity. As long as subnational nondemocratic rulers meet these needs, national democratic incumbents have

⁴ An alternative view, found in the works by Montero (2007) and McMann (2006), contends that factors specific to subnational territorial entities, rather than the interconnectedness of arenas, are the main driving forces behind SUR continuity.

incentives to prevent democracy from trickling down. Similarly, in an analysis of Argentina, Gervasoni (2006) argues that the institutions of fiscal federalism shape the prospects for democratization in subnational arenas, as provinces that are highly dependent on federal transfers are better equipped to maintain SURs in place. Finally, Cornelius (1999) and Montero & Samuels (2004) argue that processes of decentralization, which shifts political, fiscal, and administrative power away from the national government toward subnational units, give nondemocratic state-level rulers greater autonomy, resources, and leverage to strengthen and maintain SURs alive.

Underlying most explanations about SUR continuity, however, is the idea that nondemocratic subnational regimes are essentially *all of one type*.⁵ As a result, scholars have assumed that *all* SURs interact with the federal government in similar ways and that precisely for that reason they are affected by political events occurring at the federal level of government in ways that are basically similar. This assumption, in turn, has led analysts to provide incomplete and underspecified accounts of SUR continuity, as they have attributed the same set of causes or causal processes to explain the continuity of all SURs.

One of the findings of this dissertation is that there are different types of subnational nondemocratic regimes, and these differences strongly shape the pattern of interaction with the central government in ways that determine whether and how SURs reproduce themselves over time. In fact, as the qualitative subnational case-studies presented in chapters 6 and 7 demonstrate, contrary to what most explanations on regime juxtaposition have posited, that there are multiple trajectories rather than a single trajectory of SUR continuity.

⁵ Snyder (1999; 2001) is an exception.

The central argument of this dissertation is that trajectories of SUR continuity are primarily determined by the capacity (or lack thereof) of national incumbents to exert control, and thus discipline, subnational nondemocratic rulers. An undemocratic subnational ruler who is subject to presidential manipulability and control can in fact be very beneficial for a president needing political support. With their tight control over voters and national legislative delegations, subservient undemocratic governors can provide important benefits to national incumbents (Gibson 2005). If presidents can successfully induce governors to cooperate with the center, the latter might find it very convenient to engage in mutually beneficial vertical coalitions⁶. When this occurs, I contend that a first type of SUR continuity ensues, namely, *SUR reproduction from above*⁷. The trajectory leading to this outcome is schematized in figure 1.1 below.

However, presidential penetration and control over nondemocratic incumbents/arenas, is not always attainable. In fact, recalcitrant and powerful undemocratic governors may stand in a position to prevent and/or neutralize presidential leverage and control. When this occurs, presidents may have few incentives to promote the continuity of SURs upon which they cannot exercise any control, much less induce their rulers to join in vertical coalitions. In such a context, the center not only will avoid reproducing SURs from above, but whenever possible, it will seek to weaken these regimes. Nonetheless, the entrenched position of autonomous and non-controllable undemocratic incumbents, coupled with presidents' weak disciplining power, allows the former to maintain the status quo and

⁶ By vertical coalitions I mean electoral, legislative, and governing coalitions built across different levels of government.

⁷ By reproduction I mean that presidents *deliberately* act in ways that are favorable to SURs' survival. The specific mechanisms through which this occurs are discussed in detail in chapters 2 and 5.

keep their regimes alive. When this occurs, a different trajectory of SUR continuity ensues, namely, *SUR self-reproduction* (see figure 1.1).

The capacity of presidents to exercise control over nondemocratic subnational incumbents, as well as the nondemocratic governors' ability to resist this control, are central building blocks for explaining how intergovernmental interactions shape SUR continuity. Hence, one of the principal tasks of this study is to identify and subsequently analyze the major instruments that both governors and presidents can use to increase their power, control, and autonomy vis-à-vis other levels of government.

Building on the literature on political parties and fiscal federalism, I identify two major instruments through which presidents can penetrate and control SURs. National incumbents can control nondemocratic rulers via their party structures, and/or fiscal leverage or through both of these instruments of territorial and political control. I thus identify three possible paths through which presidents can exert leverage and control over SURs, namely, the *fiscal path of presidential control*, the *partisan path of presidential control*, and a combined *fiscal-partisan path of presidential control*.

These paths are presented in figure 1.1 with dotted arrows, which denote substitutability. The three paths of territorial and political control are schematized as substitutable because there are multiple paths through which presidents can control or penetrate provincial arenas and any one can be sufficient to attain territorial/political control over SURs. In fact, as I will show in chapters 4, 6, and 7, these paths vary across countries and over time.

Presidential control, however, is mediated by variables specific to each SUR, which is why a purely intergovernmental perspective is incomplete. Presidential control can be

neutralized or enhanced depending on the capacity of each SUR to avert or succumb to control from the central government. Regardless of how control is exercised (i.e., via partisan, fiscal, or both instruments) presidents can only gain leverage over subnational politics and rulers if a *combination* of national and subnational variables is present. To be able to politically/territorially penetrate, and thus exert control over undemocratic provincial arenas, presidents need to have the means necessary to subjugate undemocratic governors to their rule *and* the undemocratic governors' capacity to resist penetration from above must be minimal. Neither of these two conditions alone (except at the extremes) is sufficient for a president to gain leverage over subnational arenas.

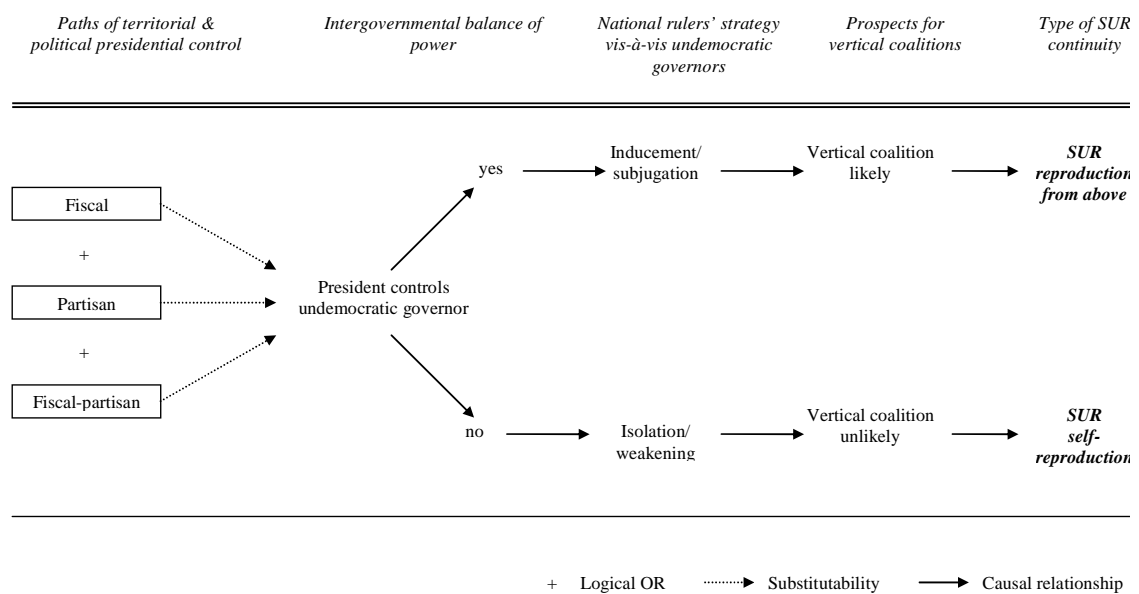
Building on the literature of fiscal federalism and state building, I contend that nondemocratic governors can counterbalance control from the central government provided they are financially autonomous, and/or stand in a position to exercise tight control over their territory, the local population, and state-resources. The first source of gubernatorial autonomy is determined by subnational incumbents' financial situation, whereas the second is shaped by the nature of the state/province's state-administration⁸. These instruments of gubernatorial autonomy, which vary across SURs, strongly shape the prospects of presidential control, unleashing in turn different trajectories through which SURs can survive, and eventually determining the type of SUR continuity.

In light of the varied access to instruments of control across levels of government, subnational units, countries, and time, I build a theoretical framework that captures cross-

⁸ State administrations are here understood in the Weberian sense, as the set of rules and procedures through which rulers manage political power. In its extreme, state administrations can be either purely bureaucratic or patrimonial. Under a bureaucratic state-administration political power is exercised along impersonal, routinized, and rational rules and procedures. By contrast, under a patrimonial state-administration political power is exercised in a discretionary, unchecked, and unroutinized manner (Weber 1976 [1925]).

SUR differences, their interactions with the center, and demonstrates how these interactions vary across federations and over time. Such a complex and dynamic framework is better equipped to explain how presidents exercise (political and territorial) control over governors, and thus how trajectories of SUR continuity persist.

Figure 1.1: An integrated analytical framework to explain trajectories of SUR continuity across countries



Case selection, research design, methodology, and outline of the study

The analytic framework put forward in this study is tested in Argentina and Mexico. I have chosen Argentina and Mexico as the two country cases because they both have federal systems within which SURs maintain a persistent presence. These types of systems grant subnational territorial units considerable legal and political autonomy to design local rules and institutions, and to insulate local electoral processes from the influence of national incumbents. As a result, federal systems raise the likelihood of regime juxtaposition.

The countries also exhibit many socioeconomic commonalities (such as level of economic and social development), institutional similarities (such as a presidential system and a bicameral system), and more recently, political similarities (such as the type of the national political regime), and thus allow for controlled cross-national comparisons. In addition, as I will show in chapter 3, Argentina and Mexico offer a wide variation in terms of SURs, thus allowing testing the different trajectories of SUR continuity. Finally, the two country cases have in common the hypothesized causal factors that explain trajectories of SUR continuity. Yet, Argentina and Mexico vary in other ways that are theoretically relevant, specifically with regards to how SUR continuity is possible –either through fiscal, partisan, and/or fiscal-partisan means. A comparison of these two countries, therefore, allows testing the relative importance of the primary explanatory variables outlined in the analytic framework.

The dissertation is divided into 6 empirical chapters. In chapter 2, I present the general analytic framework, and discuss each of its components parts. In the first part of the chapter I review the two main theoretical approaches that have been used so far to explain SUR continuity. One of the main claims of this study is that these approaches provide merely partial explanations of SUR continuity. However, a second central assertion of this dissertation is that each of these approaches emphasizes different and important elements of the national-subnational reality, and that precisely for that reason each of them should be synthesized into a more satisfying model. Thus, the framework I develop and test in this study builds on and integrates these two (apparently) opposing approaches to the study of subnational politics in contemporary Latin America. This framework is discussed extensively in the second part of chapter 2.

In chapter 3, I assess the territorial extension of democracy in Argentina (1983-2007) and Mexico (1997-2006). To do so, I first engage in an extensive and detailed discussion of the concept of subnational democracy. Building on on Mazzuca's (1998, 2007) conceptual framework, I then turn to refine existing conceptualizations of subnational political regimes. I conceptualize subnational political regimes along the *access to political power* and *exercise of political power* dimensions, which is why I adopt a minimalistic definition of democracy and treat all other liberal attributes of democracy as attributes of a new concept, i.e., the state-administration.

Building on this conceptual framework I proceed to measure democracy in all 24 Argentine provinces and 32 Mexican states. Using an original data set, I present maps of subnational democracy which not only reveal the extension of democracy in these two countries, but perhaps more interestingly, show how subnational political regimes have evolved over time. In the second part of the chapter I use the access-exercise framework to advance a new classification of SURs in contemporary Argentina and Mexico. This classification, which reveals that SURs vary systematically regarding the type of state-administration they possess, is central to understanding how different trajectories of SUR are eventually unleashed.

Testing the analytic framework requires a two-phase comparison. The first phase occurs at the country level, and is focused on identifying the distinct paths of presidential control present in Argentina and Mexico. The second phase instead, focuses on within country comparisons, and aims at showing that trajectories of SUR continuity are primarily determined by the capacity (or lack thereof) of national incumbents to exert control, and thus discipline, subnational nondemocratic rulers.

In chapter 4, I measure and compare fiscal and partisan instruments of presidential control in Argentina and Mexico. An examination of each of the post-1983 presidencies in Argentina reveals that presidents used multiple paths to secure their control. While Peronist President Menem followed the fiscal/partisan path, thus exerting control over governors using two types of instruments, Peronist Presidents Duhalde and Kirchner disciplined governors using fiscal instruments. By contrast, president Fox in Mexico followed the partisan path of presidential control.

After establishing the specific path of control through which presidents constrict undemocratic governors, I carry out an intra-country comparison and explore whether different trajectories of SUR continuity were contingent upon undemocratic governors' capacity to resist (or succumb to) presidential control. In chapter 5, I test the more general claim of my argument, namely, that presidential control leads to SUR reproduction from above. To do so, I perform different cross-sectional time-series analyses, each of which tests if presidential control leads to SUR reproduction from above. The chapter analyzes the administrations of president Fox (2000-2006) in Mexico, and the administrations of Menem (1989-1999), De la Rúa (1999-2002), and Duhalde/Kirchner (2003-2007) in Argentina.⁹ The analyses confirm that whenever presidential control over SURs is possible, national incumbents opt to reproduce these regimes.

Because quantitative analyses do not permit the testing and substantiation of the specific mechanisms through which presidential control leads to SUR reproduction, the second goal in this (second) phase of research is to reconstruct the causal chain that links the cause (i.e. the specific instruments and paths of national politicians for controlling SURs)

⁹ The administration of Alfonsín (1983-1989) is not tested due to data unavailability.

with the effect (i.e., the type of SUR continuity that ensues). To do so, I conduct a “causal process observation,” as proposed by Brady & Collier (2004), through which I seek to identify pieces of data that provide information about the context, processes, and mechanisms through which the initial case conditions are translated into case outcomes (George & Bennett 2005). More specifically, following Van Evera’s (1997) recommendations, I break down the causal chain of events into its component parts using evidence gathered from over 150 in-depth interviews, archival documents, and newspapers articles. I, then, flesh out and analyze how each component part of the two trajectories of SUR continuity unfolds to produce the hypothesized outcome.

In chapter 6, I analyze SUR continuity in Mexico under the presidency of Vicente Fox (2000-2006). Evidence presented in chapter 4, indicates that if SUR reproduction from above is to take place, it should occur via a partisan path of presidential control. In order to explore how partisan presidential control (lack thereof) triggers different trajectories of SUR continuity, I conduct an in-depth qualitative analysis of Puebla and Oaxaca, two undemocratic states that underwent different trajectories of SUR continuity.¹⁰ Puebla, which did not have sufficient instruments of autonomy to resist presidential control, represents a case of SUR reproduction “from above,” and Oaxaca, which managed to neutralize national incumbents’ partisan control, illustrates the trajectory of SUR “self-reproduction.”

In chapter 7, I examine SUR continuity in Argentina during the presidency of Néstor Kirchner (2003-2007). As demonstrated in chapter 4, if SUR reproduction from above is to take place, it should occur via the fiscal path of presidential control. I study San Luis and La Rioja, two undemocratic provinces that have resisted and succumbed to federal penetration,

¹⁰ A justification of this subnational case selection is provided in chapter 6.

respectively, and consequently experienced different trajectories of SUR continuity.¹¹

Whereas San Luis represents a case of SUR self-reproduction, La Rioja illustrates the alternative trajectory of regime continuity –SUR reproduction from above.

Despite the fact that the theoretical framework outlines a third path of presidential control, which occurs when a combination of fiscal-partisan instruments is present, I do not carry out an in-depth analysis of its effect on SUR continuity. The reason for doing so is because the specific mechanisms that operate to trigger different trajectories of SUR survival are extensively spelled out in chapters 6 and 7 where I analyze the fiscal and partisan paths individually.

Table 1.1 below summarizes the research design of this study as well as the national and subnational cases selected to test the analytic framework. The left hand side column presents information about the paths of presidential control existent in each country during two different administrations. The remaining columns outline the subnational cases studied in this dissertation and the type of SUR continuity observed in each of them.

Table 1.1: Summary of research design and case selection

Path of presidential control	Country	<i>SUR reproduction from above</i>	<i>SUR self-reproduction</i>
Fiscal	Argentina (2002-2007)	La Rioja	San Luis
Partisan	Mexico (2000-2006)	Puebla	Oaxaca

¹¹ A justification of this subnational case selection is provided in chapter 7.

The final chapter of this dissertation presents a summary of the argument, as well as a discussion of the study's findings and primary contributions. I conclude the chapter advancing potential areas for future research, and offering a discussion of the study's implications for the three relevant areas of research beyond Argentina and Mexico –the analysis of SURs, the study of intergovernmental relations, and the analysis of federalism more broadly.

Chapter 2: An analytic framework to explain subnational undemocratic regime continuity

“This is my state,” yelled the Oaxacan Priista governor to one of the federal officials held hostage in ‘his’ state, “and I decide who meets with whom, and whether or not you hold meetings in Oaxaca” (interview Lepine). In August 2002, two years after Mexico’s national democratization took place, a group of federal officials from the Ministry of Social Development (Sedesol) were kidnapped in the Oaxacan city of Mitla. The federal officials had travelled down south from Mexico City to answer the PAN mayors’ claims that the Sedesol programs, which were administered by the PRI state government, were not being distributed according to eligibility criteria. Instead, the mayors argued the programs were allocated to political and partisan allies, and consequently did not reach PAN ruled mayoralties. The kidnapping occurred when the group of Sedesol officials and the PAN mayors were discussing strategies to cope with the discretionary distribution of social programs. “All of a sudden”, as one of the kidnappees reported, “the doors of the meeting room were opened and Ulises Ruiz [then, federal senator of Oaxaca, today governor of the state], leading a crowd of 100 PRI mayors, burst into the room, violently apprehended the federal officials and took us away in a pick up truck, holding us hostages for one day” (interview Lepine). This episode, which vividly illustrates Oaxacan non-democratic entrenched practices, had important implications for both the state and the federal government. After this episode, “(Oaxaca’s governor) José Murat refused to sign subsequent

‘treaties of social development’ (*Convenio de Desarrollo Social*) with the federal government,¹² which is why Oaxacans did not benefit from some of Fox’s social programs” (interview Lepine).

This incident and its implications reveal important aspects of the relationship between an undemocratic regime and the federal government. For one, it shows President Fox’s incapacity to trespass Oaxacan borders, his inability to discipline and control recalcitrant governors, and his determination to cut off ties (i.e., social programs) with Oaxaca’s governor. Furthermore, the episode not only shows the governor’s unwillingness to maintain a collegial relationship with the federation, but also his resolve to confront the president.

A different pattern of intergovernmental relations can be observed in Oaxaca’s neighboring state: Puebla. Unlike Oaxaca, where federal political penetration is scarce and intergovernmental relations are confrontational, PRI-ruled Puebla –also one of the least democratic states of Mexico (see chapter 3), has experienced far greater federal infiltration. Much of this penetration has occurred at the municipal level where, beginning in 1995, the political presence of the PAN increased; and more recently (e.g. early 2000s) at the legislative level, when the PAN has began to control federal legislative slots that were previously monopolized by the PRI.¹³ The PAN in Puebla, as many interviewees reported, was, and remains, an actual threat to the PRI hegemony, which has controlled the governorship since the 1930s. Yet despite the growing and challenging presence of the PAN in Puebla, Poblano governors, unlike their Oaxacan counterparts have always have

¹² Every year each Mexican state signs these treaties with the federal government in which both parties stipulate what social programs will be co-financed by the state and the federal government.

¹³ In the mid-term elections of 2006, Puebla elected 2 PAN federal senators (out of 3), and 14 PAN Representatives (out of 19).

maintained a “smooth” relation with PAN presidents. Not only have they let federal officials cross provincial borders and make inroads into their state, but they also have supported many of the (i.e., Panista) federal legislative and gubernatorial initiatives. In turn, as I will show in this study, PAN presidents have rewarded Puebla with abundant federal programs and transfers. This collegial and mutually beneficial relationship is possible, as one interviewee noted, “because of the existence of an informal deal through which PRI governors are left untouched provided they do not interfere in electoral local processes, and give the PAN room of maneuver to compete and keep on winning local and legislative positions” (interview 25).

Similar dramatic differences across adjoining subnational undemocratic regimes can also be found in Argentina. The neighboring provinces of San Luis and La Rioja, two of the most undemocratic provinces of the country (see chapter 3), maintain diametrically different relationships with the federal government. La Rioja is located in one of the least economically developed regions of Argentina and is one of the most financially dependent provinces of the country on the federal government. As a result of this dependence, Riojano governors have virtually no room to maneuver vis-à-vis the central government. This lack of autonomy from the central government has obliged La Rioja’s incumbents to act in agreement with the president’s agenda and will. An example of this subordination occurred in the mid-term elections of 2005, when former President Néstor Kirchner forced then Peronist Governor Ángel “Didí” Maza to campaign for a seat in the national senate . Kirchner’s imposition on Governor Maza was a reaction to Menem’s decision to run for one of the three Riojano seats in the senate.¹⁴ Kirchner and Menem, close allies in the early 1990s, had become strong enemies after they both had competed for the presidency in 2003,

¹⁴ La Rioja is former president Menem’s home-state.

when the Peronist party went to the polls with split-tickets. Kirchner not only wanted to avoid Menem's victory in La Rioja, but most importantly wanted a landslide victory for Maza in Menem's own stronghold. To that end, he compelled Governor Maza, the 10-year governor whose political fate and career depended on Menem's power, to run against his very own political mentor (interviews Maza (a), Maza (b)). Had Maza not done so, as a top rank national official and close friend of President Kirchner told the governor, "La Rioja would not receive a single penny from the federal government" (interview with Maza (b)).

Such a presidential imposition and intrusion in provincial affairs would be impossible in the undemocratic province of San Luis. During his 18-year administration, Peronist Adolfo Rodríguez-Saá ruled the province along Prussian standards. Not only did he keep his iron grip on power, but, like his European 'counterparts', also developed a modern and efficient state bureaucracy, passing several bills all aiming at maintaining provincial finances in check. Moreover, "el Adolfo," as the former governor is named, followed a balanced-budget policy, according to which he destined 50 percent of the provincial budget for public works and infrastructure development. This financial austerity and orderly budgetary execution allowed him to diligently build a local proto-type of a "developmentalist state." One of the unintended consequences of the province's sound economy and balanced financial situation was that the governor managed to neutralize political and partisan impositions from the center. Not only have presidents found it hard to make inroads in the state and thus meddle in local politics, but, most importantly, they have also been victims of the political impudence of the Rodríguez-Saá brothers.¹⁵ These have included, among others, the fierce opposition to numerous presidential initiatives, such as Senator Alberto Rodríguez Saá's vote

¹⁵ Alberto Rodríguez-Saá (Adolfo's brother) has held the governorship since 2003.

against Menem's most desired project, i.e., the constitutional reform in 1994 through which he intended to introduce the consecutive reelection of presidents, and the numerous claims filed with the federal Supreme Court against the Kirchner administration denouncing the government for its unfair political practices vis-à-vis San Luis province.

All together, these examples reveal important aspects of how undemocratic regimes operate within nationally democratic countries. First, the examples show that there are important political, partisan, and economic cross-SUR differences. These differences in turn, have important implications for placing undemocratic subnational units and governors in diverse positions vis-à-vis the center, as they enhance or limit the capacity of subnational rulers to prevent federal intromission. These cross-subnational differences, which determine undemocratic governors' clout in their dealing with the center, are key to understanding how, and under what conditions, SURs continue to survive.

Second, and perhaps more important, the examples listed above suggest that there are different types of political dynamics between SURs and the center. Whereas some SURs seem to provide strategic benefits to the needs of federal incumbents, as exemplified by the cases of Puebla and La Rioja, some others inflict substantive damage on federal incumbents. This is illustrated by the cases of Oaxaca and San Luis, whose governors have managed to impose their own conditions on the federal government. Acknowledging that there are different relationships between SURs and the federal government is key to discovering the causal mechanisms that underpin the SUR continuity.

Third, the examples listed above further underscore another important factor regarding intergovernmental relations and SUR continuity in particular, namely, that presidential authority cannot penetrate homogenously throughout the national territory. This

indicates that presidential control cannot be exerted equally across subnational units. These facts, as I will show in the next chapters, denote the incapacity of the central state to penetrate and win over undemocratic subnational areas and rulers, and are decisive in explaining types and trajectories of SUR continuity.

Finally, the examples enumerated earlier reveal that there are important cross-country differences with regard to how presidents can penetrate and control nondemocratic arenas and exert control over recalcitrant undemocratic rulers. Whereas in some cases political and territorial control can occur through partisan structures, as shown by the Mexican case of Puebla, in others it can be exercised via economic and financial means –as illustrated by the Argentine province of La Rioja. These examples reveal that any cross-national explanation of SUR continuity must acknowledge the varied instruments that facilitate (or prevent) the broadcasting of presidential power into the peripheries, and which, in turn, shape intergovernmental relations within and across countries.

In summary, the examples listed above reveal that (a) SURs are not all of one kind and that these differences have important implications for intergovernmental relations, (b) they are not all functional to the center, in that they do not provide strategic benefits to national incumbents, (c) they cannot be equally subjugated and controlled by the federal government, and (d) the instruments that federal incumbents employ to exert control over some SURs differ cross-nationally and cross-temporally.

These four important observations about subnational nondemocratic regimes have been largely overlooked by most works within the regime juxtaposition literature. For instance, the literature has generally treated SURs as homogenous entities that do not differ among one another regarding political, institutional, or economic variables. On these

grounds, existing works have taken for granted that all SURs interact with the federal government in similar ways (see Cornelius 1999, Gibson 2005, Gervasoni 2006).¹⁶ Precisely for this reason, this literature has advanced general explanations of SUR continuity that do not apply well to all nondemocratic regimes. In other words, current explanations only account for the dynamics of continuity observed in a selected number of SURs, not in the totality of them. In effect, it would be misleading to claim that all SURs survive because they meet the strategic needs of national incumbents (Gibson 2005), since there are some SURs that survive in spite of being ‘functional’ to the central government.

Another central assumption of current works on regime juxtaposition is that national incumbents’ capacity to exert control over governors is the same (i.e., does not vary) across provinces. This misconception, in turn, has prevented scholars from assessing the fact that presidents are limited in their capacity to discipline and control recalcitrant governors, and are constrained regarding the strategies they employ to take advantage of, or weaken, nondemocratic subnational arenas/governors. Finally, scholars studying subnational nondemocratic regimes have only summarily explored the instruments that structure intergovernmental relations and precisely for that reason have not been able to fully spell out the mechanisms through which national incumbents may facilitate or prevent the continuity of SURs.

In order to address these issues, this study takes cross-subnational differences seriously. Even more importantly, I pay close attention to how these differences shape the pattern of interaction between nondemocratic areas/governors and the national incumbents. Moreover, the analytic framework developed in this dissertation to explain how and why

¹⁶ Snyder (1999; 2001) is an exception.

SURs continue to exist despite national democratization, is built in such a way as to capture cross-SUR differences, their multiple interactions with the center, and how these interactions vary across federations and over time. In identifying and theoretically addressing these key features, the theoretical framework presented in this study explains both SUR continuity across federations, and trajectories of SUR continuity within federations and through time.

In what follows, I outline the two main theoretical approaches (i.e., “the territorial politics approach,” and “the provincial approach”) that have been employed to explain SUR continuity in developing countries. After discussing their contributions and limitations, I synthesize, in section II, the best elements of these two approaches in an integrated framework to explain SUR continuity. The integrated analytic framework and its components parts are analyzed in detail in sections III and IV of this chapter.

I. Existing literature: contributions and limitations

Two different analytical approaches have tackled the issue of regime juxtaposition. The first approach, which I term the “territorial politics approach,” focuses on how the politics and political conflict that play out at the intersection of national and provincial arenas affect SUR continuity.¹⁷ A core assumption of this literature is that central governments and their territorial subunits are politically linked. Thus, the linkages¹⁸ between the center and

¹⁷ Territorial politics, as Tarrow (1978) notes, “is not about territory, but is about how politics is fought out across territory (1978:1). The territorial approach to politics has been used extensively in the subfield of European politics, especially within the literature of state building, political parties, and regionalism (see the works by Rokkan 1970, Rokkan and Urwin 1982, 1983; Keating 1998; Tarrow 1978; Tarrow, Katzenstein and Graziano 1978, among others). Recent works inspired by the territorial approach to politics are Gibson (1997, 2005, 2008); Falletti (2003, 2005, forthcoming); Eaton (2004); Wibbels (2005), among others.

¹⁸ Linkages, as Gibson (2005:112) notes, can include all types of institutions regulating intergovernmental relations, such as agencies monitoring provincial activities and expenditures, revenue and communication flows, and diverse networks of exchange, such as unions, parties, etc.

periphery of the political system, as well as the skills and resources of the politicians who serve as gatekeepers between each level of government, are central to understanding how different sub-systems (i.e., higher and lower arenas of government) interact with each other, and in turn, how national political events shape political outcomes occurring in subnational arenas (Tarrow 1978; Rokkan & Urwin 1983; Gibson 2005, 2008).

Several works illustrate how the interconnectedness of higher and lower arenas affects SUR continuity. For instance, Snyder (1999; 2001) shows that events occurring at the federal level of government, such as the implementation of neoliberal (market) reforms, can contribute to the maintenance and strengthening of SURs. These reforms, as he notes, trigger reregulation projects in the states through which incumbent nondemocratic elites generate rents and resources to survive. Alternatively, Gibson (2005) contends that national incumbents' strategic needs may lead federal politicians to foster SUR continuity. As long as subnational nondemocratic rulers meet these needs, national democratic incumbents have incentives to prevent democracy from trickling down. On a similar note, in an analysis of Argentina, Gervasoni (2006) argues that the institutions of fiscal federalism shape the prospects for democratization in subnational arenas, as provinces that are highly dependent on federal transfers are better equipped to maintain SURs in place. Finally, Cornelius (1999) and Montero & Samuels (2004) argue that processes of decentralization, which shift political, fiscal, and administrative power away from the national government toward subnational units, give nondemocratic state-level rulers greater autonomy, resources, and leverage to strengthen and maintain SURs alive.

The second approach to the study of regime juxtaposition, which I here refer to as “the provincial approach,” posits that the linkages (see footnote 18) that make

intergovernmental connections possible are not always prevalent. As a result, this strand of reasoning holds that it would be wrong to assume that political outcomes unfolding at the subnational level are a direct consequence of events occurring at higher levels of government. Advocates of this approach argue that SUR continuity is better understood by looking at specific provincial factors present in each SUR.

Echoing this approach, Montero (2007) claims that, in countries such as in Brazil, where subnational politicians neither have the desire (i.e., progressive career ambition) nor the resources (i.e. party structures) to venture into national politics, SUR continuity cannot be explained by looking at the intersection of national and provincial arenas. Instead, he argues that the level of provincial capitalist development and citizens' economic autonomy from the (provincial) state are the main factors explaining SUR continuity in Brazil (Montero 2007).¹⁹

Each of these two approaches separately offers key analytical and theoretical insights to better understand the prospects for subnational undemocratic regimes continuity in contemporary Latin America. Yet, because each of them views subnational politics from rather opposing viewpoints, they fail to provide a comprehensive and accurate explanation of the political dynamics that unfolds in the subnational world and that feeds SUR continuity. For instance, the "territorial politics approach" is correct in assuming that in any large-scale system of territorial governance, such as federal states, political institutions are entangled across space and precisely for this reason political outcomes and political action are not limited to a single arena.

¹⁹ McMann (2006) offers a similar argument to explain subnational undemocratic regimes in Russia and Kyrgyzstan.

Yet, with its emphasis on intergovernmental interactions, this approach underplays the influence of provincial factors on the prospects for SUR continuity. In fact, many of the elements that shape the interaction between higher and lower-level incumbent politicians are determined by provincial variables. The leverage that national politicians can exercise over subnational arenas, as well as undemocratic incumbents' capacity to thwart national leverage in subnational arenas is, to a large extent, determined by structural subnational variables (such as the level of economic provincial/state independence from the center, and the type of state-administrations –which facilitate or hinder political penetration from federal actors and institutions). Thus, by focusing on the *processes* (i.e., intergovernmental interactions), rather than the *structural subnational variables* that shape national and subnational actors' ability to feed SURs, the territorial approach misses an important part of the explanation of subnational regime continuity.

By the same token, the provincial approach, which centers exclusively on the effect of subnational variables, overlooks key “exogenous” (i.e. national) factors, such as the incidence of national parties, institutions, and actors in subnational arenas, all of which may drive political continuity in subnational units. The provincial approach assumes that subnational units are isolated entities, impervious to the political, economic, institutional, and social events occurring at the national level (or even other subnational units themselves). Still, despite the legal autonomy conferred to them by the constitution, subnational units are embedded in a larger (national) political system, and consequently they cannot be regarded as sovereign countries, as the provincial approach does. As Gibson (2008) notes, “in a country, the intervention of the central government in provincial affairs is regular and substantial” (2). Thus, an explanation of SURs' continuity necessarily must incorporate variables that capture

the political and institutional incidence of the national government on subnational political dynamics (as suggested by the territorial politics approach).

Given that each of these two approaches emphasizes different and important elements of the national-subnational reality, which should be taken into consideration when studying SUR continuity, the analytic framework I develop and test in this dissertation synthesizes the central building blocks of each of these approaches into a more satisfying model. From the territorial politics approach, I borrow the idea that SUR continuity should be understood from an intergovernmental and “system-based” perspective. As mentioned before, given the interconnectedness between higher and lower levels of government (i.e., subsystems), and the constant interplay between these arenas, political outcomes in the subnational world are necessarily shaped by what happens in higher (and also cross-provincial) levels of government. Thus, any theory about SUR continuity should incorporate the interactive dynamics that take place at the intersection of national and provincial politics (see Gibson 2005, 2008).

From the provincial approach I borrow the idea that provincial variables play an important and decisive role in shaping SUR continuity. As I will show in the coming sections of this chapter, structural provincial variables such as the nature of state administrations²⁰, and the fiscal/financial autonomy of provinces from the center, are key to understanding how the interconnectedness across levels of government operates, and, in turn,

²⁰ State administrations are here understood as the set of institutions and rules that organize government. These institutions establish the parameters through which rulers *exercise* the (political) power conferred to them by their ruling position. Following Max Weber (1925), state-administrations can take be patrimonial or bureaucratic.

how SUR continuity and reproduction ensues.²¹ Put differently, the politics that play out at the intersection of national and subnational arenas, which is central to determine the territorial strategies that give way to SUR continuity, cannot be understood without taking into consideration political, institutional, and economic *subnational* factors.

II. Explaining SUR continuity in contemporary Latin America: control, autonomy, and trajectories of SUR continuity

Before turning to present and discuss the analytic framework, a word about partisan affiliation and ideology is in order. The analytic model developed in this chapter does not assume that presidential control is more likely when presidents and governors belong to the same political party or share the same ideology. Rather, it assumes that *both* opposition-governed and co-partisan-ruled provinces are prone to be controlled from above (i.e., by the central government) under certain circumstances, and that as result of this control presidents may opt to reproduce *both* opposition-governed and co-partisan-ruled SURs.²² That is, co-

²¹ Note that my hypothesis, contrary to what the provincial approach claims (see Montero 2007, McMann 2006), rules out socioeconomic variables as potential driving forces behind SUR continuity. I do so, because as I will show in the next chapter, socioeconomic variables are misleading predictors of SUR continuity, as both less developed and poor, and mid developed and rich undemocratic provinces have managed to outlast national democracy. This assertion does not deny the fact that socio-economic variables may play a key role at explaining SUR origins or SUR change (*but not regime continuity*, which is the central topic of this dissertation).

²² To illustrate this point take the case of an opposition-governed undemocratic province undergoing a profound economic crisis and which at the same does not have sufficient local resources (i.e., provincial taxes) to meet its fiscal and financial imbalances. This province, which is highly dependent on federal transfers for its subsistence, can be easily controlled from above regardless of its partisan affiliation and ideology. A president with abundant fiscal resources can exercise leverage on the opposition governor without difficulty, inducing him/her to act and behave subserviently, thus ensuring his/her loyalty. The same president, by contrast, may have less leverage to discipline a co-partisan-ruled and rich undemocratic province, which due to its financial autonomy may impose resistance or raise the stakes of presidential control, and thus his/her loyalty to the president.

partisanship and shared ideology at both levels of government do not ensure, in and of themselves, greater presidential control over provincial incumbents.

One central assertion of the territorial approach is that the degree to which the boundaries of a periphery can be penetrated has important consequences for its internal structuring (see Tarrow 1978, Rokkan & Urwin 1983, Gibson 2005). Despite the fact that this contention has received wide acceptance within the literature, few studies have substantiated it empirically. In contrast, this dissertation carefully investigates the different mechanisms through which this penetration can be achieved (or prevented), and by piecing out evidence I explore how this penetration affects the prospects and types of SUR continuity.

Drawing on this insight, I argue that the capacity of national incumbents to penetrate subnational undemocratic arenas as well as the ability of provincial incumbents to resist and neutralize that penetration strongly determines the prospects for SUR continuity. I thus hypothesize that nationally democratic politicians who can effectively penetrate in provincial arenas, and threaten the autonomy and power of recalcitrant nondemocratic governors, will have incentives to promote SUR continuity.²³ Underlying this hypothesis is the idea that controllable and inducible undemocratic governors can become valuable partners for coalition building (Gibson 2005). Indeed, if presidents can successfully induce governors to cooperate with the center, the latter might find it very convenient to engage in mutually beneficial vertical coalitions. An undemocratic subnational ruler who is subject to

²³ It should be noted that these very same conditions may lead national incumbents to promote subnational democratization. Yet, the extent to which national politicians embark in SUR reproduction or SUR ‘dismantlement’ depends on the relative power position of national incumbents. Presidents who, for instance, do not have solid legislative majorities, who confront strong and highly nationalized and extended territorialized opposition parties, who face deep economic crises and social/ethnic uprisings, or who rule during transitional periods, have less incentives to democratize SURs than presidents ruling under the exact opposition conditions.

presidential control and manipulability can in fact be very beneficial for a president seeking political support. With their tight control over voters and national legislative delegations, subservient undemocratic governors can provide important benefits to national incumbents. Under these circumstances, the costs of promoting the democratization of undemocratic enclaves outweigh the cost of dismantling them. To be clear, unless presidents can not wield power and influence over undemocratic governors, limit their autonomy, and thus induce or subjugate them, they will not have incentives to reproduce SURs.²⁴

“Controllable and weak” undemocratic governors, for their part, also reap the benefits stemming from siding with presidents. Not only do they avoid having their regimes dismantled, but most importantly, they ensure that their regimes will be strengthened “from above.” When this occurs, I contend that both presidents and undemocratic governors engage in a mutually functional relationship of cooperation, establishing mutually functional vertical political coalitions.²⁵ This chain of events leads to a first trajectory of SUR continuity, what I here refer to as *SUR reproduction from above*. This trajectory benefits both national and subnational rulers.

Yet, presidential penetration and control over nondemocratic incumbents/arenas, is not always attainable. Recalcitrant and powerful undemocratic governors may stand in a

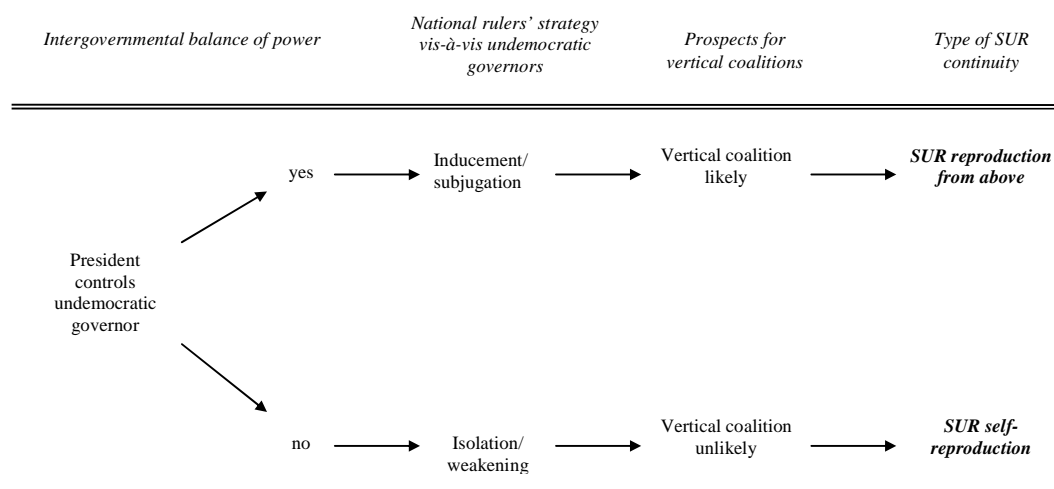
²⁴ By reproduction I mean that presidents *deliberately* act in ways that are favorable to SURs’ survival. There are different mechanisms through which presidents can reproduce these regimes. For instance, they may veto legislative pieces, such as a declaration of federal intervention seeking to overturn undemocratic regimes in specific states/provinces. Presidents can also discourage bills or veto laws intended to enhance subnational democratization in a given SUR, or prevent independent (federal) agencies of control such as the Supreme Court, the Constitutional Tribunals, or federal auditing agencies from sanctioning undemocratic governors. Similarly, presidents can actively contribute to SUR reproduction by rewarding SURs with economic benefits, such as federal transfers and federally funded programs, all of which contribute to enrich the coffers of undemocratic regimes.

²⁵ By vertical coalitions I mean electoral, legislative, and governing coalitions built across different levels of government.

position to prevent and/or neutralize presidential leverage and control. I then hypothesize that if presidents cannot wield power and influence over undemocratic rulers, and consequently are incapable of undermining undemocratic rulers' autonomy, the center will have few incentives to promote the continuity of SURs upon which it cannot exercise any control, much less induce their rulers to take part in vertical coalitions. In such a context, the center not only will avoid reproducing SURs from above, but whenever possible, it will seek to weaken these regimes. Nonetheless, the entrenched position of autonomous and non-controllable undemocratic incumbents, coupled with presidents' weak disciplining power, allows the former to maintain the status quo and keep their regimes alive. When this occurs, I contend that a different trajectory of SUR continuity ensues, namely, *SUR self-reproduction*. This trajectory, unlike the former, benefits subnational rulers alone, and not national incumbents, as no vertical coalitions are likely.

Drawing on these hypotheses, I put together a simple model to explain trajectories of SUR continuity in contemporary Latin America. Figure 2.1 below presents, in graphic terms, the propositions just outlined above.

Figure 2.1: A model of trajectories of SUR continuity



These two alternative ways through which SURs persist indicate that the capacity of national actors to exert effective control over subnational arenas and governors, as well as the autonomy that nondemocratic governors can attain vis-à-vis national incumbents, are key building blocks in explaining how intergovernmental interactions affect the fate of subnational nondemocratic regimes (Gibson 2005, 2008). Identifying to what extent national incumbents can wield control and power over governors and subnational arenas (or its polar opposite –how governors can attain autonomy from the central government), is then central to understanding how and why SURs survive. But perhaps more importantly, understanding how and under what circumstances control and autonomy are exercised is crucial for explaining and predicting different *trajectories* of SUR continuity. Consequently, one of the main tasks of the theoretical framework presented in this study is to identify, and subsequently schematize, the major instruments that both governors and presidents can deploy to increase their respective power positions vis-à-vis the other level of government.

III. Control and autonomy across levels of government

It bears emphasis that subnational undemocratic governors, unlike their more democratic counterparts, stand, from a political point of view, in a more powerful position to both resist political/territorial penetration from the center, and to control provincial politics. The absence of democratic procedures through which opposition forces may eventually undermine the power of nondemocratic governors, enables subnational incumbents to act as powerful gatekeepers, constraining in turn the capacity of national rulers to penetrate and control subnational arenas. It is in this context that the control exerted by the federal government to either engage nondemocratic governors' cooperation or curb their power

(from above or from below –i.e., via the municipal level) is critical to their ability to win over and penetrate nondemocratic arenas, and precisely for that reason becomes a key building block in the analytic framework.

Control by national incumbents over subnational politicians and subnational arenas can be exercised in two distinct major ways: (a) over governors (both opposition and co-partisan), and (b) over different aspects of subnational politics/arenas. Control over governors materializes when presidents can induce subnational incumbents to concede political spaces that they would otherwise not concede.²⁶ By contrast, control over (some aspects of) subnational politics/arenas takes place when incumbent national politicians can trespass provincial borders and broadcast their authority and power over provincial political structures, thus circumventing and also undermining undemocratic subnational rulers' power within their own territorial domains. Hereafter, I will refer to this control as "control from below" because it occurs via municipal or local political structures²⁷ Finally, autonomy of subnational rulers from the center is materialized when governors manage to block or neutralize presidents' (or national officials') capacity to discipline and control them, thus increasing their room for maneuverability to act indifferently to, or oppose, the president's will and agenda.

²⁶ Examples of this type of control include: governors' willingness to support candidates endorsed by national politicians whom they would otherwise not endorse (this includes mobilizing voters to vote for the president's endorsed candidate); legislative support for bills that run counter to the governor's/province's/partisan interests; general support (materialized in the assistance to public rallies, and public declarations) for policies enacted by the national government that are not in consonance with a governor's agenda and/or ideological stand; siding with local organized groups and with the local civil society more broadly.

²⁷ Examples of this type of territorial breach include, siding with and strengthening (with political and economic means) provincial opposition parties; establishing and sustaining political loyalties at lower (municipal) levels of government; controlling provincial outlets of public opinion and media, among others.

Instruments of territorial and political autonomy/control

One effective instrument through which national politicians can augment their control over subnational governments is through the centralization of political, administrative, and fiscal authority. In recent decades, however, Latin American central governments have conceded power to lower levels of government, with this trend resulting in a substantial increase in the power and autonomy of subnational officials vis-à-vis the center (see Montero & Samuels 2004, and the contributors to their edited volume; Eaton 2004; Garman, Haggard, and Willis 2001; Falleti 2003, 2005, forthcoming). This shift in the balance of intergovernmental power indicates that national incumbents now enjoy less capacity to control undemocratic subnational incumbents and arenas than they had a decade ago.

The power conferred to governors or presidents by the decentralization of political, fiscal, and administrative authority, however, assumes a zero-sum distribution of authority across levels of government, and consequently is useful to identify whether the locus of power lies at higher or lower levels of government. Yet, this way of assessing who controls whom in intergovernmental relations is not helpful in determining the degree of autonomy of *each* individual governor vis-à-vis the center. In other words, decentralization of authority affects *all* subnational politicians in the same way, conferring *all* subnational politicians the *same* autonomy vis-à-vis the central government.²⁸ As a result, the zero-sum logic intrinsic in the processes of decentralization is silent with respect to cross-subnational differences. Because in this dissertation I am particularly concerned with variations across (nondemocratic) subnational units, as these are key to understanding different trajectories of

²⁸ For instance, once decentralization of administrative policy domains ensues, all subnational politicians will enjoy the same scope of authority over administrative issues, and all of them will be equally “administratively” autonomous from the center.

SUR continuity, I thus focus on instruments of control and autonomy that are cross-provincially variant.

I identify four major instruments of territorial and political control/autonomy, two of them available to presidents, and two others accessible to governors. Presidential control can be exerted through partisan structures and/or fiscal instruments.²⁹ Gubernatorial autonomy instead, can be attained through financial autonomy and/or neopatrimonial state-administrations (as opposed to bureaucratic state-administrations). Table 2.1 below summarizes the 4 instruments of territorial and political autonomy/control available to both national and subnational rulers, as well as their predicted effect on rulers' autonomy and control. I describe each of these instruments in the following section.

²⁹ Wibbels (2005) also identifies these two instruments as the main mechanisms through which presidents can discipline governors.

Table 2.1: Governors and presidents' instruments of territorial and political autonomy/control (in absolute terms)

<i>Type of instrument</i>	<i>Value</i>	<i>Predicted effect on governors' autonomy</i>	<i>Predicted effect on presidents' control</i>
Presidents' instruments of territorial and political control			
Fiscal	high fiscal discretion	↓	↑
	low fiscal discretion	↑	↓
Partisan	high electoral presence of pres. party	↓	↑
	low electoral presence of pres. party	↑	↓
Governors' instruments of territorial and political autonomy			
Financial	provincial financial autonomy	↑	↓
	provincial financial dependency	↓	↑
State administration	bureaucratic state administration	↓	↑
	patrimonial state administration	↑	↓

1) Presidents' instruments of territorial control

(a). *Fiscal instruments*

At the national level of government, officials can resort to fiscal instruments to exercise control over subnational politicians (Eaton 2004, Falletti 2005, Wibbels 2005, Díaz-Cayeros 2006). In countries where intergovernmental fiscal relations are structured along a system of revenue-sharing³⁰, and where the rules that regulate such a system are vague, lax, easily changeable, and hardly enforceable, presidents may easily encroach on the power of lower levels of government. By withholding and/or altering the amount and timing of the

³⁰ In a revenue-sharing system a country's main (domestic) taxes are collected by the federal government and then distributed in two rounds. In the first round, taxes are split into two (not necessarily equal) parts between the federal government and the subnational. In the second round, the subnational share is distributed among the provinces/states.

transfers sent to a given subnational unit, national incumbents can easily buy off or induce lower-tier incumbents to act in agreement with their will/agenda.

Presidential fiscal control over governors is more likely to increase in countries where intergovernmental transfers are not channeled using automatic and formula-based criteria, but rather, on a discretionary basis (Bonvecchi & Lodola 2008). Indeed, federal transfers that are automatically channeled to subnational units and which, by definition, are less susceptible to presidential discretion, hinder presidents' ability to fiscally manipulate and exercise control over subnational incumbents.

Finally, the level of presidential fiscal power over subnational units also depends on the revenues that are not subject to sharing. In almost all federal countries, there are taxes that are collected by the federal government and that are not reallocated to the provinces (such as import/export duties and other special taxes). In some cases, these taxes comprise a large bulk of a country's total revenues. They thus provide national incumbents with a considerable share of fiscal resources that remain exclusively at the federal level of government, and which can be used with virtually complete presidential discretion. The larger the percentage of the taxes (out of total revenues) not subject to sharing, the larger the president's capacity to use these resources in a discretionary way, and the more fiscal power presidents get vis-à-vis governors.

(b). *Partisan instruments*

National political parties and more specifically, political parties' organizational structures, constitute powerful means through which national-level politicians can control subnational rulers and penetrate peripheries. Different strands of literature within political

science have long recognized the crucial role played by national political parties in domesticating and controlling local potentates and subnational politicians. The literature on state building and party system formation, for example, has viewed political parties as crucial instruments to exercise political influence and win over the peripheries and to undermine local potentates' authority (Caramani 2004, Rokkan 1970, Tilly 1990, Keating 1998). In this vein, the formation of state(nation)-wide parties is viewed as a means for penetrating and standardizing the peripheries. It also stands as a reflection of the central government's capacity to appeal, win over, and discipline provincial political elites and peripheral rulers. From a similar perspective, the literature on federalism has long acknowledged the importance of political parties, and partisan structures as a means to control subnational elites, while empowering central governments (Mainwaring 1999; Jones, Sanguinetti & Tommasi 2000; Stepan 2000; Garman, Haggard, and Willis 2001; Samuels 2003; Wibbels 2005; Levitsky 2003; Leiras 2006). Strong, cohesive, institutionalized, and territorially extended parties are said to facilitate the central government's ability to discipline and control subnational copartisans.

The vast literature on parties and party system has identified a number of mechanisms through which political parties and party organizational structures can contribute to enhance national politicians' control and dominion over subnational incumbents. For instance, national party leaders can limit subnational rulers' political autonomy, thus exerting tighter control over them, by inducing provincial incumbents to act along national party lines (instead of provincial party lines). One possible way in which national partisans can lead their subnational counterparts to act in agreement with a president's agenda/will is via their power over selection, nomination, and appointment of candidates (Samuels 2000; Wibbels

2005; Willis, Garman & Haggard 1999). Provincial leaders with progressive career ambition, and who depend on national leaders' nominations will most likely side with national incumbents and act along the center's agenda, even if so doing implies a loss in their relative autonomy vis-à-vis presidents.

Another mechanism through which political parties may induce subnational rulers to follow a president's agenda/will, at the expense of giving up their autonomy, is via coattails effects (Wibbels 2005, Rodden 2003). As Rodden notes, "copartisanship can encourage 'electoral externalities,' whereby subnational politicians aligned with the central government forego particularistic benefits in favor of policies [reforms] that benefit their party as a whole." If subnational officials fail to contribute to these policies [reforms], as Rodden's argument goes, non-compliance "may weaken the national party, thus reducing provincial incumbents own reelection chances." In this case, provincial rulers will give up their autonomy and follow the president's agenda/will out of prospective concerns for what may happen in future elections if they do not (see Wibbels 2005).

When analyzing the effects of political parties on lower-levels of government, scholars of federalism have, for the most part, concentrated on either one or both types of mechanisms (Rodden 2003, Samuels 2000, Wibbels 2005, Shugart and Carey 1992). In doing so, they have underplayed the importance of a third, and more basic mechanism of presidential partisan control, that antecedes (and enables the operation of) the above-mentioned mechanisms, namely, the effective presence of a president's party in any given subnational unit. Presidential leverage over subnational rulers via control over candidates' selection and nomination, and control through coattails, are both meaningless in provinces where the presidential party does not exist, i.e., does not have an electoral presence and a

minimal organizational structure. Thus, in order for a president to control or appeal a governor via his/her power over selection and nomination, a governor necessarily must belong to the president's party. The same holds true for coattails effects: in order for a governor to benefit from electoral externalities and have incentives to strengthen their party at the national level, the president's party needs to be present in the governor's district. In summary, the first mechanism that allows president to control subnational copartisans is the effective territorial presence of the president's party in any given subnational unit.

Note that the preceding instruments of partisan control (i.e., coattails and manipulation via nominations) refer to instances where the president and the governor belong to the same party. Yet, instances of partisan control can also occur when presidents and governors are not co-partisans. Territorially extended parties may also facilitate a presidents' capacity to control governors from the opposition. Even though presidents cannot resort to internal partisan mechanisms to discipline opposition governors –simply because they do not belong to their party, the existence of the president's party in any given subnational unit confers presidents the possibility of using their partisan structures as springboards to penetrate the state. Presidents who can take hold over their state-level partisan branches may expand their power in subnational units as well as threaten (opposition) governors' power from “below,” thus challenging their authority.

2) Governors' instruments of territorial autonomy

As noted in the previous section, presidents can become powerful vis-à-vis governors provided they have effective access to partisan and financial instruments. Yet, the authority conferred by these instruments to presidents might be overshadowed by the power of

governors to gain autonomy from the central government. Two instruments of territorial and political autonomy that can help governors neutralize presidential power are the governor's economic/financial autonomy (from the center) and the existence of neopatrimonial state-administrations (as opposed to a bureaucratic administration). I turn next to these devices.

(a). *Financial instruments*

With the exception of the country capitals and a few other highly populated and/or rich provinces, subnational units in most federations of the developing world lack significant own-state revenues, and consequently depend to a large extent on the revenues that are allocated by the federal government (Wibbels 2005, Courchene & Diaz-Cayeros 2000; Diaz-Cayeros 2004, 2006; Rodden 2006; Spiller & Tommasi 2007; Saiegh & Tommasi 1998). The fiscal dependence of subnational units on the center may be accentuated provided the rules that regulate the intergovernmental distribution of fiscal resources are lax and conducive to augmenting national politicians' distributional discretion.³¹

There is, however, another way in which subnational rulers, regardless of their capacity to raise their own revenues, can become economically dependent on the central government. Profligate subnational units, which incur severe financial imbalances (i.e., high deficits and high levels of indebtedness), can become extremely dependent on the center regardless of whether they receive abundant, automatic shared revenues from the center or

³¹ This conception of fiscal dependency of subnational units on the center –i.e., one in which provinces/states/regions are conceived to be dependent on the central state because the former channels revenues from taxes to subnational units, has dominated the fiscal federalism literature. Yet, these works have omitted the fact that in most federations, the transfers that flow to the states within revenue-sharing agreements do so in an *automatic* way. Thus, even though formally speaking subnational units are “dependent” on the center, this dependency is neutralized because these transfers are channelled automatically (for a discussion of this point and related issues Bonvecchi & Lodola 2008).

raise copious state taxes. Provincial financial mismanagement is commonly seen among subnational units in federal systems (see Rodden 2006, Remmer & Wibbels 2000, Wibbels 2005). In fact, a recurring practice among lower-tier governments is to resort to the central government for financial aid and bailouts (see Sanguinetti 1999; Hernández Trillo, Díaz-Cayeros & Gamboa González 2002; Wibbels 2005; Rodden 2006).

Under these circumstances, and given that federal governments have considerable leeway in deciding when and what provinces/states they rescue, profligate governors can easily become hostages of the federal government.³² By contrast, governors who are financially and economically responsible, and who, as a result, do not need to resort to the national government for financial assistance stand in a solid position to preserve their autonomy from federal politicians. In sum, the less the governors' need for financial aid, the greater their potential for political independence vis-à-vis the center and thus for confrontation with national incumbents.

(b). *Neopatrimonial state-administrations*

Compared to their more democratic counterparts, undemocratic governors stand in an exceptional position to exercise control over the territorial areas they rule. Due to the fact that *provincial/state-level* elections in undemocratic regions are minimally pluralistic, minimally competitive, and minimally open, undemocratic governors are “protected” against other opposition forces, which might incidentally dispute their political power.

³² Economic and financial dependence on the center can become even more acute in contexts where the borrowing autonomy of subnational units is limited. That is, in countries where lower-tier governments are not allowed to borrow from lenders other than the central government, lower-tier politicians are virtually subordinated to the political will of national politicians.

Yet, the exercise of authority and political power can differ substantially.

Subnational state-administrations, i.e. the set of institutions and rules that organize government, establish the parameters through which rulers exercise the (political) power conferred to them by their ruling position (see Weber 1976 [1925]; Hartlyn 1998b; Bratton & van de Walle 1997; Ertman 1997; Mazzuca 1998, 2007). As I will show in detail in chapter 3, these administrations concentrate and disperse the capacity of subnational incumbents to wield control over persons, territory, resources, and institutions, thus constraining or empowering subnational rulers' relative power position vis-à-vis local subnational groups (i.e., political parties, elites, local organized groups, and civil society more generally).

Following Max Weber (1976 [1925]), the management of state resources is administered either through (neo) patrimonial or bureaucratic administrations. Whereas neopatrimonial state (provincial) administrations allow for a greater concentration of power, thus enhancing governors' political clout over their subnational domains, bureaucratic administrations disperse political power, thus lessening the rulers' capacity to control persons, resources, other branches of government, and territory.

The existence of different state administrations, and how these in turn allow for subnational incumbents' encroachment or constraint of political power is decisive for governors' capacity to avert penetration and control from the central government.³³ Unlike neopatrimonial state-administrations, bureaucratic administrations prevent rulers from exerting tight control over state-agencies, opposition forces, local organized groups, and civil

³³ For a similar reasoning on how the concentration/dispersion of subnational power empowers/weakens subnational elites see Boone (2003).

society, thus paving the way for the existence of autonomous local groups. The existence of a more independent civil society and opposition, in turn, creates a “window of opportunity” for national incumbents to further expand their presence and leverage over recalcitrant incumbents, as they stand in a position to side with and/or activate local groups and political structures, and thus challenge and control nondemocratic governors from “below.”³⁴

By contrast, neopatrimonial administrations, which enable subnational incumbents to exert a tight grip over state-agencies of control, local opposition and organized groups, and civil society, prevent national officials from striking alliances with local forces, and thwart their capacity to trespass provincial borders and control governors from “below.” By doing so, neopatrimonial administrations not only contribute to expand gubernatorial autonomy but also enable governors to act as ‘levies’ to curb federal penetration and control.

It should be noted that the instruments of territorial and political autonomy/control described above are not permanently fixed, neither are they absolute. Instead they can change over time and across countries, and thus become more or less available to both presidents and governors. In effect, the instruments that confer presidents and governors power in a given situation may fail to do so in others. For instance, within a given country, SURs that have neopatrimonial administrations may stand in a powerful position to avert national penetration, whereas SURs with bureaucratic administrations may not be able to resist instances of national territorial and political encroachment. Also, due to financial mismanagement and provincial fiscal imbalances, some SURs might be more susceptible to experiencing national intrusion, thus becoming less autonomous vis-à-vis the center. Others, in contrast, due to their economic and financial situation, may be able to avert national

³⁴ For a similar argument about territorial breach and control, see Gibson (2005, 2008).

penetration and retain their autonomy. Likewise, within the same country, presidential instruments of territorial control may be generous at t1, while scarce at t2, thus giving president ruling at t1 greater leverage over SURs than president governing at t2. Some presidents may also be able to access both fiscal and partisan instruments of political and territorial control, whereas others might only access one.

This varied access to instruments of control across countries, levels of government, subnational units, and time, suggests that any theoretical framework seeking to explain how presidents exercise (political and territorial) control over governors has to capture not only this complex variation, but also the possible combinations among these different types of instruments. In other words, the challenge is to incorporate the combination of all these variables (i.e., instruments) *across* countries, and *within* countries through *time* into the simple model of SUR continuity outlined in section II. To that end, in the next section I create a two-level framework³⁵ that captures these cross-country, within-country, and cross-temporal interactions.

IV. A two-level framework to explain trajectories of SUR continuity

Regardless of what instruments of territorial control and autonomy are available to presidents and governors, respectively, national incumbents can only gain leverage over subnational incumbents or subnational politics/arenas if a *combination* of (national and subnational) variables is present. To be able to politically/territorially penetrate, and thus exert control over, undemocratic provincial arenas, presidents need the means necessary to

³⁵ One of the main advantages of two-level theoretical models, as Goertz & Mahoney (2006) note, is that they allow researchers to model the impact of variables that pertain to different levels (i.e., national and international) in a rather simply way.

subjugate an undemocratic governor, and in turn, undemocratic governors' capacity to resist penetration from above must be minimal. Neither of these two conditions alone (except at the extremes) is sufficient for a president to gain leverage over provincial arenas, rather it is the combination of both that is necessary and jointly sufficient.

For instance, a president with high levels of fiscal discretion will most likely be able to exert control over financially dependent subnational rulers (albeit not over financially autonomous governors). Similarly, presidents are more prone to exert control or penetrate in subnational districts where their party has a strong electoral presence (and not where his/her party is electorally and territorially weak), and where bureaucratic state-administration enable presidents to take hold over local opposition party structures. In summary, the capacity of presidents to penetrate, and thus control, provincial arenas is determined not only by the absolute (fiscal and/or partisan) power of presidents, but also by the capacity (or lack thereof) of subnational rulers to neutralize presidential power.

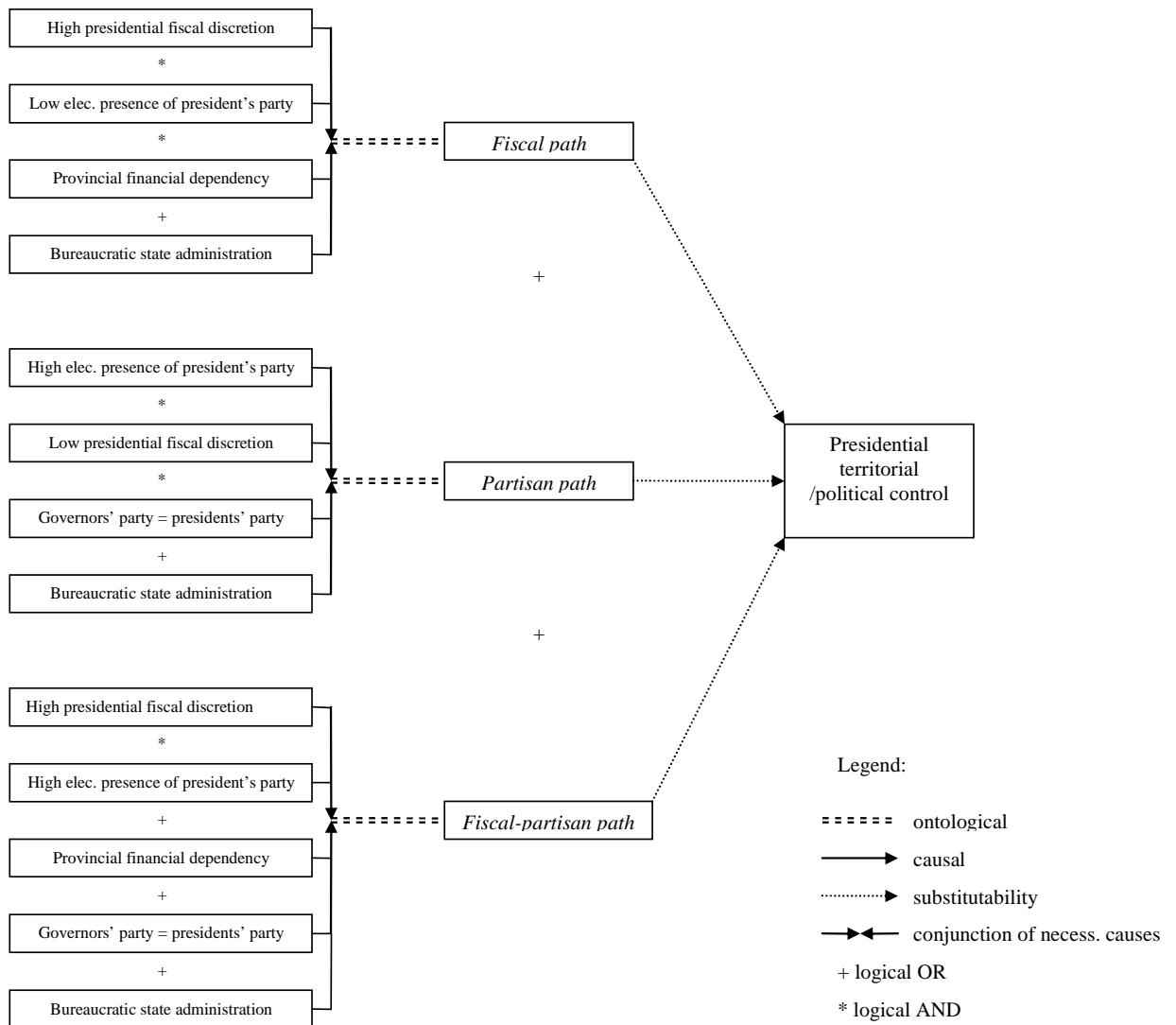
Each of the 3 clusters of variables (located in the left-hand side of the figure 2.2) denotes different combinations of national and subnational variables that are needed for a president to attain control over undemocratic governors/arenas. Each of the three clusters of variables is made up of four variables (five in the last cluster). The lower two boxes in each cluster denote the instruments of territorial autonomy available to governors (i.e., the type of provincial state infrastructure and the level of financial autonomy), while the upper two (three in the last cluster) depict the instruments of territorial control available to presidents (i.e., electoral presence of the presidential party and extent of presidential fiscal power).

These three clusters of variables produce three different “paths of control” through which presidents can wield power and influence over undemocratic governors and arenas,

namely, the fiscal path of control, the partisan path of control, and the fiscal-partisan path of control.³⁶ These paths are presented in figure 2.2 with the dotted arrows, which denote substitutability. The reason why the three paths of territorial and political control are schematized as substitutable responds, as noted earlier, to the fact that there are multiple paths through which presidents can control penetrate provincial arenas and either one is sufficient to attain territorial/political control over SURs. For instance, presidents in country A (or at t1) may be able to exercise territorial control over undemocratic governors via their political party, whereas presidents in country B (or at t2) may stand in a good position to exercise political and territorial control by means of fiscal instruments. Both means of exercising control and wielding power over governors are perfectly substitutable.

³⁶ The paths of control are named after the predominant instrument of territorial/political control available to presidents. The paths exhaust all possible combinations of *presidential* instruments of territorial and political control identified in this study, and thus illustrate the only 3 possible ways in which presidents may discipline undemocratic governors.

Figure 2.2: A two-level (sub-)model of presidential territorial and political control



The *fiscal* path of presidential control takes place when the main instrument of control available to presidents is fiscal, i.e., when they enjoy *high levels of fiscal discretion* and their party *lacks a high electoral presence*. However, this control only ensues when governors are financially dependent on the center. If this is not the case, financially responsible and economically sound governors will stand in a position to neutralize

presidential manipulation and control, no matter how much fiscal discretion presidents have.³⁷

The *partisan* path of presidential control occurs when the *president's party has a high electoral presence and low levels of fiscal discretion*. Here, the main mechanism through which presidents can wield power and exercise control over undemocratic rulers is through partisan structures. For this to happen, two variables must be present, i.e., undemocratic governors must belong to the president's party –and thus be subjected to direct partisan control from above, or in the case of belonging to an opposition party, the province/state must have a bureaucratic state administration, as these administrations facilitate presidential penetration.³⁸

Finally, the *fiscal-partisan* path of presidential control takes place when presidents have high levels of *both* fiscal discretion *and* partisan presence. In this case, presidents gain leverage over subnational arenas/governors by disciplining provincial incumbents *and* by controlling them via party structures. For this to happen, undemocratic governors' financial dependency must be low, *or* one of the following variables must be present: either the governors belong to the president's party or their provincial state administration is bureaucratic.

³⁷ Presidential fiscal control can also become effective if subnational units have bureaucratic state-administrations. Despite the fact that this variable is not necessary (thus the sign “+”), such an administration allows presidents to win over local organized groups and opposition mayors. It is by funneling transfers directly to the municipalities that presidents may expand their capacity to exert pressure (and ultimately control) over governors from below.

³⁸ Recall, that bureaucratic state-administrations facilitate the subsistence of opposition forces (either at the municipal or legislative level), and consequently enable presidents to side with local groups and rely on their local party branch to challenge and control undemocratic rulers from below.

These three alternative paths of presidential control indicate instances in which national incumbents can effectively subordinate undemocratic governors. Yet, I have noted that presidential is not always attainable. This occurs when any of the three relevant subnational variables (i.e., provincial financial autonomy, governor's party=president's party, and type of state-administration) scores in the opposite direction.

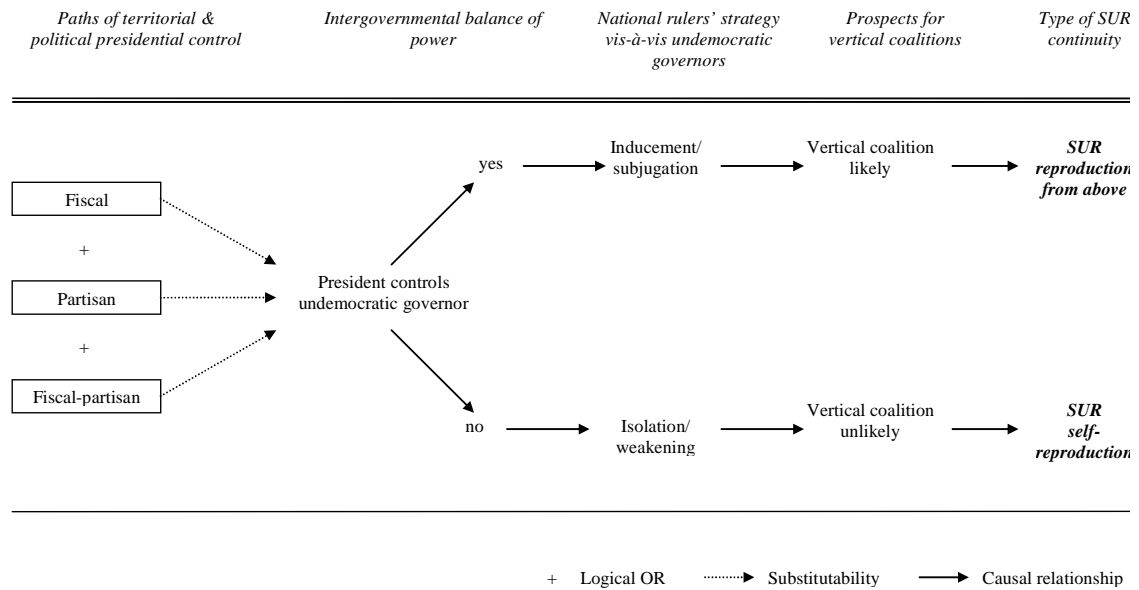
V. An integrated analytical framework to explain SUR continuity across countries

Drawing on the analytic insights described above, I now turn to develop the integrated analytic framework to explain SUR continuity across and within countries (and over time). The framework, which is presented in figure 2.3, results from combining the analytic elements of figures 2.1 and 2.2, and can be read as follows: it does not matter what path of presidential control is taken. What is relevant is that whenever national incumbents stand in a position to gain leverage over undemocratic governors and/or subnational arenas, they will have incentives to co-opt/induce them. This is so because controllable nondemocratic subnational rulers can easily be engaged in vertical coalitions that provide strategic benefits for national incumbents. If that occurs, national incumbents may actively reproduce SURs from above. By contrast, when this control is not attainable, federal officials will have incentives to both isolate and implement strategies to weaken recalcitrant governors. Yet, SUR continuity is likely to ensue due to the ability of autonomous nondemocratic governors to marshal the resources needed to sustain their regimes.

What may vary across countries (and even within countries) over time is the way in which presidential control (or lack thereof) is attained. Whereas in some countries (and at a given period) this control can be achieved via fiscal instruments, in others (and at other time

periods) it can be attained through partisan instruments. Still in others (and at different time periods) presidential control can be exerted via both fiscal and partisan instruments.

Figure 2.3: An integrated analytical framework to explain trajectories of SUR continuity across countries



Before turning to test the analytic framework developed in this chapter, I shall identify the universe of SURs to which the framework will apply. Thus, I devote the next chapter to identifying which subnational units in contemporary Argentina and Mexico have fallen into the category of nondemocratic regimes. To achieve this, in the next chapter I conceptualize and measure the territorial extension of democracy across *all* 24 Argentine provinces and Mexico's 32 states.

Chapter 3: Political regimes and state administrations in the subnational world: conceptualization, measurement, and typologies

The southern Mexican states of Oaxaca, Chiapas, Guerrero, Tabasco, Puebla, and Veracruz –the poorest and less economically developed states of Mexico– have repeatedly been classified as the least democratic states of the country.³⁹ Similarly, several of the Argentine provinces located in the central and northern part of the country, such as La Rioja, Formosa, Santiago del Estero, San Luis, and Catamarca have been regarded as the most politically backwards and non-democratic provinces of the country.⁴⁰

All these undemocratic subnational regimes are typically associated with low levels of contestation and turnover; low levels of horizontal and societal accountability; patrimonial, discretionary, and clientelistic politics; violations of civil and human rights; and fraudulent elections. In other words, these subnational units are considered undemocratic, not only for their low-scoring democratic attributes (i.e., violations of civil rights and liberties, restrained electoral competition, and fraudulent elections), but *also* because of their patrimonial, clientelistic, unaccountable, and arbitrary institutions and rulers. In more abstract and analytic terms, this conceptualization of subnational political regimes reflects

³⁹ See the works by see Fox 1994, Cornelius, Eisenstadt, and Hindley 1999; Eisenstadt 1999, 2004; Snyder 1999, 2001; Solt 2003; Lakin 2008; Benton forthcoming.

⁴⁰ See Gibson 2005; Gervasoni 2006, 2008; Leiras 2007; Suárez-Cao 2001; Gibson and Suárez-Cao 2008.

scholars' tendency to lump together aspects that are intrinsically related to the access to political power, such as constestation, clean elections, and inclusion, with the liberal dimension of political regimes, such as horizontal accountability and attachment to the rule of law, which is associated with the exercise of political power.

I contend that the conceptual operation of adding further attributes to the minimal, procedural, Schumpeterian concept of democracy has led scholars of regime juxtaposition to augment, to use Sartori's (1970) words, the concept's intension and reduce its extension. In other words, analysts have generated a less general concept of democracy, and in turn, one that is applicable to fewer cases (Collier & Mahon 1993; Collier & Levitsky 1999; Goertz 2006). As a result, current characterizations of SURs become problematic, as they have underestimated the number of existing nondemocratic regimes. This underestimation, in turn, has had an important theoretical limitation: it has prevented scholars from drawing valid causal inferences and elaborating comprehensive theories about nondemocratic regimes. In fact, theories about SURs in general, and SUR continuity in particular, have been partial at best, precisely because they rely on inferences drawn from only few cases.

I argue that one way to avoid these problems is to take seriously the task of conceptualizing contemporary SURs. Hence, the first goal of this chapter is to refine existing conceptualizations of subnational political regimes. To do so, I build on Mazzuca's (1998; 2007) analytic and conceptual framework, and measure undemocratic subnational regimes in Argentina and Mexico along two dimensions: the access to political power and the exercise of political power. The second goal of the chapter is to use this framework to measure subnational political regimes across Argentine and Mexican subnational units. Finally, the third goal of the chapter is to advance a new classification of SURs. This classification, in

turn, is used to fulfill the fourth objective of the chapter, which is to single out the cases that have remained nondemocratic since the onset of national democratization –in other words, the cases that make up the universe of SURs and that are the main focus of this dissertation.

The chapter is organized as follows. In the first section, I outline the “access-exercise” framework used to reconceptualize and measure subnational political regimes in contemporary Mexico. In section II, I conceptualize subnational democracy and discuss some methodological issues associated with previous subnational regime conceptualizations. After addressing these issues, I measure subnational democracy in all 24 Argentine provinces, and 32 Mexican states. To do so, I use an original data-set constructed during my fieldwork in Argentina and Mexico that spans the 1983-2006 period in Argentina, and 1997-2006 in Mexico. Building on these measurements, I create country maps of subnational political regimes to evaluate the territorial spread of subnational democracy. In section III, I conceptualize subnational state-administrations, and also drawing on an original dataset built during fieldwork, I measure state-administrations in all Argentine and Mexican provinces/states. This sub-section is followed by a discussion of state-administration variation in each country. Section IV advances a new classification of subnational political regimes and elaborates on its methodological implications for defining the universe of nondemocratic regimes and SUR types. In the last section, I draw conclusions from these findings and discuss their implications for this study.

I. The access-exercise framework

In an analysis of the research agenda that has developed around the concept of the ‘quality of democracy,’ Mazzuca (1998; 2007) claims that this program “has been framed in

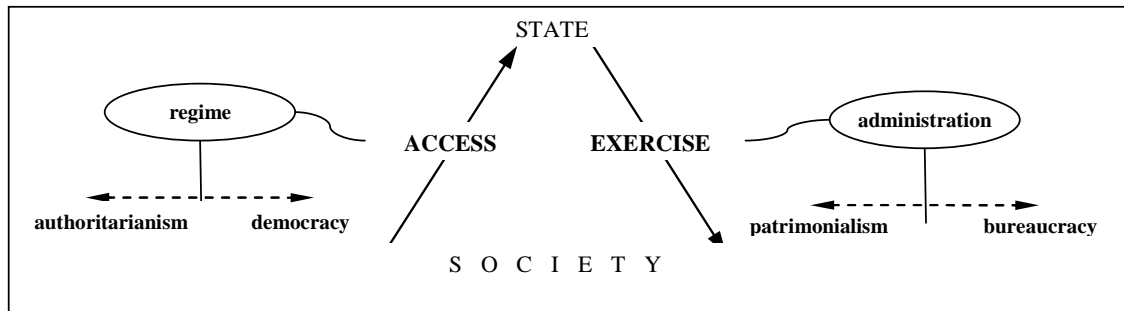
such a way that the politics of democratic quality is interpreted as an extension of the politics of democratization studied under the rubrics of transitions to, and consolidation of, democracy” (Munck 2007:15). To overcome this problem, Mazzuca proposes to separate into two different ‘conceptual containers’ the attributes that are lumped together in the expanded definition of democracy adopted by the ‘quality of democracy’ research agenda. He argues that the original attributes of the minimal, procedural definition of democracy (i.e., civil rights and liberties, free and fair elections, and universal suffrage), should be placed in the ‘political regime’ container, as these are all attribute that denote the *access to political power*. By contrast, attributes such as clientelism, patronage, corruption, low horizontal and societal accountability, and particularistic distribution of public goods, should be regarded as component parts of the ‘state-administration’⁴¹ container, as these are all attributes that denote the *exercise of political power*.

These two containers refer to two different processes and consequently should not be lumped together. In fact, as Mazzuca notes, access to power and exercise of political power, are two analytically distinct aspects of the institutional structure of the state, and as such should be analyzed separately (see figure 1). The former refers to rules and procedures through which citizens (politicians) can gain control over state positions. The latter, instead, refers to the set of institutions that regulate the management of state resources and political power. Thus, unlike the strategy of “conceptual expansion” employed by scholars subscribing to the expanded definition of democracy, the access-exercise framework relies on a strategy of “conceptual separation” (Mazzuca 2007:47-48). Building on this conceptual

⁴¹ Here understood in the Weberian sense. In its extremes, a state-administration can be either patrimonial or bureaucratic.

framework, in the next sections I conceptualize and measure subnational political regimes and subnational state-administrations.

Figure 3.1: The “Access - Exercise” conceptual framework



Source: Mazzuca (2007)

II. Subnational political regimes and access to (state) power

Before turning to conceptualizing and measuring democracy in contemporary subnational Argentina and Mexico, it is important to make explicit how my measure departs from the only two existing numerical indices of subnational democracy. Two works –Solt’s (2003) and Gervasoni’s (2008) have measured democracy at the subnational level. Building on objective indicators (i.e., electoral results, partisan measures (such as ENP), composition of provincial legislatures), Solt has measured the *quality of democracy* in the 31 Mexican states from 1988 to 2000. By contrast, Gervasoni (2008) has measured the *level of democracy* in the 24 Argentine provinces using an expert survey that covers the period 2003-2007.

My measure of democracy proceeds along the lines of Solt’s index, in that it is based upon objective indicators (rather than expert-based measures), but it departs from his (thus approximating Gervasoni’s work), in that it measures democracy *per se* rather than the

quality of democracy. Unlike these two existing studies, my measurement of subnational democracy covers two countries, and 56 subnational units, thus enlarging the number of cases where democracy is being measured. Finally, unlike Gervasoni's work, the measure of democracy presented in this study captures the evolution of the Argentine (and Mexico) subnational democracy over time, thus extending the time series covered in previous studies.

1) Conceptualization of subnational democracy

A *political regime* is here understood as the set of rules and procedures that regulate access of civil society to state power (Mazzuca 1998, 2004, 2007; Munck 2004, 2007; Munck & Verkuilen 2002). Democracy is a type of political regime, and as such sets the specific rules and procedures that are needed to access state power. Thus, the definition of democracy adopted in this dissertation follows the tradition of Joseph Schumpeter, who understand democracy in *procedural* terms, rather than in terms of substantive policies or other outcomes that might be viewed as democratic.

Unlike leading analysts, who have adopted a "procedural *minimal*" definition of democracy (Collier & Levitsky 1997; Diamond, Hartlyn, Linz, and Lipset 1999; O'Donnell 2001; Mainwaring, Brinks, and Pérez-Liñán 2001, 2007), in this dissertation I subscribe to a "procedural *subminimal*" definition of (subnational) democracy, along the lines of Przeworski (2000) and his coauthors.⁴² This definition, which centers on electoral

⁴² The decision to adopt a *subminimal* definition of democracy responds mostly to data unavailability problems. As I discuss below, I am aware that democracy entails more than mere political competition, as understood by the *subminimal*. I agree with those scholars who claim that issues such as effective guarantees of civil liberties, including freedom of speech, assembly, and association, as well as the ability of elected rulers to exercise real governing power, are all central aspects of a democratic regime (Collier & Levitsky 1997; Mainwaring, Brinks, and Pérez-Liñán 2007). Yet, the availability of data that would be needed to operationalize these dimensions at the *subnational level* is spotty at best.

contestation exclusively, conceives of democracy as “a regime in which those who govern – i.e., the holder(s) of the chief executive office, and those sitting in the legislature, are selected through contested elections exclusively” (Przeworski et al. 2000:15). This subminimal definition of democracy, however, is “silent” with respect to the quality of the electoral process. Consequently, I precise Przeworski et al.’s definition in the following terms: “democracy is a political regime in which those who govern are selected through contested and *clean* elections exclusively.”⁴³

Conceived in these terms, democracy has two defining properties: (a) fully contested and (b) clean elections. Based on Przeworski’s (1991) dictum, that “democracy is a system in which parties lose elections,” Przeworski et al. (2000) add a third dimension to their definition of democracy, namely, alternation.⁴⁴ Hence, in this dissertation democracy is conceived of as having four constitutive elements: (a) fully contested elections (for both (a.1) legislative and (a.2) executive posts), (b) clean elections, and (c) alternation (turnover) in office.

2) Reducing the perils of using a subminimal definition of democracy

As Mainwaring, Brinks, and Pérez-Liñán (2007) argue, such a subminimal definition of democracy, which focuses on political competition exclusively, has several problems. In effect, a subminimal definition of democracy can lead to severe misclassifications, which can

⁴³ It should be noted that the *definition* of democracy adopted in this study follows Przeworski et al.’s (2000); yet the translation of this conceptual definition into a *numeric measure* is different (see discussion on concept-measure consistency below).

⁴⁴ This defining attribute of democracy has been the most contested of all the three (see Mainwaring, Brinks, and Pérez-Liñán 2001, 2007). For a justification of why I have also decided to consider “alternation” as a defining property of democracy, see methodological Appendix I.

result in counting some authoritarian regimes as democracies. This error in regime classification is a product of excluding important dimensions of a democratic regime from the definition of democracy, such as universal adult suffrage, effective guarantees of civil liberties, as well as the ability of elected rulers to exercise real governing power. For instance, without broad adult suffrage, no matter how competitive elections are, the root meaning of democracy is violated. If governments are elected in contests that exclude most of the adult population, that government cannot be classified as democratic. Also, without protection of civil liberties, the electoral process itself is violated, and the resulting regime cannot be considered democratic.

Some of these problems, however, can be mitigated when one studies subnational democracy in nationally democratic countries. It is important to bear in mind that, unlike countries, subnational units are not fully autonomous territorial entities (Sartori 1976, Gibson 2008, Gervasoni 2008). While it is true that many of them have the legal and constitutional prerogatives to set and reform their own provincial constitutions, electoral rules, and other major institutions regulating the democratic and electoral processes, it also holds true that these units are part of nationally democratic countries. As such, they must adhere, at least in theory, to a number of nationally established democratic rules and institutions. In fact, the subordinated autonomy of subnational units operating within the borders of a nationally democratic regime entails that national constitutional and legal rules guarantee basic democratic procedures, such as the protection of minimal civil and political rights, and universal suffrage.⁴⁵ Thus, the costs of using a subminimal definition of democracy are

⁴⁵ On this point, see also Gervasoni (2008), who argues that because subnational units “are embedded in a national democracy, subnational leaders are severely constrained in the extent to which they can restrict political rights.

virtually offset because here I am concerned with subnational political regimes that are embedded within a nationally democratic country.

The problems with adopting a subminimal definition of democracy are further overcome by employing the access-exercise framework. The inclusion of the “exercise” dimension for the classification of subnational regimes taps into a number of extra-electoral political aspects that are critical for classifying political regimes. Issues that may have major impact in-between elections and that are thus missed in evaluations of whether elections are “free and fair,” can be captured by the “exercise” dimension. Such issues may include rulers’ discretion to exercise political power, as well as other important political aspects that impinge on civil liberties and political rights, such as institutions that enhance societal accountability. Thus, the access-exercise framework employed in this study lowers the risks that may derive from using a subminimal definition of democracy.

3) From concept to measurement: additive vs. multiplicative indexes of democracy

Explicitly noting how one conceptualizes and defines democracy is of paramount importance not only to set out conceptual boundaries, but also, and most importantly, to specify the proper mathematical and quantitative tools that are needed to measure a given concept. When creating numeric measures, as I will do in the coming subsections of this chapter, one should be careful to choose the measurement strategies/techniques (as well as the indicators) that best capture the underlying concept that is being measured. This is what

Goertz (2006) refers to “concept-measure consistency,” which is nothing else but the degree to which the numeric measure reflects the basic structure of the concept.⁴⁶

As I mentioned in the previous section, I conceive of democracy as a political regime in which those who govern are selected through *contested* and *clean* elections, and *alternate* in power. Conceived in this way, the definition of democracy uses one of the prototypical concept structures, i.e., the “necessary and sufficient condition” structure (Goertz 2006).⁴⁷ This means that in order for a subnational political regime to be conceived of as democratic, a number of conditions must be present (i.e., are necessary), and these conditions in turn, are jointly sufficient to make a given polity be classified as democratic. If any of these conditions is absent, then the subnational polity cannot be conceived as democratic.

⁴⁶ For an assessment of the negative consequences that might arise when measurement strategies/techniques do not capture the underlying concept that is sought to be measured see Adcock and Collier (2001), Lieberman (2002), Goertz (2006), Soifer (2008).

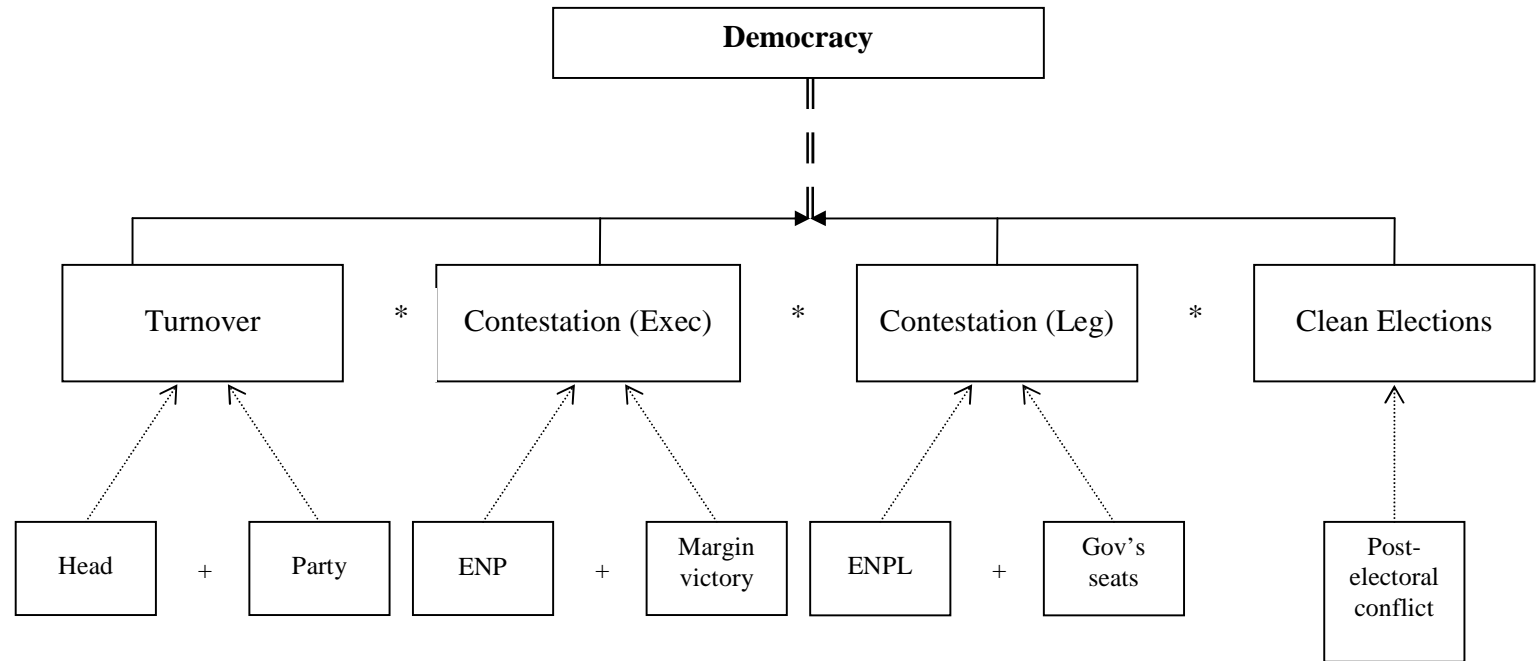
⁴⁷ Conceptualizing democracy within the realms of the necessary and sufficient structure is, as Goertz (2006) notes, common among most prominent scholars who have studied, defined, and conceptualized democracy (see Collier and Levitsky 1997; Dahl 1971; Lipset 1960; Przeworski et al. 2000; Rueschemeyer, Stephens and Stephens 1992; Alvarez et al. 1996). Yet, as he notes, most analysts who quantify democracy do not use the appropriate mathematical formalization to validly operationalize the concept-structure of democracy into a quantitative measure (see Goertz (2006) chapter 4). Exceptions of scholars who choose appropriate measures to operationalize democracy are: Mainwaring, Brinks, and Pérez-Liñán (2001, 2007); Bowman, Lehoucq, and Mahoney (2005); Munck & Verkuilen (2003).

Figure 3.2: A necessary and sufficient concept structure of subnational democracy

Basic level

Secondary level

Indicator level



Legend:

== ontological

-.-> substitutability

—><— conjunction of noncausal nec. conditions

* logical AND

+ logical OR

In the definition of democracy I use in this dissertation, contestation (for both executive and legislative posts), clean elections and turnover are all necessary and jointly sufficient conditions of democracy. Thus, if one of the secondary-level dimensions – contestation, clean elections, and turnover does not obtain, i.e. if it scores zero, it implies a basic-level democracy value of zero, which means that the polity cannot be conceived of as democratic.

In order to translate a necessary and sufficient concept structure into mathematical terms, I measure subnational democracy using the scheme outlined in Figure 3.1.⁴⁸ To increase concept-measure consistency I use multiplication, as it is the arithmetic instrument that captures the necessary and sufficient concept structure of democracy. Accordingly, as figure 3.1 shows, contestation (for both executive and legislative posts), clean elections, and turnover –i.e., the necessary conditions, are “connected” via the logical AND⁴⁹ –a first cousin of multiplication (denoted with the * symbol).⁵⁰

⁴⁸ A detailed description of the indicators used to measure democracy as well as how they are aggregated is provided in the methodological Appendix I, section I.

⁴⁹ In general, the necessary and sufficient condition concept structure is mathematically modeled by the logical AND or the intersection in set theory (see Goertz 2006; Ragin 1987, 2000, 2008; Mahoney & Goertz 2006; Mahoney 2000).

⁵⁰ If I were to *add up* the secondary-level dimensions I would not be coherent between the concept structure and the numeric measure. Because the concept of democracy employed in this dissertation has a multilevel structure, adding up across all secondary-level dimensions would wash away the essence of the concept’s structure at the measurement level. It is precisely for this reason, that *weighting* secondary-level dimensions is not an option either. The necessary and sufficient condition concept structure inevitably assumes equal weighting of dimensions. That is why I cannot assign weights to any of these dimensions because each of them is equally necessary to attain democracy.

4) Concept extension and cutoff points: democracy, non-democracy, and authoritarianism

In addition to bringing clarity to how the concept of democracy should be translated into a numeric measure, the necessary and sufficient concept structure of democracy helps delimit the concept's extension (or coverage). The identification of clear cutoff points or thresholds to establish boundaries between political regime-categories and cases is important, as I will show next, to refine current subnational regime (mis)conceptualizations and (mis)classifications.

Most scholars studying regime juxtaposition refer to what I here called subnational undemocratic regimes as simply “authoritarian” regimes. However, a fully authoritarian regime, as most leading analysts agree, is a regime in which *no viable channels exist* through which opposition forces may contest legally for the access to state power. Examples of these regimes are Cuba, Saudi Arabia, or China, where no democratic institutions exist (see figure 3.2).

Hence, if an authoritarian regime is defined along these lines, none of the subnational units present in Argentina or Mexico should be coded as authoritarian. Virtually *all* contemporary Argentine and Mexican subnational regimes have viable channels through which opposition forces may contest legally for the access to state power –elections are held regularly, opposition parties are able to campaign on relatively even footing, and electoral contests are more or less competitive, in that opposition parties are not legally barred from disputing elections and more than one party is permitted to compete.

This study focuses primarily on those cases that score zero (delimited by the grid rectangle in figure 3.2). These cases include states or provinces in which any of the necessary

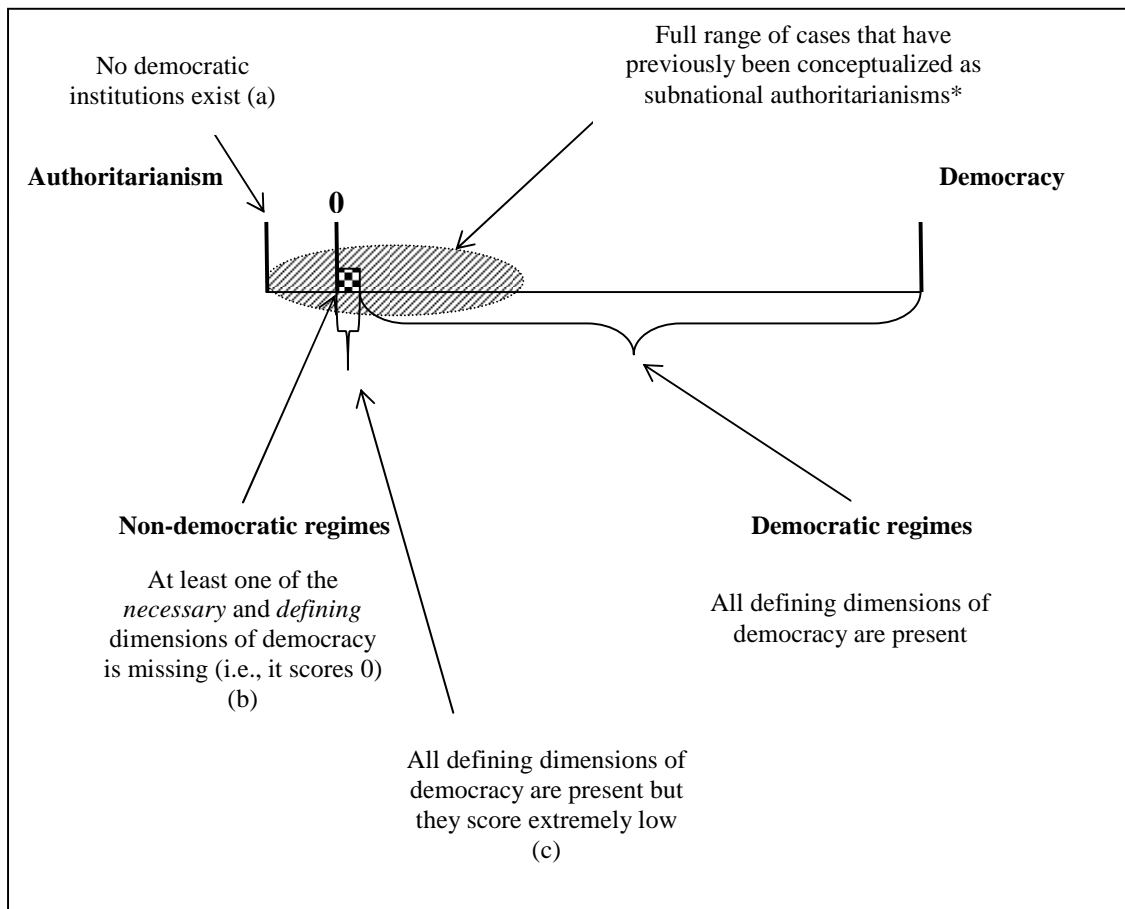
(and defining) dimensions of democracy (i.e., contestation, turnover, and clean elections) are coded as zero. Concrete examples of these cases are the Mexican states of Oaxaca (in 2004), Tabasco (in 2000 and 2006), Sonora (in 2003), and Guerrero (in 2005), where elections were held on a regular basis, opposition parties were permitted to campaign and compete, but where elections were marred with fraud.⁵¹ In other words, these were cases where viable channels to access power existed but where elections were not clean.

Finally, as it can be observed in figure 3.2, the grid rectangle, which denotes the cases to be studied in this dissertation, includes some cases that are just above zero. These cases are so close to the cutoff point that, at times, it becomes extremely hard to distinguish them from the cases that score a perfect zero (see chapter 5, tables 5.6 and 5.7 for a list of the provinces/states falling below 0.1). For instance, the Argentine province of La Rioja scores 0.006 throughout the 1990s (in a scale that ranges from 0 to 0.73). La Rioja, then, is considered as undemocratic as the province of San Luis, which scores a perfect 0.⁵²

⁵¹ These are all cases that the literature on regime juxtaposition has classified as authoritarian.

⁵² It should be noted, as I explain in the methodological Appendix I, section I, that the cases that are right above zero (such as the Argentine province of Formosa, La Rioja, and Santa Cruz, or the Mexican case of Tamaulipas, Sinaloa, and Hidalgo) would score a perfect zero had I *not* chosen to cumulate the party/head (turnover) variable. Had I used a dummy variable to denote turnover, the lack of alternation would have been coded as zero, and thus, given the concept structure of democracy used in this study (which multiplies each of democracy's constitutive dimensions), cases such as the ones listed above would have scored a perfect zero.


Figure 3.3: A schematization of political regimes' classification



(a) Cases falling into this regime category are the Chinese provinces.

(b) Cases falling into this regime category are the Argentine province of San Luis, and the Mexican states of Tabasco, Sonora, Oaxaca.

(c) Cases falling into this category are the Argentine provinces of La Rioja, Formosa, and the Mexican states of Puebla, Coahuila.

 Cases studied in this dissertation.

* See Gibson (2005), Montero (2007), Lakin (2008), Cornelius (1999).

5) Results and discussion: subnational regimes in Argentina and Mexico

The data set used to measure subnational democracy (hereafter “access to political power”) covers 24 provinces in Argentina, and 32 states in Mexico. The data span the period 1983-2006 in Argentina, and 1997-2006 in Mexico. The dataset consists of 522 yearly observations in Argentina, and 316 in Mexico. Time intervals in each country start with the onset of the (latest) transition to democracy at the national level.⁵³

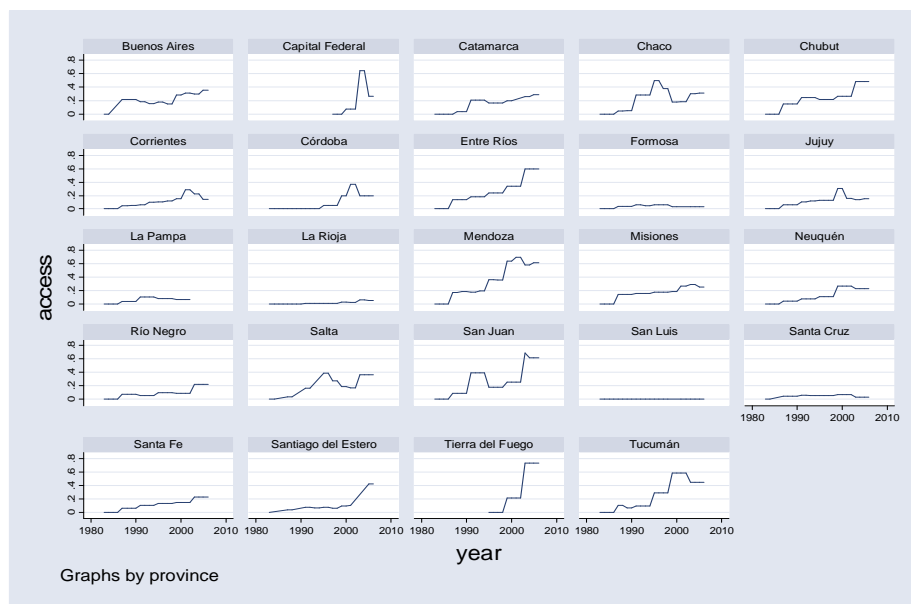
The graphs and maps⁵⁴ of subnational political regimes presented below, show that the territorialization of democracy in Argentina and Mexico is quite uneven, thus confirming the trend observed in previous qualitative, case-oriented studies of regime juxtaposition.⁵⁵ Indeed, the systematized and comprehensive picture of subnational democracy presented in the graphs and maps indicates that a considerable number of the subnational units in Argentina and Mexico have not followed the regime trajectory towards democratization observed at the national level.

⁵³ The onset of democratization in Argentina is set in 1983, when military rule was replaced by a democratically elected civilian government. In Mexico, it is set in 1997. I have chosen 1997 as the first time point because according to many Mexican scholars, 1997 marked the onset of the Mexican democratization process at the federal level (see for instance Magaloni 2005). In 1997, the PRI lost its majority in the lower chamber, and consequently its hegemony in the legislative arena.

⁵⁴ Maps presenting non-averaged results can be found in the last section of Appendix II.

⁵⁵ This cross-provincial variation is also confirmed statistically. In Argentina, the variable access to power has a mean value of 0.149, a standard deviation of 0.161, a minimum value of 0, and a maximum score of 0.732. In Mexico, the access to power variable has a mean value of 0.106, a standard deviation of 0.137, a minimum value of 0, and a maximum score of 0.782.

Graph 3.1: Political regimes --access to state power (Argentina 1983-2006)

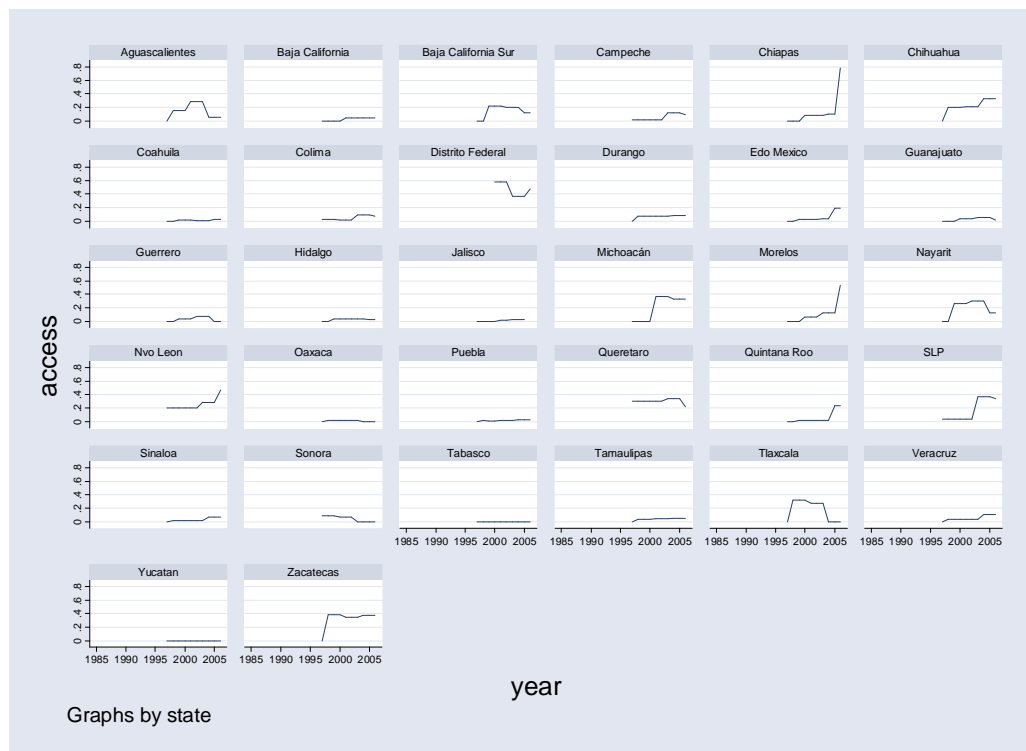


Higher values indicate higher levels of democracy, zero and near zero scores denote nondemocratic regimes

Map 3.1: Subnational Democracy (avg. 1983-2006)

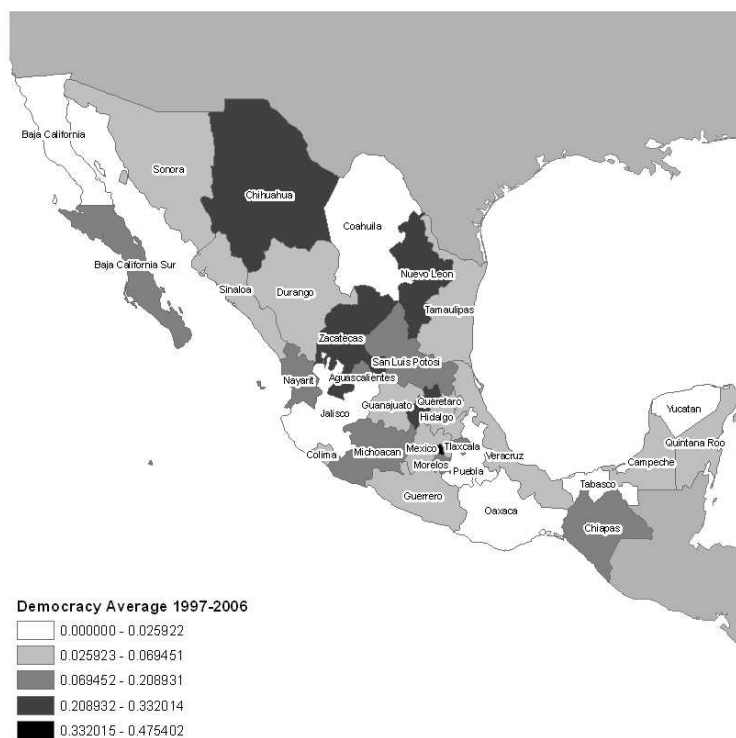


Graph 3.2: Political regimes --access to state power (Mexico 1997-2006)



Higher values indicate higher levels of democracy, zero and near zero scores denote nondemocratic regimes

Map 3.2: Subnational democracy (1997-2006)



As graph 3.1 indicates, at least five out of twenty-four provinces in Argentina (20.83%) have been, and still remain, undemocratic (i.e., they obtain a score below 0.01), as shown by the case of La Rioja, San Luis, Santiago del Estero, Santa Cruz, and Formosa. By contrast, only five provinces (20.83%) –Mendoza, San Juan, and Ciudad de Buenos Aires, Chubut, and Entre Ríos have reached high levels of “democraticness” throughout the 1980s, 1990s, and 2000s.

Likewise, the Mexican map of subnational democracy reveals that the process of national democratization, beginning in 1997 and deepening in 2000, with the arrival of the PAN to the national executive, has not trickled down in an evenly territorial way. In fact, graph 3.2 shows the existence of a greater disparity of regime-type than in Argentina, as a larger number of cases (at least ten out of thirty-two states, a 31.25%) have remained undemocratic.⁵⁶ In contrast, only a few (six) states (18.75%), among which are Mexico City, Chihuahua, Querétaro, Michoacán, Nuevo León, and Zacatecas, have remained constantly democratic throughout the late 1990s and 2000s.

Altogether, these findings suggest that the territorially uneven process of democratization has been much more severe than past single-case studies have shown. Due to their limited scope, such studies have not been able to capture the overall patterns of democratic territorialization, and have thus identified only a limited number of cases as nondemocratic. As a result, these studies present an incomplete view of the matter, portraying a less dramatically uneven territorialization of democracy than the one observed in this study. As the above findings show, the presence of nondemocracies in the subnational

⁵⁶ These states include: Oaxaca, Puebla, Baja California, Coahuila, Colima, Hidalgo, Tabasco, Tamaulipas, Veracruz, and Yucatán.

world has been quite ubiquitous, with democracy only taking hold in 18.75% of the Mexican states, and 20.83% of the Argentine provinces.

In addition, and perhaps more interestingly, graphs 3.1 and 3.2 show that the evolution (or lack thereof) towards democracy has not been constant over time. In effect, subnational democracy has expanded and retrenched over the years, as illustrated by the Argentine provinces of Chaco, Salta and San Juan, and the Mexican states of Aguascalientes, Tlaxcala, Mexico City, and Nayarit. Despite the political opening experienced during the late 1980s and 1990/2000s, respectively, these provinces and states have seen democratic setbacks in the (late) 2000s. These findings contrast sharply with the pattern observed in the provinces of San Luis, La Rioja, and Santa Cruz in Argentina, and the Mexican states Tabasco, Puebla, and Oaxaca (among others), where regimes have, over the last ten years, remained extremely stable and non-democratic. Finally, the graphs also reveal that some Argentine provinces such as Misiones, Tierra del Fuego, and Entre Ríos, as well as the Mexican states of Chiapas, Chihuahua, and Zacatecas, have made steady progress towards democratization without experiencing setbacks.

Interestingly, there is no discernable relationship between the pattern of territorial democracy and partisanship. In both Argentina and Mexico, different levels of democracy are not associated with the presence of any particular political party. Contradicting commonly held (but untested) assumptions, in Argentina, it is possible to observe that both Peronist (or PJ) and non-Peronist ruled provinces obtain relatively low levels of democracy. The Peronist provinces of La Rioja and San Luis as well as the Radical provinces of Córdoba (during the 1980s and early 1990s) and Rio Negro (throughout the entire period under study), all show very low levels of democracy. In a similar vein, provinces that have been

systematically ruled by the Peronist party since the onset of national democratization in 1983, such as the province of Santa Fe, present much higher levels of democracy than provinces which have also been ruled by the PJ uninterruptedly, as shown by La Rioja, San Luis, and Formosa. Hence, unlike what previous studies have argued (see Gervasoni 2006), Peronist-ruled provinces are not necessarily less democratic than Radical and provincial party ruled provinces.⁵⁷ In fact, the correlation between PJ and the access variable is -0.09.

The partisan pattern observed in Mexico is similar to that seen in Argentina. Graph 3.2 shows that PRI, PAN, and PRD-ruled states, such as Oaxaca, Jalisco, and Guerrero, respectively, all score low on democracy. These findings suggest an interesting pattern of regime evolution in subnational Mexico, one that is marked by the existence of ruling dominant parties. The hegemony held by the PRI in all Mexican states until 1989 –when the PAN won the governorship of Baja California, has given way to the dominance of the other two main, national Mexican parties (i.e., the PAN and PRD). The PAN, for example, whose correlation with subnational democracy is 0.15, has become a dominant party in Guanajuato and Jalisco, where it has had undisputed control over the past 15 years.⁵⁸ A similar pattern can be observed in Baja California Sur, where the PRD has held a solid dominance. Yet, despite the existence of PAN and PRD undemocratic states, the PRI maintains the largest

⁵⁷ That said, it should be noted that the provinces that rank lowest on the access dimension are Peronist-ruled provinces.

⁵⁸ In these states, the PAN has controlled the governorship since the mid-1990s, as well as solid majorities in the state legislatures. Similarly, gubernatorial, mid-term, and local elections have been won by very large margins of victory.

number of low scoring democratic states, as well as the highest negative correlation with subnational democracy (-0.47).⁵⁹

In sum, the findings presented in graphs 3.1 and 3.2 indicate that Argentine and Mexican democracy at the subnational level is not evenly distributed, neither across the territory, nor across time. Furthermore, the maps of political regimes also show that levels of democracy are not clearly associated with any particular party, although the lowest levels of subnational democracy in both countries can be observed in Peronist and PRI-ruled provinces.

Cross-provincial differences among undemocratic regimes

In addition to substantiating previous findings and shedding light on new (temporal and partisan) patterns of provincial political regimes, the “map” of subnational political regimes uncovers one major aspect that has, so far, gone unnoticed by most studies on the subject, namely, that undemocratic regimes differ greatly with respect to their economic, geographical, and socio-demographic structures.⁶⁰ As graphs 3.1 and 3.2 show, provinces as economically, geographically, and socio-demographically diverse as La Rioja (located in one of the poorest and least developed regions of Argentina –the northwestern part of the country) and Santa Cruz (situated in one of the second most economically developed and richer parts of the country –Patagonia region), have similar levels of democracy. Likewise,

⁵⁹ Yet, there are cross-state differences within PRI-ruled states. For instance, the PRI states of Campeche and Estado de Mexico present higher levels of democracy than their counterparts of Oaxaca, Tabasco, Puebla, and Tamaulipas.

⁶⁰ Exceptions are Snyder 1999, 2001, who distinguishes among different types of subnational undemocratic regimes.

the state of Jalisco, one of the richest, most developed central states of Mexico, has similar levels of democracy than the poor, and least developed southern state of Oaxaca.⁶¹

Acknowledging that subnational undemocratic regimes are not all alike is critical for a variety of reasons. First, the identification of geographical differences among subnational undemocratic regimes suggests that extant assertions about the geographical location of subnational undemocratic regimes –i.e., central-northern Argentina, and southern Mexico– are both unwarranted and misleading (see Sawers 1996, Cornelius 1999, Rodríguez and Ward 1995). Moreover, the fact that undemocratic provincial regimes are spread throughout the national territory undermines the explanatory power of (local) cultural, anthropological, and ethnographic explanations. If undemocratic regimes are located in multiple geographical locations, which differ in terms of their culture, local traditions, and ethnicity, explanations based exclusively on these aspects are unlikely to advance our knowledge about how and why these regimes continue to exist.

Second, addressing the fact that subnational undemocratic regimes are different in terms of their economic development and socio-demographic structures also carries important implications for both theory-building and theoretical generalizations. For instance, explanations on subnational undemocratic regimes' survival and reproduction commonly suggest that these regimes become entrenched due to low levels of economic development. However, if one observes the map presented above, one soon discovers that provinces that fall into the category of non-democracies present divergent levels of economic development. Provinces with medium-high levels of economic development, such as Santa Cruz and San

⁶¹ A similar pattern of socio-demographic and economic development is found by Gervasoni (2006) in Argentina, and McMann (2003) in Russia and Kyrgyzstan.

Luis in Argentina, and Jalisco and Guanajuato in Mexico, are as undemocratic as the least economically developed Argentine provinces of La Rioja and Formosa, and the Mexican states of Oaxaca and Puebla.⁶² This finding indicates that theories focusing on economic factors alone might not sufficiently explain subnational undemocratic regime continuity and change. As suggested by the maps presented above, undemocratic regimes in contemporary Argentina and Mexico prevail regardless of levels of economic development and well being.

The observed variation in terms of geography, economic development, and socio-demographic structure is complemented, as I will show in the next sub-section, with differences across state-administrations. To these differences I turn next.

III. Subnational state administrations and exercise of political power

1) Conceptualization of subnational state administrations

State administrations, i.e. the set of institutions and rules that organize government, establish the parameters through which rulers *exercise* the (political) power conferred to them by their ruling position. As discussed earlier, exercise of political power denotes the downward relationship between state and society, whereas a political regime (i.e., democracy) characterizes the upward movement between society and the state (Mazzuca 1998, 2007).

The management of state resources –that is, the *exercise* of political power, is administered following Max Weber in a continuum from extreme patrimonial to highly

⁶² The low and even negative correlation between levels of economic development and democracy at the subnational level (-0.18 in Mexico, and 0.34 in Argentina), further suggests that general (i.e., national) theories about democracy, which argue that higher levels of economic development are needed to attain democracy, might not be suitable to account for democratic sustainability at the subnational level of government.

bureaucratic administrations. Patrimonial administrations (or *patrimonialism*) are characterized by (a) the centralization of power in the hands of the ruler; (b) the erosion of horizontal control across different spheres of government; (c) the reduction of citizens' autonomy due to the generation of ties of loyalty and dependence –commonly through complex patron-client linkages; (d) rulers' appropriation of state funds for private consumption; (e) the use of political influence and public resources for the purposes of entrenching the position of the ruling group –such as covert funding of party campaigns and patronage; (f) the discretionary and particularistic provision of public goods –as opposed to distribution based on merit and need (see Weber 1976 [1925]; Bratton and van de Walle 1997; Ertman 1997; Hartlyn 1998b; Mazzuca (1998, 2007)).⁶³

Bureaucratic administrations (or *bureaucratization*), by contrast, are characterized, as Weber noted, by the complete separation between the personage of the ruler and the means of administration, warfare, and financial organization. Put differently, bureaucratization entails the lack of rulers' private appropriation of public resources, and his/her maximum adherence to the rules.

Neopatrimonial and bureaucratic administrations are “*ideal types*,” and as such can rarely be found in practice, and thus may not apply in all particular cases. They simply serve as endpoints in a continuum to indicate that there can be nothing, conceptually at least, which is more ideal. They do, however, draw attention to the fact that state administrations can be different enough to stand at polar opposites.

⁶³ From here on out, following Bratton and van de Walle (1997) and Hartlyn (1998b), I refer to these administrations as “neopatrimonial,” as Weber’s characterization of patrimonial administrations does not adequately characterize any of the national [and subnational] political systems existing in our time.

2) From concept to measurement: an additive index of state administrations

Unlike the concept structure of democracy, which is organized along necessary and sufficient conditions, neopatrimonialism (and its negative pole, bureaucratization) pertains to the family-resemblance concept structure. The family resemblance concept structure, as Goertz asserts “is as a rule about sufficiency with no necessary condition requirements” (2006:36).⁶⁴

The presence of any of the constitutive dimensions (“a” through “f”, listed above) places any given subnational unit, say, province A, in the category of neopatrimonial provinces. Yet, province A might be grouped together with other patrimonial province, say, province B, despite the fact that the characteristic that makes province B neopatrimonial, is different from the one that makes province A neopatrimonial. Thus, it is possible that two or more provinces classified as neopatrimonial will not share all of what may be seen as the defining attributes of neopatrimonialism, yet still capture a set of commonalities considered to be constitutive of this type of state administration.⁶⁵

Of all the secondary-level dimensions of neopatrimonialism listed above, the contemporary literature has identified some dimensions as analytically important for coding an administration as neopatrimonial. These include: (a) the centralization of power in the hands of the ruler and rulers’ encroachment over other branches of government (i.e., lack of horizontal accountability); (b) the reduction of autonomy of the rulers’ followers by

⁶⁴ An example of a family resemblance concept structure is the concept of corporatism. As Collier and Mahon (1993) indicate, “the literature on corporatism generally presents a series of defining attributes, usually without the expectation that the full set of attributes would be found in every instance (Malloy 1977; Schmitter 1974).” Thus, “over many decades during the twentieth century, it was reasonable to characterize labor relations in Argentina, Brazil, Chile, and Mexico as corporative, despite variation in the features of corporative structuring, subsidy, and control of groups found in the four cases (Collier and Collier 1991)” (Collier and Mahon 1993).

⁶⁵ I illustrate this point with two examples from Argentina in footnote **Error! Bookmark not defined..**

generating ties of loyalty and dependence (i.e., clientelism and patronage); (c) the use of non-universalistic criteria to distribute public goods; and (d) lack of citizens' autonomy to effectively control rulers' activities (i.e., lack of societal accountability (Bratton and van de Walle 1997, Hartlyn 1998b, Mazzuca 1998, 2007; Smulovitz & Peruzzotti 2000, 2002). Accordingly, the basic-level concept of neopatrimonialism used in this dissertation is comprised of four dimensions: (1) horizontal accountability, (2) societal accountability, (3) patronage, and (4) rulers' fiscal discretion.⁶⁶ As was done with the measurement of democracy, to ensure concept-measure consistency, I proceed to measure neopatrimonialism according to the scheme presented in figure 3.3.⁶⁷

As previously discussed in section II, a necessary condition can have no substitute. That is precisely why, to measure democracy—a concept with a necessary and sufficient structure, I have created a multiplicative index (and modeled it with the logical AND). In contrast, the family resemblance concept structure allows for the absence of any given characteristic to be compensated for by the presence of another.⁶⁸ Thus, I model the concept using the logical OR (which is closely associated with addition) (Goertz 2006: 39-

⁶⁶ Unlike the necessary and sufficient concept structure, concepts with the family resemblance structure can be assessed by identifying attributes that are present to varying degrees in particular cases, rather than being simply present or absent. This is why all four secondary-level dimensions do not need to be present (i.e., measured). Such is the case of the secondary-level dimension societal accountability. Due to constraints of data availability, no measure of societal accountability is provided for the Argentine provinces.

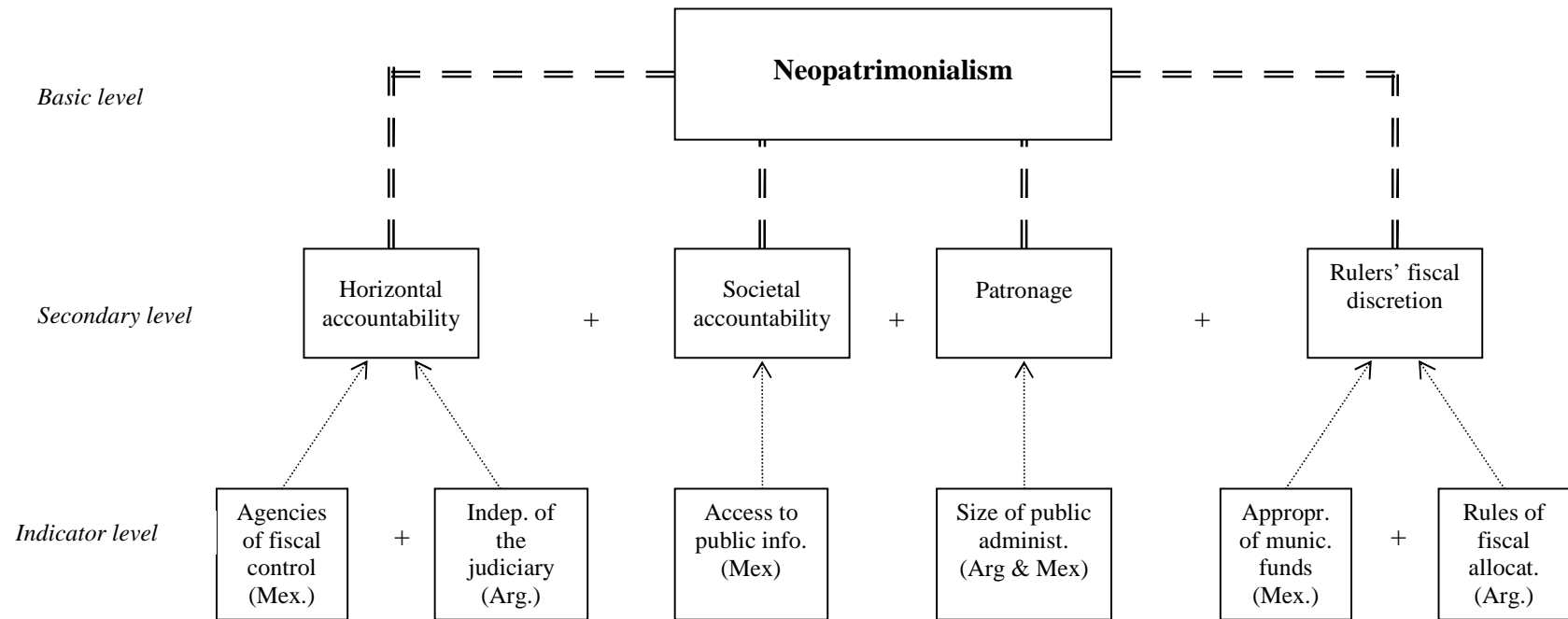
⁶⁷ I have chosen to measure (and thus operationalize) the highest value of the regime continuum (i.e., democracy), and the lowest value of the state administration continuum (i.e., neopatrimonialism).

⁶⁸ To illustrate this point, take the case of two Argentine provinces. Santa Cruz and San Luis both score high on the neopatrimonial-bureaucratic continuum (i.e., relatively speaking, they are more bureaucratic than other Argentine provinces). Yet, they do so for different reasons. San Luis stands among the provinces with lower quantities of public employees in the country, whereas Santa Cruz ranks among the provinces with intermediate-high levels of public employment. By contrast, Santa Cruz ranks among the provinces that have a medium-high score on the exercise indicator "independence of the judiciary," whereas San Luis obtains one of the lowest scores. However, when the two indicators (together with the rest of the exercise indicators) are added up, both provinces score low on neopatrimonialism.

44; Mahoney & Goertz 2006). In other words, the secondary-level dimensions of the neopatrimonialism concept are all substitutable and that is why I add them all up.⁶⁹

⁶⁹ A detailed description of the indicators used to measure neopatrimonialism, as well as how they are aggregated, is provided in the methodological Appendix I, section II.

Figure 3.4: A family resemblance concept structure of neopatrimonialism



Legend:

- == ontological
-> substitutability
- + logical OR

3) Results and discussion: subnational state-administrations in Argentina and Mexico

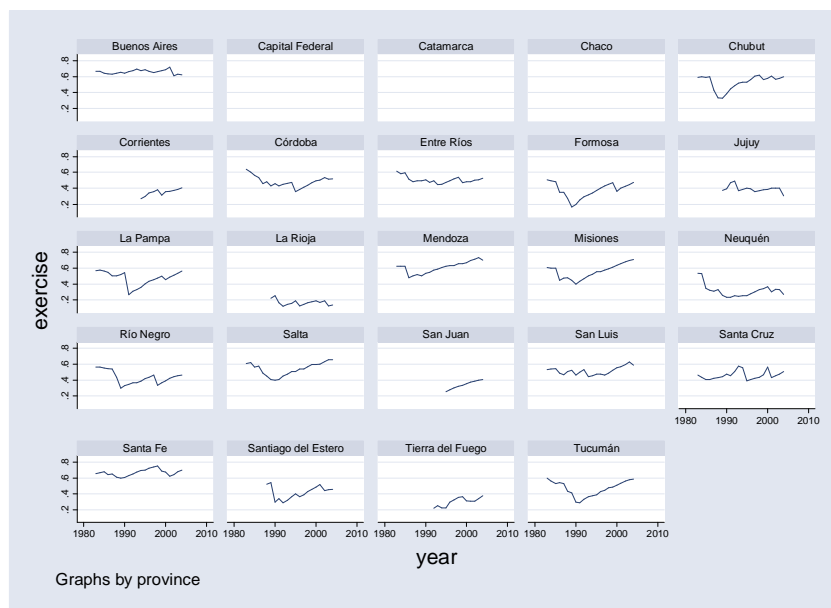
The data set used to measure neopatrimonialism covers 23 provinces in Argentina, and 31 states in Mexico.⁷⁰ The data span the period 1983-2006 in Argentina, and 1997-2006 in Mexico, time periods that begin with the onset of the most recent transition to democracy at the national level.

The graphs and maps presented below show that the exercise of political power in the Argentine provinces and the Mexican states varies across units, although in a less pronounced way than democracy.⁷¹ Graphs 3.3 and 3.4 indicate that the lower levels of neopatrimonialism (i.e., high scores) of the Argentine provinces of Buenos Aires, Santa Fe, and San Luis contrast sharply with the high levels of neopatrimonialism (i.e., low scores) observed in La Rioja, Formosa, and Tierra del Fuego. Likewise whereas power in the Mexican states of Jalisco, Nuevo León, Morelos, San Luis Potosí, Estado de México, and Guanajuato is exercised along fairly bureaucratic norms and procedures (as indicated by the low score on the neopatrimonial scale), political power in the states of Oaxaca, Hidalgo, Guerrero, and Tabasco is exercised in the opposite fashion.

⁷⁰ The city of Buenos Aires and Mexico City are not included in this dataset because, unlike the other provinces, they do not possess lower levels of government (aka municipalities). As a result, the secondary-level dimension “rulers’ fiscal discretion” does not exist.

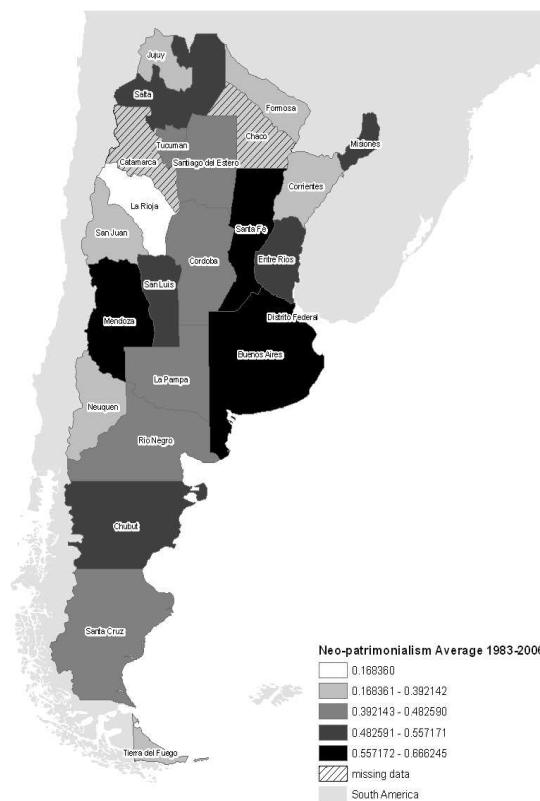
⁷¹ In Argentina, the exercise variable has a mean value of 0.469, a standard deviation of 0.134, a maximum value of 0.119, and minimum value of 0.750. The variable exercise in Mexico has a mean value of 0.427, a standard deviation of 0.085, a maximum value of 0.153, and a minimum value of 0.686.

Graph 3.3: Subnational state-administrations --exercise of state power (Argentina 1983-2006)



Lower values indicate higher levels of neopatrimonialism

Map 3.3: Subnational neopatrimonialism (average 1983-2006)

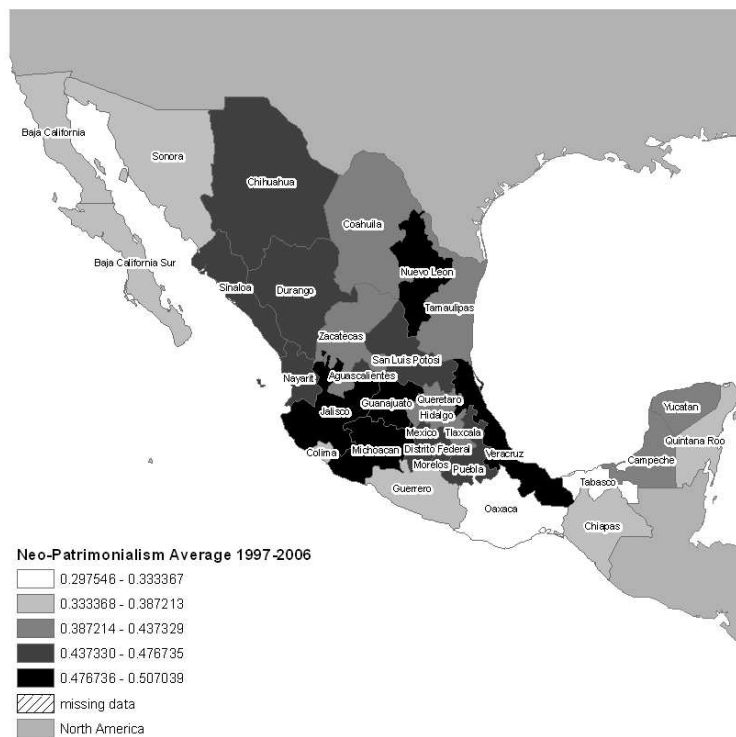


Graph 3.4: Subnational state-administrations --exercise of state power (Mexico 1997-2006)



Lower values indicate higher levels of neopatrimonialism

Map 3.4: Subnational neopatrimonialism (average 1997-2006)



Unlike the pattern observed in the access graphs (3.1 and 3.2), it is possible to discern a few socioeconomic and geographical trends within the exercise dimension that are worth mentioning. Provinces with high levels of socioeconomic development are, on average, associated with lower levels of neopatrimonialism. In Argentina, for instance, the provinces of Mendoza, Santa Fe, Entre Ríos, Buenos Aires (together with Córdoba), all of which comprise the bulk of the richest and most economically developed Argentine provinces, receive the highest scores on the exercise dimension. In Mexico, a similar pattern is observed, as states with the highest levels of socioeconomic development, such as Jalisco, Nuevo León, and Morelos, receive the lowest scores on the neo-patrimonial scale. In contrast, the provinces and states that, on average, present the highest levels of neopatrimonialism, are those located in the least economically developed and poorest areas of Argentina and Mexico. Such is the case of the Argentine provinces of La Rioja, Formosa, Corrientes, and Jujuy, and the Mexican states of Oaxaca, Chiapas, Guerrero, and Tabasco⁷². Between these two poles, provinces and states with intermediate levels of economic development fall, on average, somewhere in the middle of the neopatrimonialism-bureaucracy continuum.⁷³

The partisanship trends observed in Argentina are mixed at best, with Peronist governors ranking very high on the exercise dimension (such as the governors from Santa Fe, Buenos Aires, Entre Ríos, Mendoza, and La Pampa), and still others scoring at the bottom of

⁷² Despite the fact that Tabasco is one of the oil-producing states of Mexico, receiving large amount of revenues from oil production, it still ranks among the poorest and least economically developed states of Mexico.

⁷³ These findings suggest, following Weber's classic assertion that, at the subnational level in both Argentina and Mexico, there is a moderate 'elective affinity' between capitalist development and bureaucratic administrations (evidenced by a correlation of 0.32 in Mexico and 0.22 in Argentina).

the scale (such as the governors of La Rioja and Formosa).⁷⁴ The same can be said about other Argentine national and provincial parties, which no relationship between partisanship and the exercise of political power. The Radical-ruled provinces fall both high (Mendoza and Chubut) and low (Tierra del Fuego and Rio Negro) on the exercise scale, and provinces ruled by provincial parties, such as Neuquén, Tucumán, and San Juan, also rank on divergent positions along the exercise scale. Thus, in Argentina, it is difficult to establish any pattern of association between exercise of political power and partisanship.

IV. Access to state power vs. exercise of state power: a new classification of subnational political regimes

As noted earlier, *access to power* and *exercise of political power*, as Mazzuca (1998, 2007) claims, are simply two analytically distinct aspects of the institutional structure of the state.⁷⁵ The analytic distinction between access and exercise suggests that these two variables can be treated as orthogonal, thus setting the parameters for a typology of subnational political regimes.

Graphs 3.5 and 3.6 plot states and provinces along the access and exercise analytic dimensions, classifying political regimes according to types of state-administration.⁷⁶ The new regime classification sheds new and notable light on different analytic, methodological,

⁷⁴ The correlation between PJ and the exercise variable is almost inexistent (0.11).

⁷⁵ A simple test of statistical correlation between access and exercise substantiates in empirical terms this analytic differentiation. The correlation between the access and exercise variables is 0.23 in Argentina, and 0.27 in Mexico, both significant at the 0.00 level.

⁷⁶ Note that scores are averages for the 1983-2006 period in Argentina, and the 1997-2006 period in Mexico. It should be noted that the typologies presented in the graphs below are static, i.e., they constitute averaged snapshots of the periods under study. Yet, given that the average scores have been calculated on longer time-periods than in previous studies, these typologies provide a more realistic snapshot.

and theoretical aspects of subnational political regimes. First, the classifications present the full of range of political regimes, thus allowing for a clearer delimitation of the cases that should be regarded as democratic, and those cases that should be considered nondemocratic. Cases ranking between 0 and 0.1 on the vertical axis (i.e., the access dimension) denote nondemocratic regimes, whereas cases falling above the 0.1 cutoff point can be regarded as democratic.

Second, the classification of state-administrations further enables scholars to identify cases where power is exercised along neopatrimonial rules, and cases where rulers govern in a less discretionary, impersonal, and unchecked manner. The vertical line right in the middle of the horizontal axis (i.e. the exercise dimension) separates cases on the basis of each province's type of state-administration. Thus, the right-hand section of each graphs groups all bureaucratic states, whereas the left-right hand section comprises the neopatrimonial provinces.

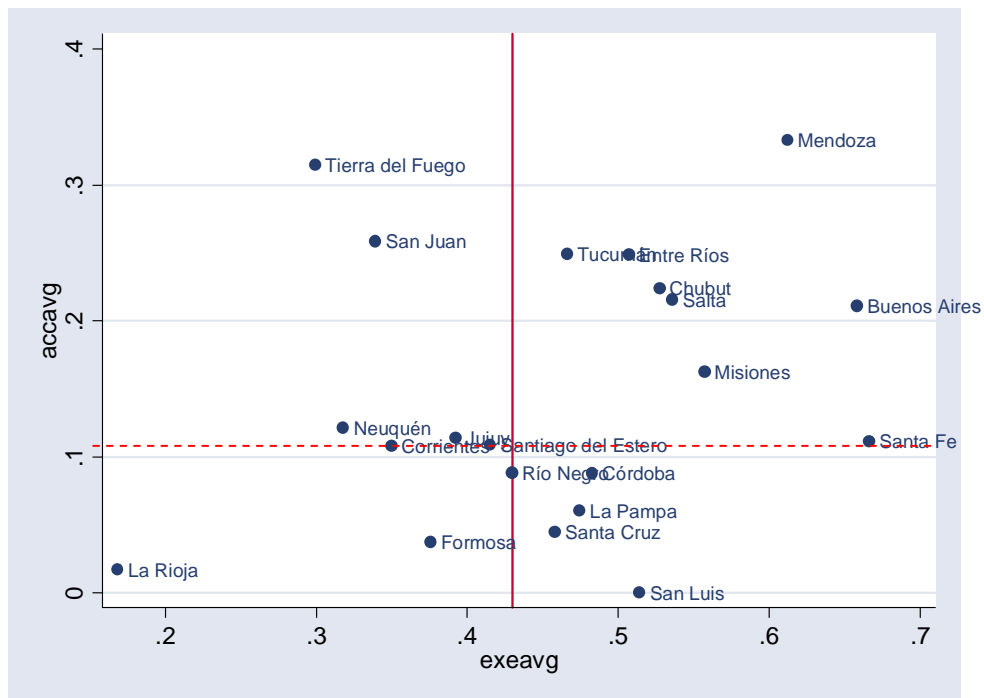
Third, and more importantly, the new regime classification also allows for a clearer definition of the universe of nondemocratic regimes. The graphs indicate that cases scoring low on the y-axis make up the bulk of SURs in contemporary Argentina and Mexico. As can be observed, the universe of SURs expands considerably once a procedural minimal definition of democracy is used. Indeed, cases that, according to the expanded definition of democracy, would have not been regarded as nondemocratic (i.e., states/provinces falling in the bottom-right of the graphs⁷⁷), can and should be considered members of the population of Argentine and Mexican SURs.

⁷⁷ Recall that the expanded definition of democracy conceived as of SURs states that have: (a) low levels of contestation and turnover, (b) high levels of fraud, (c) low levels of horizontal and societal accountability, and (d) high levels of clientelism and patronage –i.e., states/provinces falling in the bottom right side of the graphs.

Graph 3.5: Neopatrimonial vs. bureaucratic regimes in Argentina (1983-2006 avg.)

Neopatrimonial regimes

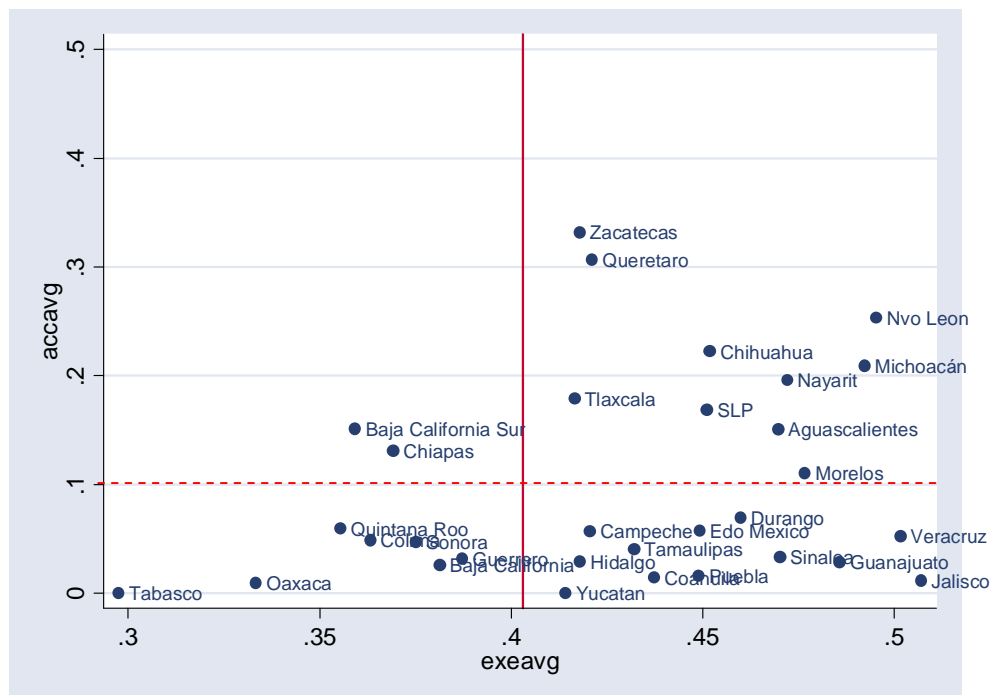
Bureaucratic regimes



Graph 3.6: Neopatrimonial vs. bureaucratic regimes in Mexico (1997-2006 avg.)

Neopatrimonial regimes

Bureaucratic regimes



Graphs 3.5 and 3.6 reveal that the universe of SURs, i.e., the set of cases that constitute the focus of this dissertation are: the Argentine provinces of La Rioja, Formosa, La Pampa, San Luis, and Santa Cruz, Santiago del Estero, Corrientes, Rio Negro, and Córdoba, among others, and the states of Tabasco, Oaxaca, Baja California, Sonora, Colima, Quintana Roo, Yucatán, Hidalgo, Jalisco, Guanajuato, Puebla, Coahuila, Sinaloa, Tamaulipas, Campeche, Estado de México, Durango and Veracruz.⁷⁸

Maintaining a clearer understanding of the universe of cases is crucial because it improves, as Munck (2004) notes, the researcher's ability to construct theories, define strategies for measurement and case selection, and establish comparisons/contrasts among cases. Thus, the classification presented in this dissertation, provides scholars of regime juxtaposition tools to gain leverage in each of these undertakings.

Finally, the new regime classification reveals that SURs are not of one type. In fact, nondemocratic states pertain either to the family of bureaucratic nondemocratic regimes or to the population of neopatrimonial SURs.⁷⁹ Recognizing that subnational nondemocratic regimes are of two broad types is critically important to refine current explanations about SURs in general, and SUR continuity in particular. As I will show in the remaining chapters of this dissertation, types of SURs, and their distinct interactions

⁷⁸ Given the inexistence of systematic indexes of political regimes, I cannot verify in statistical terms the external validity of my measurements. Yet, all the cases that are here considered as nondemocratic have also been regarded as such by scholars studying regime juxtaposition in Argentina and Mexico (see the works by Gibson 2005; Gervasoni 2006; Eisenstadt 1999, 2004; Snyder 1999, 2001; Solt 2003; Lakin 2008; Benton forthcoming, and the works included in the edited volume by Cornelius, Eisenstadt, and Hindely 1999).

⁷⁹ States falling into the bottom left side of the graphs make up the universe of *neopatrimonial SURs*. Conversely, the bottom-right side clusters the *bureaucratic SURs*.

with the central government, greatly shape the prospects and trajectories of their continuity.

V. Conclusion

At the beginning of this chapter, I noted that scholars of regime juxtaposition have not clearly defined, measured, and classified subnational undemocratic regimes.⁸⁰ I argued that because of this oversight, scholars have, in general, misidentified subnational undemocratic regimes and, as a result, have elaborated incomplete and theoretical accounts of SUR continuity. To overcome these problems I engaged in a careful conceptualization of subnational political regimes, and proceeded to measure democracy using the conceptual and analytic framework put forward by Mazzuca (1998, 2007) which differentiates between (i) the access to power and (ii) the exercise of power.

The maps and graphs of subnational democracy presented in this chapter showed that the levels of democracy in the Argentine provinces and Mexican states vary considerably across subnational units, evidencing that democracy in these two countries has not trickled down evenly. These results confirm that SURs are ubiquitous, that they are present in both rich and poor subnational units, and are not associated with any particular party or geographic area of the country.

Turning to the exercise of political power, the findings presented in this chapter demonstrate that state-administrations in the Argentine provinces and the Mexican states vary across units, although in a less pronounced way than democracy. The results also revealed that unlike the pattern observed with political regimes, it is possible to discern

⁸⁰ Exceptions are Solt (2003) and Gervasoni (2006, 2008).

some socioeconomic and geographical trends regarding subnational state-administrations. Indeed, provinces/states with high levels of socioeconomic development are, on average, associated with lower levels of neopatrimonialism. In addition, at least in the case of Mexico, I found a positive correlation between PAN-ruled and bureaucratic exercise of political power.

Finally, I showed that the new conceptualization of political regimes advanced in this chapter provided useful analytic tools to overcome the problems deriving from current SUR characterizations. In addition, and most importantly, this new conceptualization laid the groundwork for a classification of subnational political regimes, which in turn helped achieve one of the central goals of the paper, namely, singling out the cases that have remained nondemocratic since then, and which consequently make up the universe of cases that this dissertation studies.

Altogether, the evidence presented in this chapter provides the first elements to test the theoretical framework: (i) the universe of cases where the framework is deemed to be applied, (ii) the distinction between bureaucratic and neopatrimonial SURs, and (iii) the insight that SURs also vary considerably regarding their levels of socioeconomic development. In the next chapter, I analyze the remaining elements that are needed to test the framework. To that end, I study the elements that enable presidents to exert leverage and control over nondemocratic governors. To these national variables I turn next.

Chapter 4: Fiscal and partisan instruments of territorial control:

Argentina and Mexico in comparative perspective

Carlos Menem and Fernando De la Rúa were Argentina's only two presidents during the 1990s. They belonged to different political parties (the Peronist and the Radical party, respectively), represented different constituencies (labor-middle class-and poor sectors vs. middle and upper class, respectively), and most notably, maintained diametrically different relationships with governors. Whereas Menem, especially during the second half of his first administration (1989-1994), was able to control governors from virtually all provinces, De la Rúa proved incapable of doing so. Indeed, during De la Rúa's term governors even managed to coalesce in a formal league against the president, the so-called *Frente Federal Solidario de Gobernadores* (Olmeda 2008). Part of Menem's success in controlling and disciplining the governors stemmed from his capacity to penetrate provincial arenas via the Peronist party (Novaro 1994, McGuire 1997, Levitsky 2003, Wibbels 2005, Eaton 2004, 2005).

In effect, after 1991, Menem intervened most Peronist provincial organizations and removed recalcitrant provincial bosses who opposed him (McGuire 1997, Novaro 1994). Menem also had abundant financial resources to discipline governors. The windfall gains accruing from the privatization of public enterprises, coupled with the central government's capacity to raise taxes due to the greater stability of the economy, gave Menem additional financial resources that he used to buy off co-partisan and

opposition governors (Gibson & Calvo 2000). In contrast, De la Rúa's incapacity to keep governors in check was caused by the exact opposite factors: his inability to penetrate provincial arenas via the party apparatus (Calvo & Murillo 2004, 2005), and his lack of fiscal disciplining power, caused by the agonizing economic situation (Benton n.d., Olmeda 2008).

These contrasting intergovernmental relations are illustrative of the changing nature of presidential power, and they clearly reveal that presidential control over subnational units can vary tremendously, even within the same country and within a very short period of time. They also suggest that whereas some presidents may have a multiplicity of tools to exert control over governors, such as partisan and financial instruments, others might have a complete lack of them.

This chapter identifies the different paths of control (i.e., fiscal, partisan, fiscal/partisan) taken by each president in Argentina and Mexico after the latest transition to democracy in each country. To meet that goal, the chapter explores the different instruments of territorial and political control available to presidents. Following the argument presented in chapter 2, I argue that different combinations of fiscal and territorial instruments shape the path of control taken by any given president at any given time.

This chapter is divided into 3 sections. In the first section I discuss the fiscal instruments of presidential control found in Mexico and Argentina. To do so, I focus on 3 different sources that determine this type of control, namely, (a) the type of revenue-

sharing system⁸¹ and main intergovernmental transfers, (b) the stability of the rules that structure the distribution of fiscal transfers between the central government and the subnational units, and (c) the actual fiscal power and fiscal discretion of presidents as a function of the revenues that are not transferred to the provinces. After discussing the instruments of fiscal control in each country, I engage in a cross-country comparison to determine which president (and country) has higher/lower levels of fiscal presidential discretion and fiscal power, and thus more capacity to exert fiscal control over subnational units.⁸²

The second section of this chapter analyzes and compares the instruments of partisan control present in Argentina and Mexico. Finally, building on the previous sections, in the last part of the chapter I explore the different types of paths of control (i.e., fiscal, partisan, fiscal/partisan) taken by each president in Argentina and Mexico, comparing and contrasting presidential accessibility to the two instruments of control discussed above.

Before turning to the analysis of the instruments of presidential control, a note is in order regarding the analytical approach adopted in this chapter. In chapter 2, I took notice of the fact that provinces and governors varied considerably regarding, and that this variation had important effects on the capacity of national rulers to act on the

⁸¹ In a revenue-sharing system a country's main (domestic) taxes are collected by the federal government and then distributed in two rounds. In the first round, tax revenues are split in two (not necessarily equal) parts between the federal government and the subnational units. In the second round, the subnational share is distributed among each of the constitutive units of the federation.

⁸² I treat fiscal power and fiscal discretion as two different dimensions. Fiscal power increases/decreases depending on whether national incumbents get (or not) additional revenues. By contrast, fiscal discretion increases/decreases regardless of whether a country's revenues augment or diminish. During a year of economic downturn, for instance, presidents who can easily alter the rules structuring intergovernmental fiscal relations can still have high fiscal discretion vis-à-vis subnational units.

periphery. In this chapter however, I treat governors and subnational units as if they were a homogenous bloc. I momentarily overlook subnational differences because the aim in this chapter is to determine the *type of presidential control* prevalent in each country. Thus, I measure the absolute power that presidents have vis-a-vis governors, regardless of whether this power is neutralized by specific characteristics of subnational units and subnational incumbents.

Thus the indicators selected to determine whether presidents have either one (or both) instruments of control also overlook provincial differences. For instance, instead of measuring whether the president's party is present in any particular subnational unit, I measure the extent to which the presidential party has a homogenous (or heterogeneous) presence throughout the territory, i.e., across all subnational units. That is the reason for using the level of presidential *party nationalization* as the indicator of partisan control. The same holds true for the indicators that measure presidential fiscal power. These indicators capture whether presidents are (or are not) fiscally powerful vis-à-vis subnational units as *a whole*.

I. Fiscal instruments of territorial and political control

There are three potential sources that increase or decrease the capacity of presidents to exercise fiscal control over subnational rulers: (a) the type of revenue-sharing system and principal intergovernmental transfers, (b) the stability of the rules that structure the distribution of fiscal transfers between the central government and the subnational units, and (c) the fiscal power and fiscal discretion of presidents as a function of the revenues that are not transferred to the provinces.

By “type of revenue-sharing system and main intergovernmental transfers,” I refer to the rules that shape the distribution of funds across levels of government. In particular, I focus on the rules and procedures that determine the criteria through which transfers flowing from the center to subnational units are distributed, such as whether they are automatic and whether they are distributed based on a fixed formula. By “stability of the rules of fiscal federalism,” I refer to the changes made to the rules that structure the distribution of federal transfers. In particular, I look at the frequency with which these rules have been altered, and at the effects these have had on a president’s ability to enlarge his or her fiscal power and fiscal discretion vis-à-vis governors. Finally, I look at the actual fiscal discretion and fiscal power of presidents vis-à-vis all governors by focusing the proportion of shareable revenues that remains at the federal level of government exclusively (i.e., that is not shareable with the subnational units).

The first two aspects —the type (automatic and formula-based) and stability of the rules— capture presidential *discretion* vis-à-vis lower levels of government. Presidential discretion is lower in countries where intergovernmental transfers are automatic and distributed according to fixed formulae. The third aspect, in turn, is meant to gauge a president’s fiscal *power* vis-à-vis governors. The greater the proportion of shareable revenues that remains at the federal government, the more fiscally powerful a president is vis-à-vis subnational incumbents.

1) Mexico

(a). Revenue-sharing system and main intergovernmental transfers

The Mexican revenue-sharing system was instituted in 1980, with the passage of the *Ley de Coordinación Fiscal* (LCF – Law of Fiscal Coordination). The new law was a watershed in the history of Mexico's fiscal federalism. For the first time, states agreed to give up their authority over taxation in return for unconditional revenue-sharing transfers, the so-called *participaciones* (Díaz-Cayeros 2006). With the intention of diminishing presidential discretion and ensuring a steady flow of funds to the states, the new fiscal arrangement tied *participaciones* to explicit formulas that took into consideration population, revenue collected in the past, and indicators of state performance in tax collection (Courchene and Díaz-Cayeros 2000, Díaz-Cayeros 2006). In addition, the LCF stipulated very strict provisions regarding how automatic the distribution of *participaciones* must be and the sanctions to be applied whenever the federal government failed to comply.

The 1980 LCF stipulated that 17.6% of the taxes subject to sharing be assigned to the *Fondo General de Participaciones*' (FGP –General Fund of Participations), the main sub-fund making up the *participaciones* fund.⁸³ In other words, since 1980, 17.6% of the taxes subject to sharing flowed automatically to the states and were based on a fixed formula. This percentage was subsequently increased to 18.26% in 1989, 18.51% in the early 1990s, and 20% in 1997 (SHCP 2007).⁸⁴ The amount of *participaciones* (including

⁸³ The other sub-funds include: *Fondo de Fomento Municipal* (FFM –Fund for Municipal Promotion), and the *Fondo de Compensación* (FC –Fund for Compensations).

⁸⁴ If to that one adds the remaining *participaciones* sub-funds, roughly 23% of the total shareable revenues are automatically channeled to the states. In addition to these sub-funds, several specific taxes and

all sub-funds and special taxes) has remained stable over time, accounting for an average of 25.46% of the total shareable revenue between 2000 and 2006 (see table 4.1). It is important to note that every additional increase of the FGP and other *participaciones* sub-funds' share meant a decrease in the president's fiscal discretion, as the federal government was forced to automatically transfer a greater proportion of tax revenues to the states.

In 1997, within the broader context of public services' decentralization and a "New Federalism" program, President Zedillo introduced another major change in the Mexican system of intergovernmental transfers. Most of the funds/programs that before 1997 were distributed by the federal government (through a myriad of federal agencies) and that were earmarked for specific purposes at both the state and municipal level, were incorporated into the LCF within a broader fund, the so-called *aportaciones* fund.⁸⁵ Conditional cash transfers, such as the *Programa Nacional de Solidaridad* (PRONASOL –National Solidarity Program) as well as another funds for poverty alleviation, the fund for *Inversión Pública Federal* (IPF – Federal Infrastructural Development), and funds destined to the payroll of teachers and the provision of health care were all subsumed under the *aportaciones* funds.⁸⁶

The incorporation of these funds into the LCF was a major step toward limiting presidential fiscal discretion. Indeed, after 1997, the allocation of transfers destined to

economic incentives are also subsumed under *participaciones*, such as the property tax on automobiles (*tenencia*) and tax on new cars (ISAN). Like all the *participaciones* sub-funds, these additional taxes are transferred automatically to the states along arithmetic formulae.

⁸⁵ For a detailed description of the *aportaciones* fund and how it was created see Ortega (2004).

⁸⁶ The *aportaciones* subfunds were 5 in 1997 and 7 in 1999. See table 4.1 for a list of these sub-funds.

cope with social, welfare, and infrastructure development would be regulated by stricter distributional rules rather than by the discretion of each federal agency. This was the case because the LCF stipulated that some *aportaciones* sub-funds would be automatically transferred to the states and based on a fixed formula.⁸⁷ Nonetheless, the 1997 law was less strict on the distributional criterion of other *aportaciones* sub-funds, such as the education and health sub-funds. Still, when compared to the pre-1997 criterion used to allocate these sub-funds, the post-1997 regulation significantly limited the federal government's capacity to determine the amount of transfers flowing to the states.⁸⁸ The greater constriction over presidential fiscal discretion has meant that an average of 26.53% of the total shareable revenue has been subject to tighter rules of allocation during the 2000-2006 period (see table 4.1).

Another step was taken to limit presidential fiscal discretion and fiscal power in 2003 when a new fund, the *Fideicomiso para la Infraestructura de los Estados* (FIES – Trusteeship for States' Infrastructure) was incorporated into the LCF. The FIES' main purpose was to transfer oil surpluses to the states, thus slicing off another portion of revenues from the federal government. As a result, since 2003 states have had the opportunity to reap part of the benefits of oil exports as automatic tax transfers⁸⁹. Indeed,

⁸⁷ Such was the case of *FAIS* (fund for infrastructural development), *FAM* (fund for educational infrastructure development), and *FORTAMUN-DF* (fund for municipal financial strengthening and investment).

⁸⁸ The LCF provides some guidelines for the distribution of the education and health funds, but they are vague and general and do not become binding formulae (see Courchene and Díaz-Cayeros 2000). However, because the amount of the funds to be distributed among states is determined each year in the lower house, when the budget is discussed, the states (via their governors and congressional delegations) have gained a considerable amount of leeway to limit presidents' fiscal discretion (see Sour et al. 2003, Olmeda 2009).

⁸⁹ The FIES is distributed using the same formulas employed to allocate the FGP.

in 2003, 1.4% of the total federal transfers flowing to the states came in the form of FIES, and that amount increased to 2.4% in 2004, then back to 2% in 2005 and 1.9% in 2006 (due to the volatility of the oil prices) (SCHP –Diagnóstico 2007).

Table 4.1: Mexico's revenue-sharing system and main intergovernmental transfers (as of 2006)

	<i>Fund</i>	<i>% of total shareable revenue (2000-2006)</i>	<i>Allocation criteria</i>	<i>Yr of law's passage</i>
Revenue- sharing system	Participaciones	25.46	Automatic/Formula	1980
	FGP		Automatic/Formula	
	Other participaciones		Automatic/Formula	
	Economic incentives		Automatic/Formula	
Main intergovernmental transfers	Aportaciones	26.53		1997
	FAEB		Vague guidelines but mostly based on teacher's payroll	1997
	FASSA		Vague guidelines but mostly based on medical infrastructure, payroll, and funds distributed in the previous year	1997
	FAIS		Formula	1997
	FORTAMUN-DF		Formula	1997
	FAM		Vague guidelines but mostly based on index of social vulnerability/educational needs	1997
	FASP		Formula	1999
	FAETA		Vague guidelines but mostly based on payroll	1999
	Agreements of decentralization*	3.77	Determined by each Ministry based on states' sectoral needs	n.a.
	PAFEF**	1.37	Vague guidelines but mostly based on financial,debt, and infrastructural needs	2000
	FIES***	0.86	Automatic/Formula	2003

Source: Secretaria de Hacienda y Crédito Público (SHCP) --Diagnóstico 2007

*Educational, agricultural, and development agreements that are signed between individual states and federal agencies (SAGARPA, CNA, SEP)

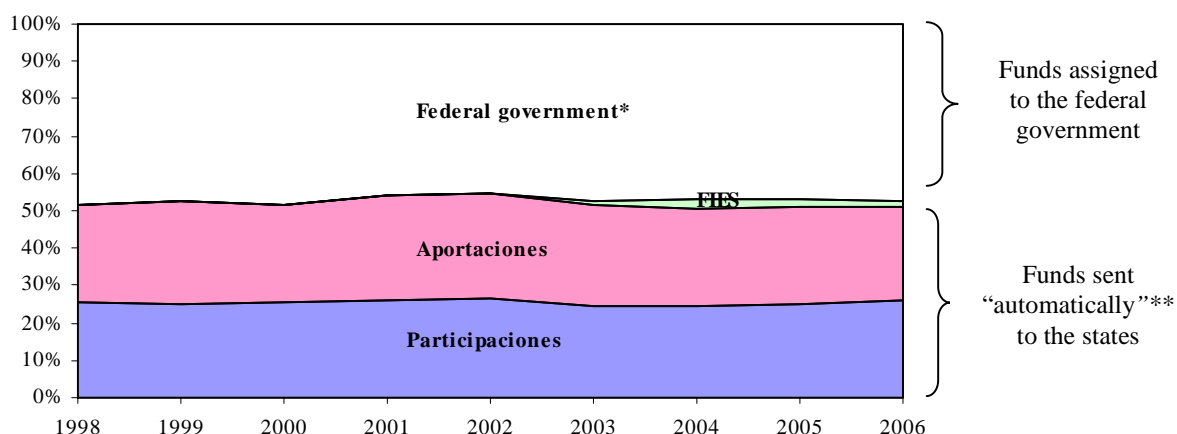
**Aims at covering financial,debt, and infrastructural states' needs. Starting in 2008, the PAFEF was included as the 9th aportaciones sub-

***Additional oil revenues earmarked for financial, debt, and infrastructural needs

All in all, since the 1980s, the evolution of the Mexican fiscal federalism has gone in the direction of imposing additional constraints on presidential fiscal discretion. The progressive, but steady, increase of *participaciones* flowing to the states since 1980, the introduction, in 1997, of *aportaciones* as a part of the *Sistema Nacional de Coordinación Fiscal* (SNCF –National System of Fiscal Coordination) together with its concomitant decentralization of fiscal resources to the states, and the reassignment of a share of oil surpluses to the states (via the FIES) since 2003, have all contributed to decrease both the share of revenues that remain at the federal level of government. This has reduced presidents' fiscal power vis-à-vis the states. In addition, since these transfers are done automatically and, for the most part, based on fixed formulas, they have further diminished the level of presidential fiscal discretion, thereby reducing the federal government's capacity to discipline governors through fiscal means.

Figure 4.1 presents data about the percentages of revenues subject to sharing that have been transferred to the states, as well as the percentage that has remained at the federal government. Between 1998 and 2006, states in Mexico have received an average of 52.84% of the taxes subject to sharing, while the federal government has retained a smaller share of the pie (an average of 47.15% during the same period). In addition, between 1998 and 2006 there were no significant shifts in the percentage of shareable revenues that flowed automatically to the states.

Figure 4.1: Intergovernmental distribution of taxes subject to sharing in Mexico



Source: SHCP --Diagnóstico 2007

*Includes funds destined to the states (such as the *Programa de Apoyos para el Fortalecimiento de las Entidades Federativas* (PAFEF –Program of Subsidies to Strengthen the States, and *Agreements of Decentralization*) but that are not automatically delivered

** As noted, some *aportaciones* sub-funds are not transferred automatically

(b). *Presidential fiscal discretion as a function of non-shareable revenues*

Since not all taxes and revenues are subject to sharing, in order to fully estimate the level of presidential fiscal power/discretion vis-à-vis governors, one needs to look beyond the system of revenue sharing and the principal intergovernmental transfers. The taxes and revenues that are not subject to sharing are, by default, retained by the federal government, which in turn has complete freedom to decide when and how to use them. If these taxes and revenues are abundant or make up a large share of a country’s total revenues, presidents are able to expand their fiscal power vis-à-vis subnational rulers.

In Mexico, a substantial amount of the country’s total revenues is obtained from oil exports –between 1997 and 2006, an average of 35% of Mexico’s revenues came from oil. Even though part of these revenues are transferred to the states to finance public works and projects of infrastructural development, another part, i.e., the extraordinary fees from oil, is

excluded from the bulk of revenues flowing to the states. These extraordinary revenues, which result from increases in oil prices, account for a substantial amount of the country's income. During the last three years of Fox's tenure the price of oil increased worldwide, reaching in Mexico its historic maximum level, an additional 439,288 million of Mexican pesos (i.e., around 40 billion US dollars) entered the federal executive coffers (FUNDAR 2006), giving the president additional resources to use with considerable discretion.

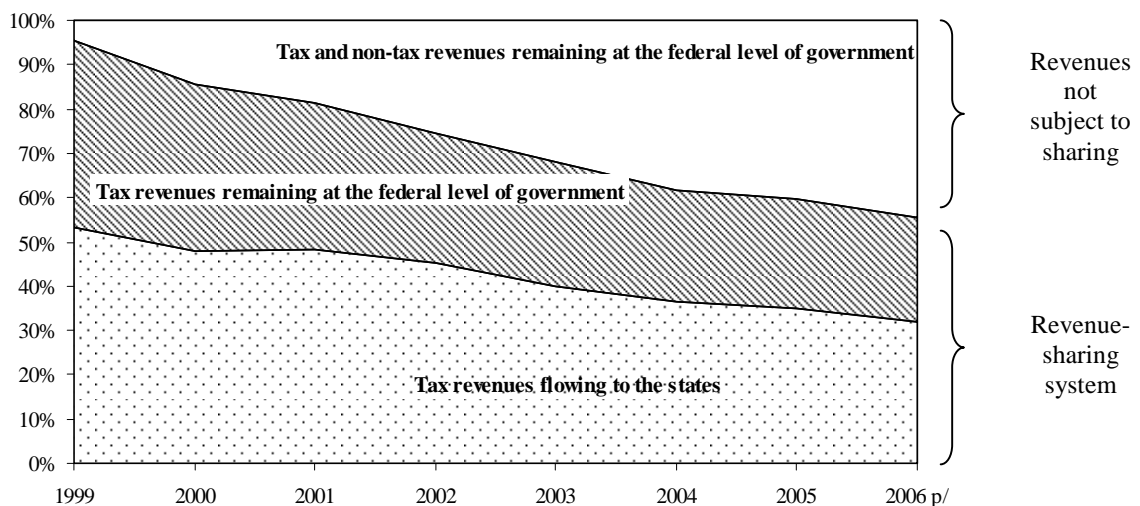
A second mechanism also helped President Fox enlarge the share of oil revenues remaining exclusively under his control. A common practice among Mexican presidents is to underestimate oil prices (FUNDAR 2006, CEF 2007).⁹⁰ This lowers the country's projected total revenues and has a major implication for budget allocations, as spending decisions are made on the basis of underestimated revenues. This process also has major implications for presidential fiscal discretion, as the extraordinary oil revenues resulting from the differential between the underestimated and actual oil prices, and which are not assigned to any budgetary item, remain under the exclusive control of the national executive. The practice of underestimating oil revenues was common during the last 3 years of Fox's *sexenio* (FUNDAR 2006, CEF 2007), starting in 2003, giving the federal government the ability to increase its fiscal power and fiscal discretion over governors.

Figure 4.2 below presents both shareable and non-shareable revenues during the Fox administration (2000-2006). The dotted and lined areas encompass the share of taxes that make up the revenue-sharing system. The dotted area reflects the bulk of revenues (subject to sharing) that automatically flowed to the states, such as all the *participaciones* sub-funds and

⁹⁰ This underestimation has not always been deliberate. Given the changing nature of oil prices, an accurate estimation of oil prices is difficult.

the FIES, and the *aportaciones*. The lined area, by contrast, encompasses the proportion of taxes (subject to sharing) that remained at the federal level of government. The white area is the federal revenue that came in the form of taxable and non-taxable but that was not subject to sharing, which also includes the revenues stemming from the extraordinary surpluses of oil. Together, the white and lined areas represent the share of total (taxable and non-taxable) revenues that were administered by the federal government exclusively, and that could be used and distributed according to the federal government's needs.

Figure 4.2: Distribution of total (taxable and non-taxable) revenues across levels of government in Mexico



Source: Author's calculations based on SHCP --Diagnóstico 2007
p/ provisional figures

Figure 4.2 highlights several important aspects of presidential fiscal discretion/power in Mexico. First, one of the sources that expands presidential power, namely, the share of revenues that is not subject to sharing (i.e., white area), has progressively increased over the years, indicating that presidential power/discretion has become larger. Yet, the share of taxes that makes up the revenue-sharing but that is assigned to the federal government (i.e., lined

area) has remained stable over time (accounting for approximately 30% of Mexico's total revenues), indicating that, from the standpoint of the revenue sharing arrangement, presidential fiscal discretion/power has remained stable. Second, and related, figure 4.2 reveals that the greater presidential fiscal power and fiscal discretion has come from increases in non-shareable revenues which began to augment in 2003, when oil prices peaked, and not, as occurred in Argentina, from changes in the shares of the revenue-sharing system.⁹¹ Finally, figure 4.2 shows that, in line with the discussion presented in chapter 2, presidential fiscal discretion and power are not fixed in time but instead are subject to change. In fact, President Fox's fiscal discretion/power was low in the early 2000s. Yet, due to the increase of oil prices, it became greater toward the end of his tenure.

2) **Argentina**

(a). *Revenue-sharing system and main intergovernmental transfers*

Although the Argentine revenue-sharing system dates back to 1934, when the first *ley de coparticipación* (coparticipation law (CL)) was passed, the “modern” system of revenue-sharing was not created until 1973,⁹² when a new law stipulated how the total revenues subject to sharing would be distributed: 46.7% of the tax revenues would remain at the federal level of government and 53.3% would flow, on an automatic basis, to the provinces. These distributional percentages were altered in 1981 however, and would undergo substantial change thereafter (see table 4.2).

⁹¹ As discussed above, the creation of the FIES in 2003, which stipulates that states will get a share of the extraordinary revenues from oil, has somewhat curtailed presidential discretion/power.

⁹² Before 1973 only a small portion of domestic taxes were subject to sharing. For a detailed description of the evolution of the Argentine revenue-sharing system, see Cetrángolo & Jiménez 2004.

Table 4.2: Size of provincial and national shareable revenues in Argentina

<i>Year of CL's reform</i>	<i>Federal government</i>	<i>Provinces</i>
1934-1946	82.50%	17.50%
1947-1958	79%	21%
1959	66%	34%
1960	64%	36%
1961	62%	38%
1962	60%	40%
1963	58%	42%
1964-1966	54%	46%
1967	59.20%	40.80%
1968-1972	61.90%	38.10%
1973-1980	46.70%	53.30% (a)
1981-1984	48.50%	51.50% (b)
1985-1988	<i>no coparticipation law</i>	
1988-1991	42.34%	57.66% (c)
1992-1993*	<i>minimum floor</i>	
1999-2001	<i>fixed sum</i>	
2002	41.24%**	58.76%

Sources: CECE #9 (1995), laws 24130, 25535, 25400, 25570

(a) Includes 1.8% destined to City of Buenos Aires and Fondo de Desarrollo Regional (FDR); (b) includes FDR; (c) includes ATN

*Porto and Sanguinetti (1993) estimate that 54.07 remained at the federal level of government and 45.3 were transferred to the provinces

"Does not include the 15% deduction withheld by the federal government

The first change occurred in 1988, one year before Raúl Alfonsín (1983-1989) left the presidency, when a new CL was passed stipulating that the federal government would receive 42.34% of the revenues subject to sharing, while the provinces would get the remaining 57.66%.⁹³ These distributional percentages would be changed after the first two years of the Menem presidency (1989-1999), when Menem and the governors signed the Fiscal Pact I. The Pact introduced two major modifications to the existing revenue-sharing system. First, it reversed the proportion of revenues distributed between the federal state and the provinces by

⁹³ For a description of the negotiations leading up to the passage of the 1988 CL, see Eaton 2004, Spiller & Tommasi 2007.

slicing off a substantial part of the provincial share and, second, it changed the criteria used to determine these shares.

Regarding the first change, the Fiscal Pact I allowed President Menem to retain 15% plus a monthly fixed sum of US/AR\$ 45,800,000 of the revenues previously subject to sharing with the provinces (Law 24130). The deducted revenues were used to finance the national pension system, which at the time was in dire straits.⁹⁴ Regarding the second change, President Menem negotiated with the governors a minimum revenue guarantee –the so-called *piso mínimo* (minimum floor), of US\$ 725 million per month for the provinces.⁹⁵ By adopting a rigid revenue floor, Menem departed significantly from the revenue-sharing practices of the 1930-1991 period, where the exact amount of the revenues flowing to the provinces and remaining at the federal government were determined by the ebb and flow of federal tax receipts (Eaton 2004).

These two changes were soon to become “institutionalized,” as subsequent presidents emulated the distributional criteria introduced in the Fiscal Pact I. Indeed, during the 1990s and 2000s fractions of specific taxes included in the revenue-sharing system and subject to sharing were destined to finance specific federal and provincial programs, including education, health provision, public works, and housing.⁹⁶ As a result of these deductions, between 1992 and 2002, the actual share of revenues flowing to the provinces diminished considerably, while the revenues staying at the federal government increased. As Eaton

⁹⁴ The legal provision regulating this deduction was vaguely written, in way that allowed the federal government to cope with the costs of the social security system and “other expenditures” (Law 24130).

⁹⁵ For an analysis of these negotiations see Eaton 2004; Cetrángolo & Jiménez 2004; Wibbels 2005; Spiller & Tommasi 2007; Olmeda 2008.

⁹⁶ These tax appropriations have led to a convoluted system that has been labeled by local experts as the “federal fiscal labyrinth” (see Spiller and Tommasi 2007; Saiegh and Tommasi 1998).

(2004:148) notes, “although the 1988 coparticipation law had reduced the federal government’s share of revenues to 42.34%, the fiscal pacts of 1992 and 1993 effectively increased its share to 50.07%.”

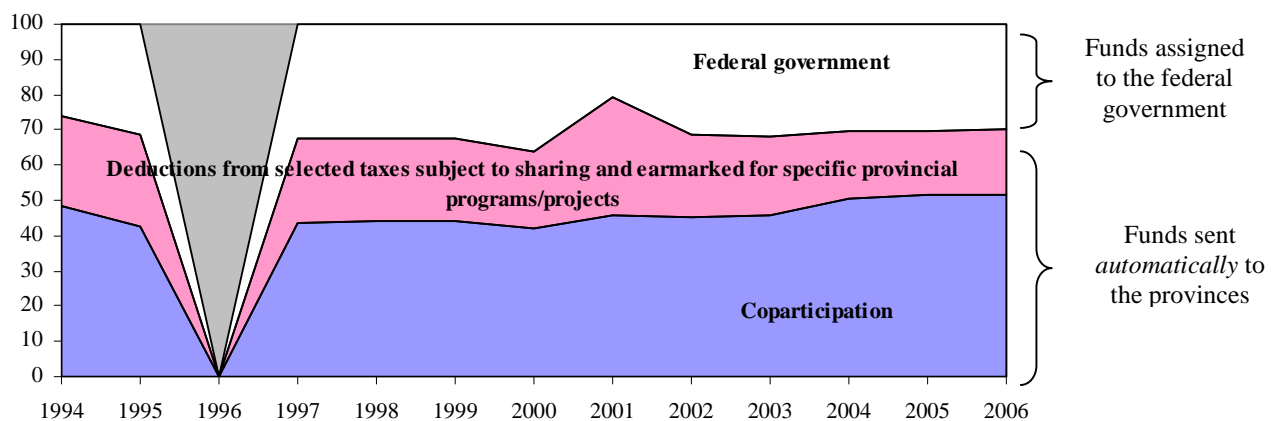
The second major change introduced in 1992, namely, minimum revenue guarantee sent to the provinces, was also emulated after the Menem presidency. Menem himself stuck to this practice, as exemplified by the signature of a second fiscal pact in 1993, the so-called Fiscal Pact II, which increased the minimum floor to US\$ 740 million. Continuing with this tradition, in 1999 Alianzist President De la Rúa and the governors signed the *Compromiso Federal* (Federal Compromise) in which a fixed (instead of a minimum floor) sum was transferred to the provinces. That amount, which was set at US\$ 1.35 billion in 1999, was then increased to US\$ 1.36 billion in 2001.

Under the presidency of Peronist Eduardo Duhalde in 2002, the fixed amount and minimum floors were abandoned. During his administration, revenues distributed to the provinces began to be determined by the ebb and flow of federal tax receipts. Yet, unlike the post-1988 and pre-1992 practices, the federal government continued to withhold a substantial amount of the provincial share, as the 15% deduction, the monthly fixed sum of AR\$ 45,800,000, and all other deductions from domestic taxes remained in place.

Altogether, both the 15 % withholding, coupled with the deductions from various domestic taxes subject to sharing, as well as the changes made by every president since 1983 to the rules regulating the distribution of the coparticipation transfers, benefitted presidents at the expense of governors. Indeed, as illustrated by figure 4.3 between 1992 and 2006, the size of the provincial coparticipation share remained well below the 56.66 percentage established by the 1988 coparticipation law. Instead, the average share of revenues flowing

to the provinces has been 46.2% of the total revenues subject to sharing, while an average of 53.8% has remained at the federal level of government (see figure 4.3). All in all, both of the post-1992 changes indicate that presidential power and discretion has expanded.

Figure 4.3: Intergovernmental distribution of taxes subject to sharing in Argentina



Source: Author's calculations based on Ministerio de Economía --Cuenta de Inversión (1994-2006), Boletín Fiscal (1998)
No data available for 1996

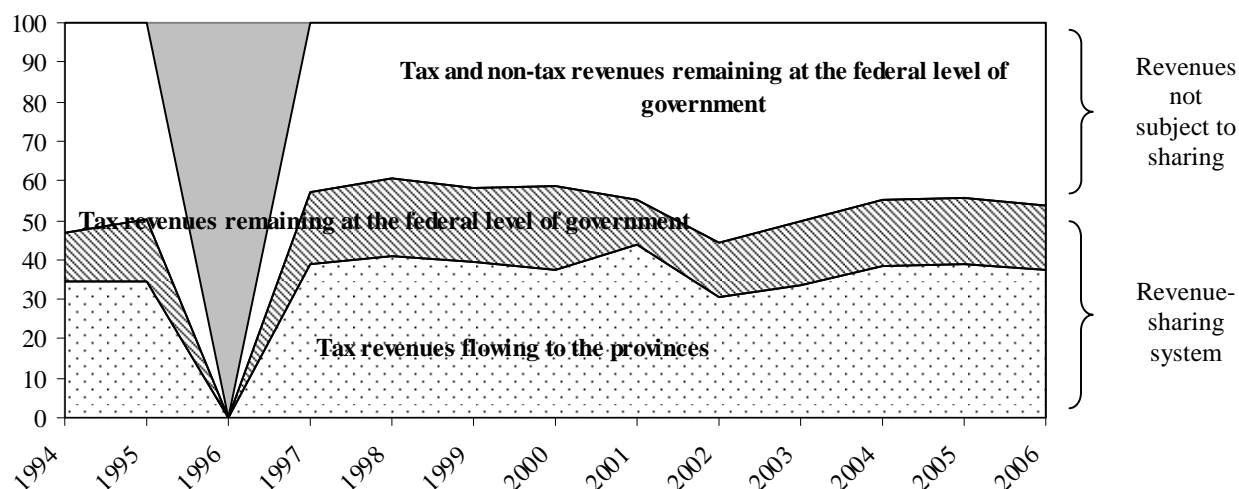
(b). *Presidential fiscal discretion as a function of non-shareable revenues*

To fully estimate the level of presidential fiscal power/discretion vis-à-vis governors, we need to analyze the revenues that were not subject to sharing. As in Mexico, a substantial amount of Argentina's total revenues is obtained from non-shareable revenues. However, unlike Mexico, where most of these revenues come from the windfall gains of oil, in Argentina these sources have manifold origins. In the early 1990s, the bulk of revenues not subject to sharing stemmed from the privatizations, the contributions to the pension system, and to a lesser extent, from international trade tariffs. In the 2000s, however, they mostly originated from export and import duties, both of which rose to unprecedented levels as a result of the worldwide increase of commodity prices. Between 1993 and 2007, the revenues

not subject to sharing accounted for an average of 46.18% of Argentina's total income (Mecon --Cuenta de Inversión (1994-2006), Boletín Fiscal (1998)).

Figure 4.4 disaggregates data regarding both shareable and non-shareable revenues during the Menem (1989-1999), De la Rúa (2000-2001), Duhalde (2002-2003), and Kirchner (2003-2007) administrations. The dotted and lined areas encompass the share of taxes that make up the revenue-sharing system. More specifically, the dotted area reflects the bulk of revenues (subject to sharing) that automatically flowed to the provinces, i.e., the *coparticipación* fund. The lined area, by contrast, encompasses the proportion of taxes (subject to sharing) that remained at the federal level of government. The white area makes up the bulk of total revenues (taxable and non-taxable) not subject to sharing, including revenues stemming from the privatization of public enterprises, and export/import duties, among others. Together, the white and lined areas represent the share of total (taxable and non-taxable) revenues that were administered by the federal government exclusively, and that could be used and distributed according to the federal government's needs.

Figure 4.4: Distribution of total (taxable and non-taxable) revenues across levels of government in Argentina



Source: Author's calculations based on Ministerio de Economía --Cuenta de Inversión (1994-2006), Boletín Fiscal (1998)
No data available for 1996

Figure 4.4 also reveals important aspects of the presidential fiscal discretion/power in Argentina. First, the upward and downward movements of the dotted area (i.e., the percentage of taxes flowing to the states), indicate that presidents in Argentina not only have been able to manipulate the rules regulating the distribution of these taxes, but also that the fiscal power to gain leverage over governors has changed over time. Second, and related, figure 4.4 indicates, in line with the theoretical claims advanced in chapter 2, that presidential fiscal discretion and power are not fixed in time but that instead have undergone significant changes. Figure 4.4 indicates that, from a fiscal viewpoint, the most powerful presidents have been Menem (during his first administration) and Kirchner, both of whom enjoyed abundant resources that were not subject to sharing (see white area). By contrast, the least

fiscally powerful president has been Fernando De la Rúa. Third, figure 4.4. reveals that the greater presidential fiscal power and fiscal discretion has come from increases both in the amounts of non-shareable revenues *and* in the amount of revenues subject to sharing, which grew larger between the 1995-1999 and 2003-2006 periods, under the presidencies of Menem and Kirchner, respectively.

3) Mexico and Argentina in comparative perspective

Since the goal of this chapter is to identify the instruments of presidential control that are at the disposal of presidents in both Argentina and Mexico, I now compare the two countries (and country-presidencies) along the three sources analyzed before: (a) the type of revenue-sharing system and main intergovernmental transfers, (b) the stability of the rules that structure the distribution of funds between the central government and the subnational units, and (c) the fiscal power and fiscal discretion of presidents as a function of the revenues that are not transferred to the provinces.

One of the main similarities between Argentina and Mexico regards the type of revenue-sharing system. Taxes in both countries are collected by the federal government and then distributed in two rounds, first between the federal government and the subnational units, and subsequently across the subnational units. In addition, the two countries transfer taxes automatically and on the basis of fixed formulas, thus restraining the ability of national incumbents to manipulate fiscal resources.⁹⁷

⁹⁷ Despite these similarities, differences exist regarding the share of revenues that flows directly to the states: whereas *participaciones* make up between 20% and 30% of the total revenues subject to sharing, coparticipation transfers oscillate between 30 and 40 %.

By contrast, one of the main differences between these two systems is the stability of shares that are subject to sharing. Whereas in Argentina these shares have undergone significant changes during the latest post-democratic period, in Mexico they have remained substantially stable over time. Figure 4.1 and 4.3 above display in graphic terms this contrast. Figure 4.1 shows that in Mexico the proportion of taxes subject to sharing flowing to the states (i.e., colored areas) has remained stable at around 58.5%. By contrast, figure 4.3 indicates that in Argentina, the total provincial share (colored areas) has fluctuated from 73.82% in 1994, to 63.83% in 2000, 79.38% in 2001, and 70.04 in 2006. This fluctuation is much more pronounced if only the coparticipation provincial share (i.e., lower colored area) is analyzed. In fact, this share changed from 45% (on average) during the early 1990s, to 43% (on average) during the late 1990s, back to 44% in the early 2000s, and 49% in the mid-2000s.

This marked contrast between the Mexican and Argentine shares flowing automatically to subnational units indicates, first, that Mexican presidents, unlike their Argentine counterparts, have manipulated to a much lesser extent the size of the subnational share. Second, and related, it shows that the changes observed in Argentina have, for the most part, been detrimental to the provinces and favorable to the federal government. By contrast, the changes observed in Mexico, however mild, have benefited the states at the expense of the federal government. Finally, the recurrence of the changes observed in Argentina points to the high frequency with which national incumbents have changed the rules regulating the revenue-sharing system. Whereas during the post-1983 period, all Argentine presidents have altered the size of the provincial slice of the pie, only one major change has taken place in the post-democratic Mexican period.

All in all, the evidence shows that there are very sharp contrasts regarding the way in which the revenue-sharing systems in Argentina and Mexico work, and that different patterns have in turn affected in very distinct ways the levels of presidential discretion and power in each country. Table 4.3 enumerates the major institutional changes introduced into Argentina and Mexico's revenue-sharing system/main intergovernmental transfers. It also estimates how these changes have affected presidential fiscal power and fiscal discretion vis-à-vis governors.

Table 4.3: Main institutional changes to revenue-sharing systems and effects on presidential power/discretion in Argentina and Mexico

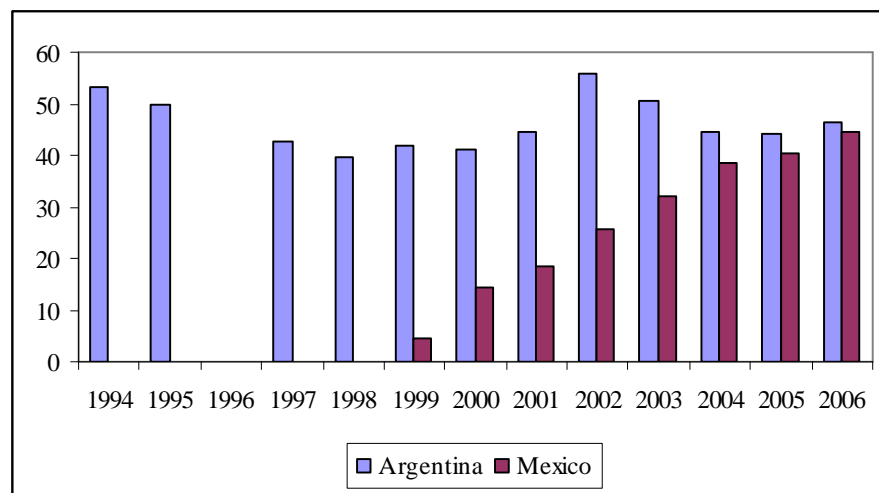
Country	Yr of institutional change	Type of change	Effect on presidential fiscal power	Effect on presidential fiscal discretion
MEXICO	1980	<i>Participaciones</i> fund is created	↓	↓
	1997	<i>Aportaciones</i> fund is created	↓	↓
	1999	Additional sub-funds are included in the <i>Aportaciones</i> fund	↓	↓
	2003	FIES fund is created	↓	↓
ARGENTINA	1983	No coparticipation law	↑	↑
	1988	New coparticipation law is passed	↓	↓
	1992	Fiscal Pact I sets a minimum floor to be sent to the provinces	↑	no effect*
		15% and US\$ 45,800,000 are deducted from the provincial coparticipation pie	↑	no effect*
	1992	Fiscal Pact II augments the minimum floor	↑/↓	no effect*
	1999	<i>Compromiso Fiscal</i> set a fixed sum to be sent to the provinces	↑	no effect*
	2001	<i>Compromiso Federal por el Crecimiento y la Disciplina Fiscal</i> augments fixed sum	↑/↓	no effect*
	2002	Coparticipation percentages are put back in place (but 15% and \$ 45,800,000 are deducted from the provincial coparticipation pie)	↑/↓	no effect*

* No effect because transfers are still made automatically, thus maintaining presidential fiscal discretion low

A comparison regarding the actual fiscal power and fiscal discretion of presidents as a function of the revenues that are not transferred to the provinces reveals less pronounced

differences across states. Yet, in relative terms, Argentine presidents have, on average, managed to maintain a larger share of revenues not subject to sharing than their Mexican counterparts than their Mexican counterparts (see figure 4.6 below). Still, by the end of the period under study this difference had shrunk, as the size of Mexico's revenues not subject to sharing grew larger.

Figure 4.5: Share of total revenues not subject to revenue-sharing in Argentina and Mexico



Sources: Author's calculations based on data provided by country Ministries of Economy. Argentina (Ministerio de Economía --Cuenta de Inversión (1994-2006), Boletín Fiscal (1998)); Mexico (SHCP --Diagnóstico 2007)

In summary, the country comparisons indicate that, overall, Mexican presidents are less fiscally powerful and have less fiscal discretion than their Argentine counterparts. The comparison also shows that the sources of presidential fiscal power and discretion are different. In Mexico fiscal power and fiscal discretion do not stem from the revenue-sharing system, but rather are directly proportional to the increase in the revenues that are not subject to sharing (i.e., extraordinary fees from oil, and oil surpluses). In Argentina, the sources of presidential fiscal power and fiscal discretion originate from the manipulation of the revenue-

sharing system, which has allowed presidents to decrease the amount of taxes transferred to the provinces, and from the abundant revenues that have not been subject to sharing.

II. Partisan instruments of territorial and political control

In chapter 2, I argued that political parties are a central instrument for enhancing presidential control over subnational incumbents. I noted that in order for presidents to exercise control over subnational co-partisans (either via control over nominations or through coattails), a president's party needs, first and foremost, to be present in any given subnational unit. Moreover, I noted that the effective (electoral) presence of the presidential party in the states or provinces is a key partisan instrument enabling presidents to constrict governors when provincial incumbents do not belong to the president's party.⁹⁸ Finally, I argued that the more homogenous this presence is, the higher the capacity of presidents to exert control over a larger size of both co-partisan and opposition governors.

This section assesses the degree to which presidential parties in Argentina and Mexico are nationalized (i.e., have a homogenous electoral presence across all subnational units). After measuring and discussing the evolution of party nationalization in each country, a cross-country comparison is used to determine in which country partisan instruments have been more prevalent.

⁹⁸ I referred to this type of control as partisan "control from below." This type of presidential control occurs when the nationally governing party, which has effective presence in a given province (i.e., at the municipal level and/or in the legislature), becomes an actual threat to the (opposition) provincial incumbent. Presidents with the ability of taking hold over their state-level partisan structures stand in a powerful position to constrict (opposition) governors' power from "below," and consequently limit (opposition) governors' autonomy.

(c). *Presidential party nationalization*

Countries vary considerably with regard to the territorial and geographical extension of their parties, and consequently with regard to the extent to which they are effectively present in subnational units (Caramani 2004; Jones & Mainwaring 2003; Calvo & Escobar 2005; Leiras 2006, 2007; Gibson & Suárez-Cao 2008). In some countries, the main national political parties are territorially extended throughout most political districts. Moreover, not only are these parties effectively present in each electoral district, but they obtain similar shares of the vote in all districts. By contrast, national parties have less chances of having an effective territorial presence in subnational units where strong provincial parties exist and monopolize electoral competition. Similarly, in countries where the president's core voters are concentrated in specific geographic areas (i.e. industrial regions, urban districts, or rural areas), partisan geographic and territorial extension is also limited.

To gauge the homogeneity of the presidential party's electoral presence throughout the territory, I measure the level of nationalization of the presidential party. Higher levels of presidential party nationalization are defined as situations where the presidents' party vote shares do not differ much from one subnational unit to the next. By contrast, lower levels of party nationalization indicate exist if the presidential party's vote share varies widely across provinces.

The higher the level of presidential party nationalization implies that presidents have a similar percentage of co-partisans in all subnational units, upon whom they can rely to exert control from below over recalcitrant rulers. Conversely, the lower the level of party nationalization –that is, the more geographically concentrated the electorate is– the lower the

capacity of presidents to control (both from above and below) subnational co-partisans, and the greater the power of governors to act autonomously.

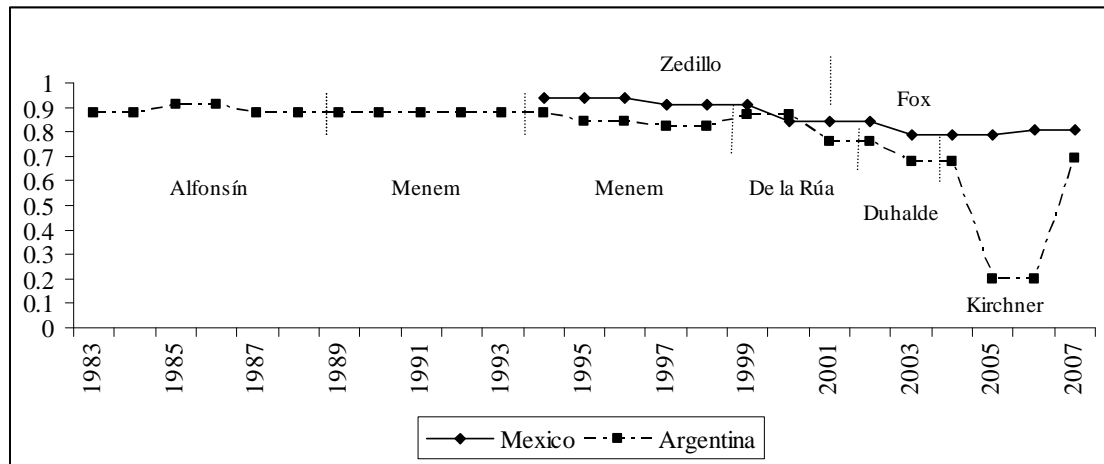
To measure the nationalization of the presidential party, I rely on Jones & Mainwaring (2003) seminal inverted Gini coefficient of the Party Nationalization Score (PNS).⁹⁹ Jones & Mainwaring's (2003) PNS assesses the extent to which a party wins equal vote shares across all the subnational units. A Gini coefficient of 0 signifies that a party received the same share of the vote in every subnational unit; while a Gini coefficient of 1 means that it received 100 percent of its vote in one subnational unit and 0 percent in all the rest (Jones and Mainwaring (2003:142)). Jones and Mainwaring calculate the inverted Gini coefficient of the PNS by subtracting the Gini coefficient from 1 so that a high score indicates a high level of nationalization.¹⁰⁰

Figure 4.7 indicates three clear patterns of cross-country and cross-temporal level of presidential party nationalization in Argentina and Mexico. First, Mexico's level of presidential party nationalization has been, both before and after the transition to democracy in 2000, higher than in Argentina. Second, the level of presidential party nationalization in Argentina and Mexico has decreased over time. Finally, this decline has been precipitous in Argentina contrasting sharply with the little decrease observed in Mexico.

⁹⁹ The PNS is measured by voting returns in legislative (lower chamber elections).

¹⁰⁰ Measured in this way, the PNS has two main advantages. First, it allows tracing changes in a party's level of nationalization over time, and, second, the PNS is a useful tool to compare parties' level of nationalization across countries.

Figure 4.6: Presidential party nationalization in Argentina and Mexico



Sources: Argentina: 1994-2001: Jones & Mainwaring (2003); 2003-2005: Leiras (2006); 2007: author's own calculations; Mexico: 1994-2000: Jones & Mainwaring (2003); PAN 2003-2006: Olmeda & Suárez-Cao n.d.; PRI and PRD 2003-2006: author's own calculations.

The higher levels of presidential partisan nationalization (close to a perfect 1 PNS score) observed in Mexico up to 2000, are not surprising, given the PRI's hegemony and its concomitant ubiquitous territorial presence in every single electoral district of the country. By contrast, the relatively high level of presidential partisan nationalization observed after 2000, when the PAN assumed the presidency, is more striking given the more urban character of the PAN, and its stronger territorial presence in the northern and central districts of Mexico¹⁰¹ (Mizrahi 2003, Shirk 2005, and the cluster of articles in the January 2007 issue of *Political Science & Politics*). However, the fact that regional or state-level parties are not allowed to compete in national elections,¹⁰² contributes to explain the relatively high level of the PAN's nationalization. The absence of regional or state-level partisan organizations has

¹⁰¹ This trend was altered in the last years, when the PAN began to attract a larger size of the electorate in the southern states (see Shirk 2005).

¹⁰² To participate in federal elections, parties are obliged to become national political organizations and to centralize their decision-making bodies (see Mizrahi 2003, Loaeza 2003, Olmeda and Suárez-Cao n.d.).

greatly contributed to increase the PAN's chances of obtaining homogenous vote shares across all Mexican districts.¹⁰³

The relatively higher levels of presidential partisan nationalization observed in Mexico, which reveal the president's more homogenous electoral presence throughout the country, has allowed Panista presidents to expand their control over subnational incumbents. This control, which has for the most part been exercised "from below" (i.e., via the increasing municipal strength of the PAN), has, for instance, given Fox the possibility of challenging PRI governors' authority and political power.

Figure 4.7 portrays Argentina as having less nationalized presidential parties than Mexico. Still, despite their lower PNS scores, until the mid-1990s, Argentine presidential parties have gained fairly homogenous electoral support across all electoral districts. In fact, both the UCR (during the 1980s) and the PJ (during the 1990s) managed to have an effective electoral presence in all provinces (electoral districts). This trend began to change during Menem's second administration (1995-1999), however, as the PJ started to loose terrain in some provincial districts, and it became more pronounced in the late 1990s and early-mid 2000s, when presidential parties could only win elections in selected provinces (Calvo and Escolar 2005; Leiras 2006, 2007; Gibson and Suárez-Cao 2008).

The lower level of party nationalization observed in Argentina can certainly be related to the existence of strong provincial parties, which are allowed to compete in national, provincial, and local elections, and which, unlike Mexico, have managed to grab a considerable portion of the vote. Recent scholarship has indeed demonstrated that the increasing electoral success of provincial parties has had major implications for the

¹⁰³ The same holds true for the PRI and the PRD.

configuration of the Argentine party system, pushing the system away from the higher levels of nationalization seen in the early 1980s (see Calvo and Escolar 2005; Leiras 2006, 2007; Gibson and Suárez-Cao 2008).

Recent party splits have further contributed to the de-nationalization of Argentina's main political parties (see Calvo & Escolar 2005, Leiras 2007, Bonvecchi and Giraudy 2008). These splits, which have affected the two main parties, i.e., the UCR and the PJ, were vividly observed after the 2001 political crisis, when the Alianzist government was dissolved and later on in the 2003 presidential election, when the PJ fielded 3 different presidential candidates. The PJ split, deepened in subsequent years with President Kirchner's split from the PJ and his creation of the *PJ-Frente para la Victoria* (FpV) faction. Other major Peronist territorial leaders have also developed their own PJ fractions.

The increasing de-nationalization of Argentina's main national parties, and in particular the de-nationalization of the presidents' party since 2003, has meant that presidents, especially the latest Peronist presidents, have had a more limited capacity to territorially penetrate in all subnational units. In part for this reason, they have been less able to rely on partisan instruments to exert control both over their co-partisans at the provincial level, and therefore control from below over the incumbents they do not control via intra-party mechanisms.

In sum, Mexican presidents have had a more homogenous territorial penetration throughout the country than their Argentine counterparts. Mexico's presidents have managed to make considerable political and partisan inroads in all subnational units, thus augmenting their presence in all states, and, in turn, their control (from above and below) over governors. By contrast, Argentine presidents have progressively lost their capacity to penetrate in all

provinces, and thus have increasingly lost capacity to control governors via partisan means. The inability to obtain similar levels of electoral support in the country's subnational units has meant that Argentine presidents have only managed to control (either from above or from below) a limited number of governors, i.e., the governors of districts where the president's party is strong.

III. Paths of fiscal, partisan, and fiscal/partisan presidential control

This section assesses the path of control –fiscal, partisan, fiscal/partisan– taken by each president. To adjudicate whether presidents followed the fiscal or partisan path of control, I evaluate which of the two instruments of political and territorial control is more salient at any given time. If the level of party nationalization is high, and the level of fiscal discretion and fiscal power is low, I classify a given country-period as following the partisan path of control. I proceed in the same way when fiscal discretion/power is high and party nationalization is low. It should be clear that this classification is not meant to denote that presidents following the partisan (fiscal) path of control do not possess fiscal (partisan) instruments at all. Rather, it is meant to denote that partisan (fiscal) instruments are considerably more accessible (and probably more effective) to control governors and SURs.

As shown above, not all presidents have equal access to fiscal instruments of control. Indeed, Mexican presidents are rather constrained in their ability to control and/or discipline governors via fiscal (revenue-sharing) instruments. By contrast, Argentine presidents seem to have much leeway to fiscally discipline and control provincial incumbents via the manipulation of the rules that structure the revenue-sharing arrangement. The same holds true for partisan instruments of territorial and political control. Whereas Mexican presidents

and some Argentine presidents (i.e., Menem and Alfonsín) have had greater capacity to disciplining governors (either from above or below) through partisan structures, others (i.e., Kirchner and Menem –during his first term) had been able to constrict governors’ political and territorial autonomy using fiscal instruments.

Table 4.4 indicates the different combinations of fiscal and partisan instruments of presidential control, as well as their cross-country and cross-temporal variation, and finally, the last row of table 4.4 presents information about how these different instruments combined determine the different paths of presidential control.

Table 4.4: Fiscal, partisan, and fiscal/partisan paths in Argentina and Mexico

		<i>Mexico</i>		<i>Argentina*</i>		
		Fox (2000-2006)	Menem (1989-1994)	Menem (1995-1999)	De la Rúa (1999-2001)	Kirchner (2003-2007)
Fiscal instruments	(a) Instability in rules/amount of automatic transfers	low	high	high	high	moderate
	(b) Revenues not subject to sharing	moderate ¹	high	moderate	low	high
<hr/>						
Partisan instruments	President's party territorial extension	high	high	high/moderate	moderate	low
<hr/>						
Path of control taken²		PARTISAN	FISCAL-PARTISAN	FISCAL-PARTISAN	MILDLY FISCAL³ but MOSTLY LACK OF CONTROL	FISCAL

*Data for Alfonsín's administration are missing

¹ Although higher after 2003 due to increase in oil prices

² Based on instruments most available to presidents

³ Due to modifications introduced to the revenue-sharing system

Table 4.4 indicates that presidents in Argentina have followed different paths to exercise control over subnational rulers. Indeed, during the 1990s, when the presidential party was highly nationalized and when the president (i.e., Carlos Menem) managed to increase his fiscal power and discretion (both by manipulating the revenue-sharing system in his favor, and by taking advantage of the abundant revenues not subject to sharing), presidential control over governors was achieved via both fiscal and partisan instruments (i.e., it followed the fiscal/partisan path). By contrast, during the early and mid-2000s, when the level of presidential party nationalization decreased and presidential fiscal power/discretion augmented –due to the windfall gains of export/import duties, Presidents Duhalde and Kirchner employed fiscal instruments of control to discipline governors (i.e., they followed the fiscal path). Finally, the lower levels of party nationalization, coupled with the shortage of revenues not subject to sharing during the short-lived administration of President De la Rúa, limited the president’s capacity to discipline and control governors from above and below.

In Mexico, by contrast, the greater stability of the rules structuring the revenue-sharing arrangement, as well as the lower availability of revenues not subject to sharing, especially before 2003, limited president Fox’s capacity to discipline and control governors via fiscal instruments. However, the higher levels of presidential party nationalization gave Fox partisan instruments to control governors –either from above or from below (i.e., he followed the partisan path).

IV. Conclusion

This chapter explored the different types of presidential control (i.e., partisan and fiscal) available to recent presidents in Argentina and Mexico. Different combinations of instruments of control set presidents onto any of the three paths of control –the fiscal, partisan, fiscal/partisan paths. An examination of each of the post-1983 presidencies in Argentina revealed that presidents used multiple paths. While Peronist President Menem followed the fiscal/partisan path, thus exerting control over governors using two types of instruments, Peronist Presidents Duhalde and Kirchner disciplined governors using fiscal instruments. By contrast, president Fox in Mexico followed the partisan path of presidential control.

The evidence presented in this chapter substantiates the theoretical claims advanced in chapter 2. First, it shows that instruments of presidential control may vary over time, across and within countries. The case of Argentina vividly illustrates this point, as not all instruments were equally available and attainable to each president. Second, the cross and intra-country comparisons further illustrate that presidential control over governors is exerted differently. In fact, whereas in some countries and at a given time, control over governors is exerted via fiscal instruments, in some others and at other times it is exercised via partisan or fiscal/partisan instruments. In sum, the evidence presented in this chapter strongly supports the notion that power relations in federations are structured differently, and are highly contingent on the access of presidents to varied types of instruments of control.

At the beginning of this chapter I made it clear that the analysis about presidential instruments of control would be conducted following the conventional approach adopted by most studies on federalism, which assumes that subnational units are homogenous entities.

As a result, in this chapter I have assumed that *all governors* are (or not) equally controllable by the central government.

However, one of central claims of this dissertation is that governors (and subnational units) are not all of one kind, and that this variation is key to preventing or neutralizing presidential control (either from above or from below), regardless of how much fiscal and partisan power presidents actually possess. In fact, as noted in chapter 2, the ability of presidents to control governors is shaped by a *combination* of national and subnational factors. To be able to politically/territorially penetrate in subnational arenas two conditions are necessary: (a) the president needs have the means necessary to subjugate an undemocratic governor, and (b) the undemocratic governor's capacity to resist penetration from above must be minimal. Neither of these two conditions alone is sufficient for a president to gain leverage on provincial politics, rather it is the *combination* of both that is *necessary*. With these insights in mind, the next chapters focus on cross-subnational differences and look at how these interact with presidential instruments of territorial and political control, determining in turn trajectories of SUR continuity.

Chapter 5: Subnational undemocratic regime's reproduction from above:

Quantitative evidence

This chapter turns back to cross-subnational differences and explores how these affect the prospects of presidential control over SURs. In particular, I analyze how variations in subnational state administrations and financial autonomy neutralize or enhance the capacity of presidents to exert control over subnational undemocratic rulers/areas. Analyzing the prospects of presidential control over SURs is crucial because, as I have argued in chapter 2, presidents who can hold nondemocratic governors hostage stand in an excellent position to manipulate and make undemocratic incumbents meet their strategic needs, and consequently might have incentives to promote rather than stop SUR continuity.

The chapter has three major goals. First, using quantitative techniques, I seek to test (i) whether the control exercised by presidents over subnational rulers (i.e., the independent variable) leads to SUR reproduction from above (i.e., the dependent variable), and second, (ii) whether lack of presidential control leads to no reproduction from above at all.¹⁰⁴ Third, the quantitative analyses seek to test whether these two theoretical claims have enough inferential leverage and are generalizable across the universe of SURs in contemporary Argentina and Mexico. To meet these two goals, I use different cross-sectional time-series analyses.

¹⁰⁴ In this chapter I only test the more general claim of my argument and do not study look at the specific mechanisms through which presidential control leads to SUR reproduction. For that reason I do not assess the nature and likelihood of vertical coalitions.

The chapter proceeds as follows. The first part explores the actual forms through which presidents can promote, enhance, and ensure the continuity of undemocratic provinces/states. The second section presents the hypotheses that will be tested in the quantitative models. The third section provides a discussion of the dependent and independent variables included in the analyses.¹⁰⁵ Given that three different dependent variables are used to tap into different programs/funds through which SURs can be reproduced, the chapter estimates three different sets of models. The results are analyzed in section five, after discussing, in section four, the analytic technique employed for the analyses. The last section discusses the implications of the results, and concludes with some reflections about the generalizability of the findings.

I. SUR reproduction from above

Presidents can contribute to SUR reproduction in different ways. They can, for instance, stay neutral regarding SUR existence, in that they can maintain the status quo just by allowing SURs to survive. For instance, presidents who avoid sanctioning or weakening undemocratic governors and who, for instance, consent to nondemocratic incumbents staying in power until the next electoral cycle takes place, contribute to SUR reproduction. This type of reproduction can be referred to as “reproduction from above by omission.”

Alternatively, presidents may deliberately engage in activities to promote and, thus indirectly reproduce SURs. For instance, they may veto legislative pieces, such as a declaration of federal intervention, seeking to overturn undemocratic regimes in specific subnational units. They can also discourage bills or veto laws intended to enhance subnational democratization in a given SUR, or prevent independent agencies of control such as the Supreme Court, the

¹⁰⁵ As I discuss below, data in each country are analyzed separately, not pooled.

Constitutional Tribunals, or auditing agencies from sanctioning undemocratic governors. I refer to this type of reproduction as “passive reproduction from above.”

Similarly, presidents can actively contribute to SUR reproduction by rewarding SURs with economic benefits, such as the funneling of additional federal transfers and federally funded programs, all of which contribute to enrich the coffers of undemocratic regimes, and thus expand nondemocratic incumbents’ authority within their domains.¹⁰⁶ This type of SUR reproduction, which entails active presidential involvement, can be referred to as “deliberate reproduction from above.”

In this study, I focus on this latter type of SUR reproduction from above. Instances of “reproduction by omission” are difficult to measure because they constitute none-events. Even though instances of “passive reproduction from above” are much easier to grasp, and their measurement is less controversial –events (such as vetoes) happened or not, they still can be difficult to measure given that it is hard to find out the back room negotiations that, for instance, may have led presidents’ to discourage bills intended to hinder subnational democratization. For all these reasons, I only focus on the type of reproduction that occurs via the transfer of federal funds, as this form is the easiest to assess (provided data is available). In short, to evaluate if national politicians have contributed to the reproduction and enhancement of subnational

¹⁰⁶ Previous works have found that national politicians in both Argentina and Mexico do not distribute earmarked public money/programs following formal criteria, but rather on the basis of partisan and political criteria (Porto & Sanguinetti 2001; Gibson and Calvo 2000; Gibson, Calvo, & Falletti 2004; Díaz-Cayeros 2004, 2006; Giraudy 2007; Magaloni 2006). This biased distribution suggests that federal incumbents may also use these programs and funds to reproduce SURs from above.

undemocratic regimes I explore the way in which federal revenues not subject to sharing (i.e., discretionary revenues) have been distributed across provinces in Argentina and Mexico.¹⁰⁷

II. Hypotheses

As argued in chapter 2, presidential control over undemocratic rulers is more likely under three circumstances: (a) where provincial financial dependency on the center is high, (b) where bureaucratic state administrations prevail, and (c) where the president's party has effective presence in the state. Whereas the first increases subnational rulers' vulnerability vis-à-vis the center, the second prevents undemocratic governors from exercising a tight control over provincial domains, thus increasing the state's "porosity" and together with it the chances of presidential penetration (from below). Finally, the last factor augments presidential capacity to either exert more control over governors (in the case provinces are ruled by co-partisan governors) or take hold on mayors, and thus constrict governors from below. Thus, the first general hypothesis is that presidents will tend to reproduce SURs that are financially dependent, that are bureaucratic, and where the president's party has a strong presence either at the gubernatorial or municipal level, or at both levels.

Yet, in chapter 2 I also argued that for presidential control to be effective, subnational units/rulers' "weakness" is not sufficient. Rather, national incumbents can only gain leverage over subnational rulers or subnational politics/arenas if a *combination* of (national and subnational) variables is present. To be able to politically/territorially penetrate, and thus exert control over undemocratic provincial arenas, presidents need to have the means necessary to

¹⁰⁷ Note that in chapter 4 I showed that both the Mexican and Argentine federal governments had considerable amount of money that was not subject to sharing, and which could consequently be discretionally distributed more. The funds and programs analyzed in this chapter are funded with this money.

subjugate an undemocratic governor, and in turn, undemocratic governors' capacity to resist penetration from above must be minimal. Neither of these two conditions alone (except at the extremes) is sufficient for a president to gain leverage over provincial arenas, rather it is the combination of both that is necessary and jointly sufficient.

Based on these propositions I elaborate the following hypotheses. First, if the president's main instrument of control is partisan, I expect s/he will be more likely to exert control over undemocratic subnational units that have bureaucratic state administrations, and where the president's party has a strong presence (either at the municipal or provincial level). Recall, that bureaucratic state-administrations facilitate the subsistence of opposition forces (either at the municipal or legislative level), and consequently enable presidents to side with local groups and rely on their local party branch to challenge and control undemocratic rulers from below. Hence, my expectation is that the president will benefit the bureaucratic SUR with federally funded programs/transfers.¹⁰⁸

Second, if the president's main instrument of territorial and political control is fiscal, s/he will be more likely to exert control over undemocratic regimes that are financially dependent on the center, that is, those provinces/states with financial imbalances (i.e., high indebtedness and high deficits). Thus, I expect the president to benefit the latter type of SURs with federally funded programs/transfers rather than SURs that are financially sound.¹⁰⁹

Third, if a president has access to both fiscal and partisan instruments of control, I anticipate s/he will exert control over SURs where (a) the president's party is strong (either at the

¹⁰⁸ In a case where the main instrument of presidential control is partisan, I do not necessarily expect presidents to reproduce financially dependent SURs.

¹⁰⁹ In a case where the main instrument of presidential control is fiscal, I do not necessarily expect presidents to reproduce SURs where the president's party is strong. This is because financially dependent rulers, regardless of partisan affiliation, will tend to cooperate with a president in order to get the resources they need.

provincial or municipal level), and where bureaucratic state administrations exist, or (b) where financial imbalances are prevalent. Hence, I hypothesize that the president will benefit either one of these SURs with federally funded programs/transfers. Finally, if a president does not have either partisan or fiscal instruments of control, I expect him to be neutral regarding SUR reproduction. Thus, I do not expect the president to benefit any type of SUR with federally funded programs/transfers.

It should be reminded that presidents, as I noted in chapter 4, that not all presidents have equal access to fiscal instruments of control. Indeed, Mexican presidents are rather constrained in their ability to control and/or discipline governors via fiscal (revenue-sharing) instruments. By contrast, Argentine presidents seem to have much leeway to fiscally discipline and control provincial incumbents via the manipulation of the rules that structure the revenue-sharing arrangement. The same holds true for partisan instruments of territorial and political control. Whereas Mexican presidents and some Argentine presidents (i.e., Menem and Alfonsín) have had greater capacity to disciplining governors (either from above or below) through partisan structures, others (i.e., Kirchner and Menem –during his first term) had been able to constrict governors’ political and territorial autonomy using fiscal instruments. In light of these country-specific traits, I refine the preceding hypotheses as follows.¹¹⁰

First, given Fox’s (2000-2006) greater capacity to exert subnational control via partisan means, I hypothesize that he will reproduce (i.e., allocate more federal resources to) SURs where *bureaucratic state-administrations prevail* and where *PAN partisan structures are strong* (either at the local or provincial level). Second, given Carlos Menem’s (1989-1999) capacity to exert

¹¹⁰ The Alfonsín administration (1983-1989) is not analyzed in this chapter because most of the financial data needed for the models is not available.

control over SURs via both partisan and fiscal instruments, I expect him to reproduce (i.e., allocate more federal resources to) either SURs with *high deficit and/or high levels of indebtedness*, or/and SURs where *bureaucratic state-administrations prevail* and where *PJ partisan structures are strong* (either at the local or provincial level). Third, due to De la Rúa's incapacity to penetrate provincial arenas via the party apparatus, and his lack of fiscal disciplining power, caused by the agonizing economic situation in which he ruled, I do not expect him to exert substantial control over SURs. Thus I anticipate he will not benefit any type of SUR with federally funded programs. Finally, given Kirchner's (2003-2007) greater capacity to control undemocratic governors via fiscal means, I expect him to reproduce (i.e., allocate more federal resources to) SURs that are *financially dependent* on the center, that is, those with high levels of indebtedness.

III. Variables and operationalization

1) Dependent variables¹¹¹

There are different federal funds and programs that can be used to reproduce SURs from above. However, as I discuss in detail below, I picked the funds and programs that the literature and my interviewees (in each country) have identified as being susceptible to presidential discretion, and which in consequence can be manipulated to favor some SURs over others. In choosing the dependent variables, I selected the set of programs and funds that were more prone to be subjected to manipulation by each respective president. The reason for proceeding this way is because the funds/programs that are more susceptible to undergo presidential manipulation

¹¹¹ See tables 5.4 and 5.5 at the end of this chapter for a detailed description of the dependent and independent variables and their sources.

differ from country to country, and from time-period to time-period. For instance, one common way in which president Menem benefitted allied province was through the channeling of employment programs and ATNs (Aportes del Tesoro Nacional). Yet, because the 2000s economic context differed considerably from the 1990s, employment programs ceased to be a valuable carrot during the years of Kirchner's presidency. In a context of less unemployment and higher economic growth, funds for public works became a more efficient carrot to entice and reward provincial allies. That is the reason why I focus on ATN and employment programs when analyzing the Menem administration, and on funds for public works during the years of Kirchner's presidency.

Dependent variables: Mexico

For the years of the Fox administration, I look at the allocation of (a) the *Pafef* fund (*Programa de Apoyos para el Fortalecimiento de las Entidades Federativas—Program of Subsidies to Strengthen the States*), (b) funds for public works, and (c) the *Oportunidades* social program. The *Pafef* is a fund instituted in 2000, created with the purpose of addressing the financial, debt, and infrastructural needs of the states. The fund is distributed by the Ministry of Economy and accounted for 1.37% of the total revenues subject to sharing during the 2000-2006 period. *Pafef* was measured as a share of a state's total revenues.

The second Mexican fund analyzed in this chapter is the one administered by the *Secretaria de Comunicaciones y Transportes* (SCT –Secretary of Communications and Transport), the federal agency responsible for financing federally funded public works such as

highways, roads, bridges, ports, airports, etc..¹¹² The funds accounted for 0.95% of Mexico's total revenues in 2000, and 1.35% in 2005. Funds for public works were measured as a share of a state's total revenues.

The third program analyzed in this chapter is the *Oportunidades* program (i.e., former PRONASOL and Progresá). The program is a conditional cash transfer program distributed by the Ministry of Social Development that comprises several poverty alleviation, health, education, and nutrition programs. *Oportunidades* was measured as a share of a state's total revenues.

Dependent variables: Argentina

For the years of the Menem administrations (1989-1994 and 1995-1999), I analyze how (a) ATN (*Aportes del Tesoro Nacional –Contributions of the National Treasury*), (b) employment programs, and (c) funds for public works were distributed across non-democratic provinces. ATN, according to article five of the 1988 co-participation law, are distributed by the Ministry of the Interior to provinces that are “in emergency and have financial imbalances.” According to this law, ATN account for 1% of the total revenues subject to sharing. ATN were measured as a share of a province's total revenues.

The second dependent variable analyzed during the Menem and De la Rúa's administrations is employment programs. These programs comprise all means-tested programs of direct employment creation implemented in Argentina since 1993.¹¹³ The programs were managed and distributed by the Ministry of Labor, which sent them to the provincial

¹¹² Each state also gets funds for public works through some of the aportaciones sub-funds, but those are for state-level projects.

¹¹³ These programs include, among others, the Programa Intensivo de Trabajo (PIT), and the Plan Trabajar I, II and II, PEP PyME, Programa de Empleo Privado, PROAS, PRENO, Programas Jefes y Jefas de Hogar Desocupados.

governments, and these in turn transferred them to the municipalities. In 2002, the programs covered 1.5 million heads of households and accounted for 7.5% of the federal government expenditures (see Giraudy 2007).

The final fund analyzed during the Kirchner administrations regards the funds for public works. These funds were administered by Ministry of Infrastructure, which distributed funds to the provinces for specific public works projects. Funds for public works were measured as a share of a province's total revenues.

2) Independent variables

Turning to the main independent variables, I used *debt* and *surplus* to tap a province/state's financial dependency on the central government. Both predictors were calculated as the percentage of a state/province's total revenues. High scores of debt indicate higher levels of indebtedness, whereas high scores of deficit indicate lower levels of fiscal imbalance (negative scores reflect deficits; positive scores denote surpluses).

The variable *state administration* measures the level of bureaucraticness/patrimonialism of each province's administration. The variable is an additive index that combines indicators of horizontal and societal accountability, rulers' fiscal discretion, and patronage (see chapter 3 for a detailed explanation and justification of how the index was built). The index ranges from 0 to 1, where 0 denotes low levels of bureaucraticness (i.e., high levels of patrimonialism) and 1 indicates high levels of bureaucraticness (i.e., low levels of patrimonialism).

The variable *president's party strength at the local level (PPSL)* captures the electoral strength of the president's party in the municipalities. It is coded as the share of municipalities controlled by the president's party in any given year. Co-partisanship between presidents and

non-democratic governors was measured in the following way. For the case of Mexico, where some PAN governors have come to power through electoral coalitions with other parties, I created two dummy variables that capture whether Panista governors pertains to the PAN exclusively (i.e., *governor PAN alone*) or to a Panista electoral coalition (i.e., *governor PAN coalition*). Each of the dummies score 1 for the years in which different PAN governors ruled a given state.

The high correlation between PPSL and the label of the governor's party did not allowed me include the two variables in the same model. For that reason, I collapsed PPSL and the variable capturing co-partisanship between presidents and governors. To do so, I created a new dummy variable (*party gov=party pres*) that scores 1 when presidential party equals governor's party. After standardizing PPSL between 0 and 1, I added both variables up (i.e., *party gov=party pres* and *PPSL*). The sum of these two variables gave way to the new variable (i.e., *pres/governor/mayor strength*) that measures the capturing.

The hypotheses about the relationship between bureaucratic state administrations and how these enhance presidential partisan penetration, and consequently presidential control and reproduction from above, suggests that there should be an interaction effect between the variables *state administration* and *PPSL*. For this reason, I include an interaction term that multiplies both variables, namely, *PPSL*SA*. To avoid collinearity, both variables were centered on their respective mean values.

The argument about presidents who control SURs will tend to reproduce them assumes that this reproduction holds regardless of electoral cycles. In other words, SURs are reproduced not only during electoral years, but instead on a constant basis (i.e. every year). Thus, I would expect no effect or a negative effect due to electoral processes on the presidential SUR

reproduction. To capture the potential effects of electoral cycles I included three dummy variables, *gubernatorial*, *presidential*, and *legislative election*. All variables were coded as 1 every year that either a presidential, legislative, or a gubernatorial election was held, and 0 otherwise. Given that electoral calendars across levels of government differ in each country (i.e., staggered vs. concurrent electoral calendars in Mexico and Argentina, respectively), different combinations of these 3 electoral variables were added in each country model.¹¹⁴

Finally, when appropriate, I included a series of control variables. In the Mexican models I added *population*, and a proxy for poverty, *índice de marginación (marginality index)*. *Population*, measures the size of a state's population. Given that the skewed distribution of this variable might yield a non-linear relationship with the dependent variable, I took its natural logarithm. The *índice de marginación*, estimated by the CONAPO, is constructed using a factor analysis of census variables related to socio-economic deprivation (illiteracy, no elementary school education, housings, lack of access to drinking water, sewage and electricity, population density, quality of housing construction, population living in rural localities, and workers earning less than two minimum wages) (see Takahashi; Díaz-Cayeros, Magaloni and Estévez n.d.).

In the Argentine models, I included the following control variables: *unemployment*, *Menem2*, *Russia/Asia crisis*, *Tequila crisis*, and *Hyperinflation*, *Necesidades Básicas Insatisfechas (NBI –unsatisfied needs)*, and *population*. *Unemployment*, which was only included in the models where the dependent variables is employment programs, measures the annual level of provincial unemployment. *Menem2* is a dummy variable coded as 1 for the years

¹¹⁴ The staggered nature of electoral calendars in Mexico permits the introduction of both national and subnational elections in the same model because the correlation among these variables is low. By contrast, concurrent elections between national and sub-national systems in Argentina, which yield high correlations across the three electoral variables, only allow for the inclusion of one or two, at best, dummy variable.

of Menem's second term, and was included to control for possible changes in the relationship between the Menem and undemocratic governors. *Hyperinflation* (1989), *Russia/Asia* (1998) and *Tequila* (1995¹¹⁵) crises are dummy variables that capture the incidence of the 3 different economic crises that affected Argentina's economy in substantial ways.¹¹⁶ Since poverty in the Argentine provinces has only begun to be measured in the early 2000s, I use *NBI* as a proxy. *NBI* captures the number of households that do not meet infrastructural basic needs.¹¹⁷ Finally, *population* measures the size of the provincial population. As discussed above, I took the natural logarithm of this variable.

IV. Data and analytic technique

The dataset

I use an unbalanced panel data set with 24 states in Mexico, 10 (model 2) and 12 (model 1) provinces in Argentina (during the two Menem administrations). Data cover the universe of cases in both countries during the Fox (2000-2006) and Menem (1989-1999) administrations. Thus *all undemocratic* Mexican states and Argentine provinces, with the exception of the

¹¹⁵ Even though the Tequila crises occurred in 1994, its effects on the Argentine economy were most notably felt in 1995.

¹¹⁶ This control was not necessary for the Mexican models, as no major economic crises occurred during the 2000-2006 period. In addition, as Huber et al. (2006) indicate, the robust-cluster estimator of the standard errors, i.e., the technique employed to run the models (see discussion below), "is impervious only to correlations of errors within clusters. It requires errors to be uncorrelated between clusters. The latter assumption might be violated if unmeasured factors affect the dependent variable in all units at the same point in time. Economic crises could such contemporaneous effects" (p. 957). For that reason I included economic crisis dummy variables.

¹¹⁷ Data correspond to the EPH (INDEC) conducted in May, Data for Río Negro province correspond to March and September, INDEC computes more than one unemployment value for Buenos Aires, Córdoba, Entre Ríos, and Santa Fe. To get one single measure of unemployment for each of these provinces, I weighted their unemployment rates.

president's states/provinces, are included in the data set.¹¹⁸ The reason why the non-democratic state Guanajuato and the undemocratic province of La Rioja, Fox and Menem's home states, respectively, were excluded from the dataset responds to the fact that presidents might have favored their own strongholds with discretionary funds not only to reproduce their own SURs but also, and perhaps more importantly, for reasons that are unrelated to the hypotheses advanced in this dissertation. For instance, as many interviewees reported, including former president Menem, Carlos Menem sent an outstandingly amount of money to La Rioja, not so much to keep the regime alive but also to reward the loyalty of former staffers and improve the wellbeing of many Riojanos. Given that is hard to separate out what was the main driving motivation leading presidents to channel funds to their home states/provinces, I decided to drop these subnational units from the data set.

The models performed for the De la Rúa and Kirchner's administration (1999-2001 and 2003-2007, respectively) were carried out in a modified fashion due to sample size issues. As tables 5.4 and 5.5 at the end of the chapter show, only 8 provinces between 1999 and 2001 (Formosa, La Pampa, La Rioja, Río Negro, San Luis, Santa Cruz, and Santiago del Estero), and four provinces between 2002 and 2007 (Formosa, La Rioja, San Luis, and Santa Cruz) fall into the non-democratic category (i.e., below the 0.1 score). Of these four provinces, one (Santa Cruz) was the home province of former president Kirchner, and for the reasons outlined in the preceding paragraph, was dropped from the dataset. The combination of seven provinces for a time-series of two years (1999 and 2000) during De la Rúa's administration leads to 14

¹¹⁸ Again note, that since subnational democracy is not static, a state/province which scores as undemocratic on one year might not do so the next year. For instance, between 2000 and 2002 the state of Aguascalientes gets a score above 0.1, and thus is ranked as democratic. Yet, between 2003 and 2006 that same state, gets a score of below 0.1, and is then ranked as an undemocratic state. This pattern is observable in several states (see tables A.1 and A.2, Appendix in this chapter for a list of the states that score below 0.1).

observations. Likewise, the combination of three provinces for a time-series of four years (2003-2007), leads to 12 observations.

Due to the small size of the datasets, I ran models for *all* (i.e., both the democratic and non-democratic) Argentine provinces, and dummied out the 3 provinces that rank below 0.1 in the access index, namely, Formosa, La Rioja and San Luis (these provinces are named after *SUR* in the regression models). To test the main hypotheses outlined above, I interact each of the relevant variables (i.e., *state administration*, *debt*, *surplus*, *president/governor co-partisanship*) with the *SUR* variable, and obtain 3 new independent variables, namely, *SUR*debt*, *SUR*SA*, and *SUR*pres/governor/mayor* (see table 5.2). I use an unbalanced panel data set with 19¹¹⁹ provinces that covers the period 2002-2006¹²⁰.

The technique

When data are pooled across time and units, several of the ordinary least squares (OLS) standard assumptions, such as the independence of errors across observations are violated. As a result, of these violations, the usual procedures for hypothesis testing are no longer appropriate (Long and Ervin 2000). Several authors have provided alternative solutions to deal with these violations, including fixed-effects and random-effects models (FEM and REM, respectively), panel-corrected standard errors (PCSE), lagged dependent variable (LDV) (see Beck and Katz

¹¹⁹ Argentina has 24 provinces. The reason for dropping 5 provinces is because no data was available for Catamarca and Chaco. Ciudad de Buenos Aires has been dropped because for its legal status, it is the only province that does not have municipalities, which has prevented the calculation of several dimensions of the exercise index. Finally, Santa Cruz and Buenos Aires were dropped because both were Kirchner and Duhalde's respective home states.

¹²⁰ Peronist President Duhalde's one year-term was added to the Kirchner time-series. Duhalde was Kirchner's mentor and his main political supporter within the Peronist party. During his first two years in office, Kirchner not only continued with many of his predecessor's policies, but also kept Duhalde's main ministries and political advisers. Thus, Duhalde and Kirchner's presidencies can be viewed as one.

1995), autoregressive models (AR) with corrections for first-order auto-regression (AR1) (see Achen 2000; Huber and Stephens 2001; Plümper et al. 2005, among others).

However, some of these analytic techniques, such as PCSE and AR models, are inappropriate given that the data used in this study are not temporally dominated (i.e., $t > N$), but rather cross-sectionally dominated (i.e., $N > t$). Other techniques, such as FEMs, are also inadequate given the nature of several key independent variables, such as PPSL and bureaucratic state administrations. Since these are variables that are relatively time invariant (i.e., they only change at a slow pace), a FEM will inappropriately absorb the significance of these explanatory variables (see Plümper et al. 2005, Achen 2000). Finally, autoregressive models with corrections for first-order auto-regression (AR1) are not viable due to the (time) gaps existing in the data set.

For all these reasons, I address the problem of correlated errors in panel data using a combination of OLS estimation of the regression coefficients with the use of a robust-cluster estimator of the standard errors. The robust-cluster variance estimator, as noted by Huber et al. 2006, provides correct coverage in the presence of any pattern of correlations among errors within units, including serial correlation and correlation attributable to unit-specific components (957). In addition, I also ran REM models to check for the robustness of the results. None of these models changed the results in any meaningful way. All procedures were implemented in Stata 9. Since all my hypotheses are directional, I conduct one-tailed t test for significance levels.

V. Results

Tables 5.1 through 5.3 display the results for all sets of country-models. In what follows I discuss in detail each president's allocation of federally funded programs/transfers.

1) The partisan path of territorial and political control: Mexico under Vicente Fox

Pafef (Program of Subsidies to Strengthen the States): model 1

As reported in model 1 of table 5.1, PPLS (*president's party strength at the local level*) and state administration, the two variables which have been hypothesized as the main determining factors facilitating and enhancing presidential partisan control, have both a positive and significant effect on the dependent variable. In fact, a unit increase in the state administration scale, that is higher levels of bureaucraticness, leads to a 10.5-unit increase of Pafef subsidies/total revenue, assuming all other independent variables remain constant. Likewise, a unit increase in of the president's party strength at the local level, leads to a 1.78-unit increase of Pafef funds/total revenue. These results confirm that during 2000-2006 Mexican national politicians benefitted the more bureaucratic and Panista locally dominated undemocratic regimes. In light of these findings it is possible to assert that, during his administration, president Fox rewarded, and thus contributed to reproduce, SURs that were easily penetrable via partisan structures. In fact, he benefitted SURs where he could exercise *control from below* (i.e., where the PAN had control over municipal partisan structures).

Table 5.1: Mexico: Determinants of Pafef, funds for public works, and *Oportunidades* with Robust Cluster Standard Errors

	<i>Pafef</i>	<i>Funds for public works</i>	<i>Oportunidades</i>
	Model 1	Model 2	Model 3
<i>Independent variables</i>			
Debt	-0.018	-0.111 *	-0.093 ***
Surplus	-0.00003	-0.023 **	-0.034 **
State administration (SA)	10.743 ***	1.987 *	1.627 *
PPSL	1.78 **	1.852 **	1.148 *
PPSL*SA	5.472	3.56	2.695
Presidential election	-1.29 ***	0.486	-0.785 ***
Gubernatorial election	0.279	-0.467 *	0.006
Governor PAN alone	-0.079	-1.253	-1.243 **
Governor PAN coalition	0.16	-0.043	0.431
Population		-1.24 ***	0.266
Índice de marginación		0.412 **	1.717 ***
Constant	-4.52 ***	19.905 ***	-4.775 *
R ²	0.54	0.37	0.77
N	132	117	117

*p ≤ .1, **p ≤ .05, ***p ≤ .001, (one-tailed test)

Supporting the chapter's hypotheses, the two variables capturing the financial dependency of states on the central government are not significant. These results indicate that indebtedness and fiscal deficits –the two factors that should guide the allocation of Pafef funds¹²¹, are not determining factors leading President Fox to benefit SURs. Model 1 further indicates that the two electoral variables have not had any incidence on the allocation of Pafef funds across undemocratic states. In fact, the presidential election variable is negatively signed and has a significant ($p < .001$) on the dependent variable, revealing that a lower percentage of Pafef funds were sent to SURs during election years. This result show that president Fox did not made an electoral use of these funds; quite the contrary, during elections years he diminished the

¹²¹ Recall that Pafef funds were created to help states overcome financial crises and indebtedness.

amount sent to the states. Taken together, these findings demonstrate that between 2000 and 2006, SUR reproduction from above was not determined by electoral cycles but occurred beyond Election Day –that is, on a regular and steady basis. Finally, neither the governor/presidential co-partisanship variable nor the interaction term PPLS*SA are significant, indicating that these variables do not have an effect on the overall allocation of Pafef funds.

Overall, the findings show that during president's Fox administrations more Pafef funds were funneled to the undemocratic states that had bureaucratic state administrations, and a strong PAN electoral presence at the subnational level, both of which allowed Fox to take hold at the municipal level and thus enhance his chances of exerting control from below over nondemocratic rulers.

Funds for public works: model 2

Model 2 presents the results of the cross-provincial allocation of funds for public works. As reported in table 5.1, the most important theoretical variables, state-administration and presidential party strength at the local level, have been important determinants for the cross-provincial distribution of the funds for public works. Both variables are positively signed and significant, showing that president Fox allocated a higher proportion of these funds to undemocratic states that had bureaucratic state-administrations and where the PAN presence at the municipal level was stronger.

Yet, like model 1, the results of model 2 show that Fox did not benefit governors who belonged to the PAN and, who came to power without striking coalitions with other parties. One of the reasons that might account for this counterintuitive result is that the SURs where these PAN governors ruled (i.e., Jalisco, Aguascalientes, Baja California and Morelos) are, relatively

speaking, rich and highly developed states, and consequently their infrastructure is, comparatively speaking, more developed. Probably for that reason, funds for public works were less needed than in less developed and poorest states.

Like model 1, the coefficient of the interaction term PPLS*state administration does not have a significant effect on the dependent variable, indicating that the combined presence of these two variables did not matter for the overall allocation of funds. In addition, model 2 indicates that the two variables capturing the financial dependency of states on the central government, debt and surplus, are significant and negatively signed. Even though Fox's main instrument of control was partisan, he also benefited undemocratic states that were financially weak, i.e., states that had higher deficits, although he did not benefit states that had higher levels of debt.¹²²

In line with the findings obtained in model 1, model 2 also indicates that the cross-provincial allocation of funds for public works has not responded to electoral cycles, revealing that a lower percentage of funds for public works were sent to SURs during election years. This could be interpreted as a sign that President Fox did not made an electoral use of public works' funds. Quite the contrary, during elections years he diminished the amount that was sent to the states. Confirming previous expectations that SUR reproduction occurs beyond Election Day, the variable gubernatorial elections is correctly signed and significant ($p < .1$).

Model 2 includes two additional independent variables, namely, *índice de marginación* (*marginality index*) and *population*. These two variables were included to assess the impact of

¹²² The Mexican states that have the highest levels of indebtedness are the most populated, richest, and most developed states of the country (i.e., Jalisco, Nuevo León, and Estado de México). These states have an easy access to credit. Thus, despite the fact that, at first look, their high levels of indebtedness might reveal fiscal dependence on the central government, their dependence is in actuality low, as they buy debt from private lenders.

development, poverty, living conditions, and overcrowding on the dependent variable. States with lower levels of development, higher levels of poverty, worse living conditions, that is, where public works are more deficient, should in principle receive a greater proportion of funds for public works. In fact, as model 2 shows, higher shares of these funds were sent to states where the living conditions of the population were worse, as illustrated by the positively signed and significant coefficient of the *índice de marginación* variable. The model also indicates, that funds for public works were, on average, sent to states that were less populated. This result is difficult to interpret given that some of the least populated *undemocratic* states in Mexico (such as, Colima, Quintana Roo, Durango) score halfway on the index of deprivation, while others (such as Campeche and Hidalgo) score high. What these findings undoubtedly indicate is that undemocratic states with fewer inhabitants have received a disproportionate share of funds for public works.

Oportunidades: model 3

Model 3 regresses all independent variables on the *Oportunidades* program. Evidence about the political manipulation of *Oportunidades* is mixed. Some works note that, like its predecessors, PRONASOL and Progresá, *Oportunidades* has been manipulated to meet political needs (see FUNDAR 2006, Alianza Cívica 2006, Ley n.d.). Still, other works indicate that *Oportunidades* has been distributed according to a technical and quite sophisticated formula, and consequently has not been subject to political manipulation (see Díaz-Cayeros, Magaloni, and Estévez n.d., Fox 2006). My goal here is not determine whether *Oportunidades* has been

politically manipulated to buy votes, but rather to test whether it has been used to reward different types of undemocratic states.¹²³

As model 3 indicates, the results substantiate the argument that *Oportunidades* was not used as a political handout. In fact, the variables *governor PAN* alone and *presidential election* come out significant and negatively signed, indicating that undemocratic states ruled by PAN governors (who came to power with no electoral coalitions) obtained a smaller share of *Oportunidades* funds, and that during presidential elections, *Oportunidades* not only did not increase, but more importantly, its amount as a percentage of each state's total revenues decreased.¹²⁴ In addition, and most importantly, the findings obtained in model 3, show that the criteria used to determine the cross-provincial allocation of *Oportunidades* responded to poverty levels and living conditions of the general population. The marginality index has a positive and significant effect ($p < .001$) on the dependent variable.¹²⁵

Yet, despite these results, model 3 also shows that partisan as well as other socio-economic and provincial variables were important determinants of *Oportunidades*' allocation. Such is the case of PPSL, state administrations, and governor PAN alone, as well as surplus and debt, all of which come out significant. Larger share of *Oportunidades* (as a percentage of each state's total revenues) were allocated to SURs where the PAN had a stronger presence at the municipal level, and where states administrations were more bureaucratic, and by extension easier to penetrate via partisan instruments. Still, as in model 2, Fox did not benefit governors

¹²³ Previous studies have tested the political manipulation of *Oportunidades* across all states and not, as I am doing here, across undemocratic states.

¹²⁴ See Díaz-Cayeros, Magaloni and Estévez n.d., who note that no new beneficiaries were incorporated into the program in the years of federal elections.

¹²⁵ A regression of the marginality index (índice de marginación) alone on the dependent variable gets an R2 of .71.

who belonged to the PAN (and came to power without electoral coalitions). As noted earlier, one of the reasons that might explain this result is that states where such governors ruled (i.e., Jalisco, Aguascalientes, Baja California and Morelos) are, relatively speaking, rich states and consequently have a lower proportion of the population needing the assistance of *Oportunidades*.

In addition, like model 2, model 3 indicates that the two variables capturing the financial dependency of states on the central government, debt and surplus, are statistically significant and negatively signed. Even though Fox's main instrument of control was partisan, he also benefited undemocratic states that were financially weak, i.e., states that had higher deficits, and those that have higher levels of indebtedness.¹²⁶ Finally, like models 1 and 2, the coefficient of the interaction term between PPLS and state administration does not have a significant effect on the dependent variable, revealing that the combined effect of these two predictors does not determine the cross-state allocation of *Oportunidades* funds.

In short, models 1 through 3 of table 5.1 indicate that the cross-provincial allocation of different centrally administered and funded programs/funds was conducted along the theoretical expectations advanced in this dissertation. All three models reveal that the most consistent effect on each of the dependent variables was the existence of bureaucratic state administrations and the strong PAN electoral presence at the municipal level. The results show that non-democratic states that had patrimonial state-administrations (controlling for the other variables in the model) did not benefit from any of the three programs/funds analyzed in this chapter. Models 1 through 3 further indicate that funds were transferred to non-democratic states where the PAN had a strong and effective presence at the municipal level.

¹²⁶ See footnote 122.

Altogether, these results reveal that President Fox prioritize SURs where his party was strong, and where he could use this local structure as a springboard to trespass state borders, and in turn increase his leverage to constrict undemocratic rulers *from below*. By rewarding these rulers Fox not only ensured their cooperation, but most importantly he contributed to reproduce the regimes that maintained controllable nondemocratic governors alive. In addition, the results presented in Models 1 through 3 show that President Fox rewarded states where power was exercised along more bureaucratic procedures, and punished states where incumbents wielded power in a patrimonial and traditional way. These findings reveal that Fox might have prioritized siding with nondemocratic governors who had a more technocratic and less traditional ruling style, rather than governors from politically backward states.

2) The fiscal-partisan path of territorial and political control: Argentina under Carlos Menem

Table 5.2 reports the results of the allocation of different federal funds and centrally run programs across non-democratic provinces in Argentina. As noted earlier, Menem had both fiscal and partisan instruments of political and territorial control to discipline non-democratic rulers. As the models presented in table 5.2 indicate, president Menem used both instruments to exert control over weak and controllable SURs. However, he made a selective use of different programs to exert either type of control. For instance, employment programs, which were most notably implemented during his second administration, were used to favor SURs where he could exert partisan control. By contrast, ATN and funds for public works were destined in a greater proportion to SURs that were financially dependent on the center and where, as result of this dependency, the president was able to exert fiscal (rather than partisan) control. In sum, Menem

relied on a diversified portfolio of federally administered funds and programs to exert either partisan or fiscal control over SURs.

Table 5.2: Argentina: Determinants of ATN and Employment programs (Menem) with Robust Cluster Standard Errors

	<i>ATN</i>	<i>ATN</i>	<i>Employment programs</i>	<i>Employment programs</i>
	Model 1a	Model 1b	Model 2a	Model 2b
<i>Independent variables</i>				
Surplus	-0.038 *	-0.031 *	-0.002	-1E-05
State administration (SA)	1.71	3.393	-1.143	-0.143
PPSL		0.706		0.445 **
PPSL*SA		0.325		2.679 **
pres/governor/mayor strength	0.711		0.232 ***	
pres/governor/mayor strength*SA	4.303		1.183 **	
Presidential election	7.59 ***	7.648 ***		
Legislative election			0.137 **	0.138 **
Gubernatorial election	-0.263	-0.276	-0.277 ***	-0.261 ***
Menem2	0.0006	-0.086	0.32 ***	0.298 ***
Hyperinflation	-1.852 ***	-1.739 ***		
Tequila	-7.384 ***	-7.293 ***		
Russia/Asia	-0.208	-0.084		
Unemployment			0.003	-0.0001
Constant	1.109 **	1.491 **	0.015	0.086
R ²	0.71	0.7	0.59	0.53
N	86	86	46	46

*p ≤ .1, **p ≤ .05, ***p ≤ .001, (one-tailed test)

ATN: models 1a and 1b¹²⁷

As models 1a and 1b show, one the single most important variables determining the distribution of ATN between 1989 and 1998 was the surplus variable. Undemocratic provinces with high financial deficits, and which in consequence were more dependent on the center, received a greater proportion of ATN, as indicated by the positively signed and significant

¹²⁷ Due to the high correlation (0.83) between Governor/president co-partisanship and PPSL, I ran two different models, one in which I analyzed the impact of the joint effect of these two variables (see discussion in the next sentence), and the second one in which I only explore the effect of PPSL and its interaction with SA. To test the incidence of both PPSL and governor/president co-partisanship I standardized both predictors (between 0 and 1) and added them up, creating one single variable (named after PJ governor/municipal strength).

coefficient of the surplus variable. In other words, SURs upon which Menem could exert fiscal control were rewarded with more ATN transfers.¹²⁸ This higher proportion of funds flowed to financially imbalanced SURs regardless of the governors' partisan affiliation (as the non-significant coefficients of PPSL and PJ governor/municipal strength reveal). Neither did the type of state administration matter (as shown by the non-significant results for SA, SA*PPSL, and SA* PJ governor/municipal strength variables). What did matter was that these regimes were not financially sound.

In addition, and contrary to the pattern observed in Mexico, these funds responded to electoral cycles. As the positively signed and significant coefficient of the presidential election variable indicates, greater shares of ATN were distributed in 1989 and 1995, the two years during which general elections were held. Finally, two out of the three variables included to control for the possible effects of economic/financial crises on ATN, are significant. Both the Tequila and the Hyperinflation crises, which affected the tax collection capacity of the federal government, thus decreasing the amount of co-participatory funds and consequently the amount of ATN, also diminished the share of ATN that each SUR was allotted.

Altogether, the distribution of ATN among non-democratic provinces indicates that these were used to reward only SURs that were easier to control due to their financial dependency on the central government. SURs which had strong and well administered economies were not benefitted with these funds.¹²⁹ In addition, the regressions confirm that the cross-provincial

¹²⁸ These results reveal that ATN funds worked largely as they were legally supposed to work, i.e., were allocated to provinces that were in emergency and had financial imbalances (although, as I discuss below, the distributional criteria also entailed some electoral calculus). In addition, it is worth noting that more than half of the ATN funds were sent to the province of La Rioja, Menem's stronghold. That discretionary distribution is not captured in this regression given that, for the reasons outlined above, La Rioja has been excluded from the sample.

¹²⁹ It should be noted that these results reveal that ATN funds largely worked as they were legally supposed to, i.e., were sent to provinces that were in emergency and had financial imbalances (although the criteria for distributing

allocation of ATN was contingent on electoral cycles, as greater shares of these funds were sent to the provinces during presidential elections. This finding is consistent with other qualitative and quantitative assessments that confirm the clientelistic use and distribution of ATN (see Gibson & Calvo 2000, Cetrángolo & Jiménez 1997).

Employment programs: models 2a and 2b¹³⁰

Models 2a and 2b presented in table 5.2, provide evidence about the distribution of employment programs between 1993 and 1998. Unlike models 1a and 1b, which reported that higher shares of ATN were sent to financial dependent SURs, models 2a and 2b indicate that a greater shares of employment programs was allocated to SURs where Menem's party had a strong electoral presence, either at the local or municipal level, as indicated by the significant and positively signed coefficients of PJ governor/municipal strength (model 2a) and PPSL (in model 2b). Moreover, SURs that combined a strong PJ local structure and bureaucratic state-administration were also rewarded with greater shares of unemployment programs, regardless of levels of unemployment. The combination of a strong electoral base at the municipal level with the existence of a bureaucratic state-administration, two factors that enhance partisan penetration and partisan control, were important determinants of employment programs' allocation, as showed by the significant and positively signed coefficient of PPSL*SA in model 2b. Likewise, PJ-governed SURs (at both the provincial and local levels) which also had bureaucratic state

them also involved some electoral calculus). In addition, it is worth noting that more than half of the ATN funds were sent to the province of La Rioja (Menem's stronghold). That discretionary distribution is not captured in this regression given that, for reasons outlined above, La Rioja has been excluded from the sample.

¹³⁰ For an explanation of why I ran two separated models, see footnote 26.

administrations (as shown by the PJ governor/municipal strength*SA variable) were awarded with greater shares of employment conditional cash transfers.

Like models 1a and 1b, electoral cycles also shaped the distribution of these subsidies. In effect, the coefficients of the two electoral variables (i.e., gubernatorial elections and legislative elections) came out significant although differently signed. Whereas the share of employment programs distributed across SURs decreased during gubernatorial races, it increased during legislative elections, suggesting that only federal electoral cycles shaped the distribution of these goods. Finally, the increased unemployment rate, caused for the most part by the implementation of the neoliberal policies during Menem's first term office, was most notably felt during Menem's second administration. As a result, higher share of these programs were allocated after 1995, as indicated by the positively and significant coefficient of the variable Menem2.

To summarize, the distribution of unemployment programs was determined to a great extent by political, institutional, and electoral variables. Non-democratic provinces which were more bureaucratic and where a strong local or provincial PJ presence existed, that is, SURs where Menem could easily penetrate with the PJ structure, were awarded with employment programs. These pattern of penetration, which occurred during his second term, also coincided with the president's ability to exert greater control over the PJ structure, which was only possible towards 1993, when he managed to get rid of strong PJ leaders who somehow disputed his power (see McGuire 1997, Levitsky 2003). Electoral variables, especially national electoral cycles, also determined the allocation of employment programs, indicating that these might have been used as potential handouts to buy loyalties.

Models 1a, 1b, 2a, and 2b provide evidence about Menem's "diversification" strategy to benefit SURs upon which he could exert either partisan or fiscal control. As the regressions indicate, he selectively rewarded undemocratic governors upon whom he could exert leeway, namely, non-democratic governors that were controllable due to their financial dependency on the central government or those whom he could discipline either by exerting partisan control from above or from below. By rewarding them he not only ensured their cooperation, but most importantly contributed to reproduce the regimes that maintained these nondemocratic rulers alive.

3) The fiscal path of territorial and political control: Argentina under Eduardo Duhalde and Néstor Kirchner

Table 5.3, model 1, explores the distribution of funds for public works during the short presidency of Eduardo Duhalde and the four-year term of Néstor Kirchner. For the reasons outlined in the last paragraph of section IV.a, this model, unlike the previous ones, analyzes all Argentine provinces (with the exception of the provinces described in section IV.a, last paragraph). Non-democratic provinces are dummied out and then interacted with the independent variables that are of interest in this study, namely, SA, president/governor co-partisanship, and debt¹³¹. These three interaction terms, then, are the single most theoretically relevant variables of the model. .

¹³¹ As chapter 4 noted, during the years of the Kirchner administration, several laws were passed to nationalize provincial debts. As a result, to many indebted provinces the federal government became the lender of last resort. For this reason, during the Kirchner administration I focus more on levels of indebtedness rather than on financial deficits

Table 5.3: Argentina: Determinants of Funds for Public Works and Employment programs (Kirchner/Duhalde and De la Rúa) with Robust Cluster Standard Errors

	<i>Funds for public works</i>	<i>Employment programs</i>
	<i>Kirchner/Duhalde</i>	<i>De la Rúa</i>
<i>Independent variables</i>	Model 1	Model 2
Debt	1.305 *	0.65 **
Surplus	-0.039 *	0.005 **
State administration (SA)	2.018 **	-0.295 **
pres/governor/mayor strength	1.221 ***	-0.029
Legislative election	-2.035 ***	-0.019
SUR	1.399 ***	0.024
SUR*SA	-0.75	-0.262
SUR*debt	2.499 *	-0.637 *
SUR*pres/governor/mayor	2.108 ***	-0.011
Kirchner	2.499 ***	
Population	-0.185	
NBI	-0.022	
Unemployment		0.011 **
Constant	3.953 *	0.253 ***
R ²	0.27	0.5
N	94	40

*p ≤ .1, **p ≤ .05, ***p ≤ .001, (one-tailed test)

Table 5.3 displays the results of the model for the Duhalde-Kirchner administration. As can be observed, funds for public works, which were one of the main presidential handouts to entice, reward, and/or buy off both democratic and non-democratic governors, were employed much more extensively during the Kirchner administration, as evidenced by the significant and positively signed Kirchner variable. These funds, as the regression shows, were allocated to SURs that were in financial and dire straits, as illustrated by the positive sign and the statistically significant level of the SUR*debt's coefficient. That is, non-democratic provinces which had higher levels of indebtedness, such as La Rioja and Formosa, upon which a fiscally powerful

president (like Néstor Kirchner) could exert much control, were benefitted with greater shares of funds for public works. By contrast, SURs with sound economies and lower levels of indebtedness (such as San Luis) were penalized, in that they did not received funds for public works.

The interaction denoting non-democratic provinces belonging to the president's party (i.e., SUR*pres/governor/mayor) comes out significant and with a positive sign. This indicates, that nondemocratic provinces that were allied to the national chief executive, received greater proportions of funds for public works. In other words, SURs, like La Rioja and Formosa, upon which Kirchner and Duhalde could exert some sort of partisan control (even though this was not their main instrument to discipline governors), were benefitted by the central government. Unlike partisan affiliation, the coefficient of the SUR*SA variable comes out insignificant, revealing that, in line with the theoretical expectations, the interaction of these two variables does not matter for the overall distribution of funds for public works.

Finally, regarding the variables that were not interacted with the SUR term, the results show that electoral cycles shaped the cross-provincial distribution of funds for public works. In effect, in contrast to the Menem years, lower shares of these funds were channeled to the provinces when mid-term elections were held, indicating that president Kirchner did not use these transfers to reward loyal SURs during Election Day, as his predecessor did. These results might be suggesting that Menem, unlike Kirchner, was more concerned with winning legislative races, as his policies –i.e., the liberalization of the economy, the labor market, and the financial sector, needed to be approved in Congress with solid majorities.

Last it is worth noting that between 2002 and 2006, Argentine presidents rewarded non-democratic provinces over democratic provinces, as reflected by the positively signed and

significant coefficient of the SUR variable. A similar pattern followed indebted provinces, which received a greater proportion of funds for public works, as indicated by the positive and significant coefficient of the debt variable.

In sum, the regression model 1 presented in table 5.3 indicate that the allocation of funds for public works during the years of the Duhalde/Kirchner administration was done along the lines hypothesized in this dissertation. A president with considerable fiscal powers albeit weak partisan power, as was the case of Néstor Kirchner, could exert control over SURs that were financially dependent. Precisely because he managed to subjugate financially dependent SURs he benefitted them with monetary handouts, such as funds for public works. The results presented above are then congruent with Kirchner's decision to avoid dismantling easily controllable SUR and with his willingness to contribute to their reproduction.

4) Incapacity to exert political and territorial control over SURs: Argentina under Fernando De la Rúa

The last regression model regards the short-lived administration of President De la Rúa (1999-2002). Table 5.3, model 2, presents evidence about the determinants of the cross-provincial allocation of employment programs. As noted in section IV.a, this model proceeds along the same lines as the regression models run for the Kirchner administration. Non-democratic provinces are dummied out and then interacted with the independent variables that are of interest in this study, namely, SA, president/governor co-partisanship, and debt. These 3 interactions, then, are the most important variables of the model.

As model 2 in table 5.3 reports, only one (SUR*debt) out of the three interacted and theoretically relevant variables is statistically significant. This result shows that President De la

Rúa transferred smaller shares of employment programs to indebted SURs. His reluctance to benefit indebted, and allegedly more vulnerable SURs, can be interpreted as a consequence of De la Rúa's incapacity to control SURs either via partisan or fiscal instruments. As shown in chapter 4, De la Rúa was, comparatively speaking, a weak president vis-à-vis governors. Precisely for that reason he was limited in his capacity to exert control beyond the country's capital. As a result of this vulnerability, he saw no gain in benefitting SURs, upon which he could not wield political power and control, with greater shares of employment programs.

Another plausible explanation for De la Rúa's refusal to benefit indebted SURs, has to do with SUR partisanship. Only one –Río Negro province– out of the seven existing SURs during his administration was ruled by the UCR. All other non-democratic provinces (i.e., Formosa, La Pampa, La Rioja, San Luis, Santa Cruz, and Santiago del Estero) were governed by the PJ. In this context De la Rúa had few incentives to reward PJ-ruled SURs upon which he, nonetheless, could not exert partisan control, neither from above nor from below.¹³²

Finally, the results displayed in model 2 of table 5.3, indicate that De la Rúa, unlike his immediate predecessor, Carlos Menem, allocated employment programs with far less political purposes. In effect, De la Rúa channeled greater shares of employment subsidies to provinces that had higher levels of unemployment, as shown by the significant and positive sign of the unemployment variable, in contrast to Menem. Likewise, the allocation of these programs was not determined by electoral cycles, as employment programs did not increase during electoral races. Quite the contrary, as the legislative elections variable shows, the shares allocated to the provinces decreased in 2001, when mid-term elections were held. All in all, the results show

¹³² The electoral presence of the UCR at the municipal level in PJ-ruled SURs was also very low. As a result he could not side with local UCR branches to exert control from below over Peronist nondemocratic governors.

clearly that De la Rúa did not benefit weak and vulnerable SURs with greater federally funded employment programs, thus revealing that a President who does not have sufficient instruments to control nondemocratic areas, has few incentives to reproduce regimes and governors who are not easy to control and subjugate.

VI. Conclusion

The results presented in tables 5.1 through 5.3 support the main argument of this dissertation as well as the hypotheses outlined in this chapter. They show that presidents favored one specific type of undemocratic regime over another. That is, contrary to current assessments, which claim that presidents reproduce all types of SURs, the evidence presented here indicates that neither Fox, nor Menem or Kirchner, rewarded *all* existing SUR during their respective administrations. Instead, they selectively benefitted the undemocratic regimes upon which they could exert some type (i.e., fiscal or partisan) of control. Most importantly, none of these presidents seems to have contributed to expand the power of SURs upon which they could not exert control. In fact, as all the regressions models show, the SURs which were not easily penetrable or controllable by presidents were punished, in that they received a lower proportion of federally funded programs/transfers (other things being constant).

The results further confirm that different presidents in Argentina and Mexico relied on different instruments of territorial and political control to exert dominion over subnational undemocratic regimes. Accordingly, Fox benefitted SURs he could control via partisan instruments, while Kirchner rewarded non-democratic provinces that had high levels of indebtedness. President Menem, for his part, who had access to both partisan and fiscal instruments, benefitted SURs that were either possible to control via partisan structures or via

fiscal means. Finally, President De la Rúa, due to his limited access to both fiscal and partisan instruments, did not benefit SURs upon which he could not exert control.

The quantitative analysis conducted in this chapter, which encompassed the *universe* of cases (i.e., *all* SURs in the post-transitional period in Argentina and Mexico), helped gain inferential leverage and maximize the generalizability of the theoretical claims raised in chapter 3. In other words, the hypothesized causal relationship between the independent variable (control exercised by presidents over SURs) and the dependent variable (SUR reproduction from above) was demonstrated to hold true for all SURs in Argentina and Mexico. Accordingly, it is possible to infer that all controllable and penetrable SURs which were rewarded with some kind of federally funded program/transfer, were enhanced and reproduced from above.

This conclusion, however, does not substantiate the general theoretical claim of this dissertation, namely, that to survive, SURs need to deliver “goods” that are highly valuable to the central government. I noted in chapter 3 that if national incumbents actively reproduce some SURs it is because these regimes deliver goods and strategic benefits to the central government. The quantitative analysis presented in this chapter cannot confirm whether this premise holds true, as the regressions only test (and demonstrate) the federal government’s “willingness” to reward weak and controllable SURs but do not provide information about what the central government got in return for this reward. As a result, the quantitative analyses miss an important explanatory component of the model outlined in this study. In addition, because the quantitative analysis only focuses on SURs that were controllable and reproduced from above, it does not offer insights into the second type of SUR survival, namely, SUR self-sustained reproduction.

To address these shortcomings, the next chapters present in-depth qualitative evidence through which first I demonstrate how the mutually beneficial relationship between controllable

SURs and the central government operates, and how it in turn leads to SUR reproduction from above. Second, I shall provide evidence about how SURs that are not controllable by the central government, and which in turn have not been rewarded with federal handouts, still manage to self-sustain. In short, the remaining chapters aim at presenting in-depth, qualitative evidence about the on the causal pathways that lead to SUR reproduction from above, and SUR self-reproduction.

Table 5.4: MEXICO: Dependent and independent variables, description, and sources

<i>Variable</i>	<i>Description</i>	<i>Source</i>
<i>Dependent variables</i>		
PAFEF	PAFEF as percentage of total revenue	Informe de gobierno 2006, based on SCHP data
Public works	Public works as percentage of total revenue	Subdirección de Economía de Servicios de Investigación y Análisis (Cámara de Diputados)
Oportunidades	Oportunidades expenditures as percentage of total revenue	Aregional Consultora
<i>Independent variables</i>		
<i>Main variables</i>		
Debt	Debt as percentage of total revenue	SHCP-UCEF
Deficit	Deficit as percentage of total revenue	SHCP-UCEF
SA: State administration	See index chapter 3	Giraudy (chapter 3)
PPSL: President's party strength (local)	Percentage of municipalities of presidential party	CIDAC
PPSL*SA	President's party strength local centered on its mean multiplied by SA centered on its mean	Author
Governor PAN alone	Scored as 1 for each PAN governor who did not rule in a coalition	Based on CIDAC
Governor PAN coalition	Scored as 1 for each PAN governor who ruled in a coalition	Based CIDAC
<i>Electoral variables</i>		
Presidential election	Scored as 1 for each year of presidential election	Author
Gubernatorial election	Scored as 1 for each year of gubernatorial election	Author
Legislative election	Scored as 1 for each year of legislative election	Author
<i>Control variables</i>		
Population	Logged population	CONAPO*
Índice de marginación	Lower levels indicate low deprivation, and vice versa	CONAPO

**Projected

Table 5.5: ARGENTINA: Dependent and independent variables, description, and sources

<i>Variable</i>	<i>Description</i>	<i>Source</i>
<i>Dependent variables</i>		
Funds for public works	Funds for public works as percentage of total revenues	Cuenta Inversión (various yrs), Giraudy (2006)
ATN	ATN as percentage of total revenues	CECE (1997), Mecon
Employment programs	Percentage of the total population who received employment progr.	Giraudy (2007)
<i>Independent variables</i>		
<i>Main variables (Menem)</i>		
Debt	Debt as percentage of total revenue	Mecon-DNCFP
Surplus	Deficit as percentage of total revenue	Mecon-DNCFP
SA: State administration	See index chapter 3	Giraudy (chapter 3)
PPSL: President's party strength (local)	Percentage of municipalities of presidential party	Micozzi (2009)
PPSL*SA	President's party strength local centered on its mean multiplied by SA centered on its mean	Author
pres/governor/mayor strength	Sum of 2 variables: $party\ gov = party\ pres^{\wedge}$ and PPSL	Author
pres/governor/mayor strength*SA	$pres/governor/municipal\ strength$ centered on its mean multiplied by SA centered on its mean	
<i>Main variables (De la Rúa & Kirchner)</i>		
SUR	Scored as 1 for each in which provinces obtained a score lower than 0.1 on the access index (chapter 3)	Author
SUR*SA	SUR centered on its mean multiplied by SA centered on its mean	Author
SUR*debt	SUR centered on its mean multiplied by debt centered on its mean	Author
SUR*party gov=party pres [^]	SUR centered on its mean multiplied by $party\ gov = party\ pres$ centered on its mean	Author
<i>Electoral variables</i>		
Presidential election	Scored as 1 for each year of presidential election	Author
Gubernatorial election	Scored as 1 for each year of gubernatorial election	Author
Legislative election	Scored as 1 for each year of legislative election	Author
<i>Control variables</i>		
Population	Logged population	INDEC*
Unemployment	Yearly unemployment	Giraudy (2007) based on INDEC
Hyperinflation, Tequila, Russia/Asia	Scored as 1 for each of economic crisis	Author
NBI	Lower levels indicate better living conditions, and vice versa	INDEC

[^]Governor party scored as 1 when presidential party equals governor's party. Both variables (i.e., $party\ gov = party\ pres$, and PPSL) were standardized between 0 and 1 and then added up

*Projected

Table 5.6: Mexican states scoring below 0.1 on the access index (2000-2006)

<i>State</i>	<i>year</i>	<i>Access Score</i>	<i>State</i>	<i>year</i>	<i>Access Score</i>	<i>State</i>	<i>year</i>	<i>Access Score</i>
Aguascalientes	2004	0.05	Guerrero	2000	0.03	SLP	2000	0.04
Aguascalientes	2005	0.05	Guerrero	2001	0.03	SLP	2001	0.04
Aguascalientes	2006	0.05	Guerrero	2002	0.07	SLP	2002	0.04
Baja California	2000	0.00	Guerrero	2003	0.07	Sinaloa	2000	0.02
Baja California	2001	0.04	Guerrero	2004	0.07	Sinaloa	2001	0.02
Baja California	2002	0.04	Guerrero	2005	0.00	Sinaloa	2002	0.02
Baja California	2003	0.04	Guerrero	2006	0.00	Sinaloa	2003	0.02
Baja California	2004	0.04	Hidalgo	2000	0.04	Sinaloa	2004	0.07
Baja California	2005	0.04	Hidalgo	2001	0.04	Sinaloa	2005	0.07
Baja California	2006	0.04	Hidalgo	2002	0.04	Sinaloa	2006	0.07
Campeche	2000	0.02	Hidalgo	2003	0.04	Sonora	2000	0.07
Campeche	2001	0.02	Hidalgo	2004	0.04	Sonora	2001	0.07
Campeche	2002	0.02	Hidalgo	2005	0.03	Sonora	2002	0.07
Campeche	2006	0.09	Hidalgo	2006	0.03	Sonora	2003	0.00
Coahuila	2000	0.02	Jalisco	2000	0.00	Sonora	2004	0.00
Coahuila	2001	0.02	Jalisco	2001	0.02	Sonora	2005	0.00
Coahuila	2002	0.01	Jalisco	2002	0.02	Sonora	2006	0.00
Coahuila	2003	0.01	Jalisco	2003	0.02	Tabasco	2000	0.00
Coahuila	2004	0.01	Jalisco	2004	0.02	Tabasco	2001	0.00
Coahuila	2005	0.03	Jalisco	2005	0.02	Tabasco	2002	0.00
Coahuila	2006	0.03	Edo Mexico	2000	0.03	Tabasco	2003	0.00
Colima	2000	0.02	Edo Mexico	2001	0.03	Tabasco	2004	0.00
Colima	2001	0.02	Edo Mexico	2002	0.03	Tabasco	2005	0.00
Colima	2002	0.02	Edo Mexico	2003	0.03	Tabasco	2006	0.00
Colima	2003	0.09	Edo Mexico	2004	0.03	Tamaulipas	2000	0.04
Colima	2004	0.09	Michoacán	2000	0.00	Tamaulipas	2001	0.04
Colima	2005	0.09	Morelos	2000	0.07	Tamaulipas	2002	0.04
Colima	2006	0.07	Morelos	2001	0.07	Tamaulipas	2003	0.04
Chiapas	2000	0.08	Morelos	2002	0.07	Tamaulipas	2004	0.05
Chiapas	2001	0.08	Oaxaca	2000	0.02	Tamaulipas	2005	0.05
Chiapas	2002	0.08	Oaxaca	2001	0.02	Tamaulipas	2006	0.05
Chiapas	2003	0.08	Oaxaca	2002	0.02	Tlaxcala	2004	0.00
Chiapas	2004	0.10	Oaxaca	2003	0.02	Tlaxcala	2005	0.00
Chiapas	2005	0.10	Oaxaca	2004	0.00	Tlaxcala	2006	0.00
Durango	2000	0.07	Oaxaca	2005	0.00	Veracruz	2000	0.03
Durango	2001	0.08	Oaxaca	2006	0.00	Veracruz	2001	0.03
Durango	2002	0.08	Puebla	2000	0.01	Veracruz	2002	0.03
Durango	2003	0.08	Puebla	2001	0.01	Veracruz	2003	0.03
Durango	2004	0.09	Puebla	2002	0.01	Yucatan	2000	0.00
Durango	2005	0.09	Puebla	2003	0.01	Yucatan	2001	0.00
Durango	2006	0.09	Puebla	2004	0.03	Yucatan	2002	0.00
Guanajuato	2000	0.03	Puebla	2005	0.03	Yucatan	2003	0.00
Guanajuato	2001	0.03	Puebla	2006	0.03	Yucatan	2004	0.00
Guanajuato	2002	0.03	Quintana Roo	2000	0.02	Yucatan	2005	0.00
Guanajuato	2003	0.05	Quintana Roo	2001	0.02	Yucatan	2006	0.00
Guanajuato	2004	0.05	Quintana Roo	2002	0.02			
Guanajuato	2005	0.05	Quintana Roo	2003	0.02			
Guanajuato	2006	0.02	Quintana Roo	2004	0.02			

Table 5.7: Argentine provinces scoring below 0.1 on the access index (1989-2006)

<i>State</i>	<i>year</i>	<i>Access Score</i>	<i>State</i>	<i>year</i>	<i>Access Score</i>	<i>State</i>	<i>year</i>	<i>Access Score</i>
Catamarca	1989	0.03	La Rioja	1991	0.01	San Luis	2003	0.00
Catamarca	1990	0.03	La Rioja	1992	0.01	San Luis	2004	0.00
Chaco	1989	0.05	La Rioja	1993	0.01	San Luis	2005	0.00
Chaco	1990	0.05	La Rioja	1994	0.01	San Luis	2006	0.00
Córdoba	1989	0.00	La Rioja	1995	0.01	Santa Cruz	1989	0.04
Córdoba	1990	0.00	La Rioja	1996	0.01	Santa Cruz	1990	0.04
Córdoba	1991	0.00	La Rioja	1997	0.01	Santa Cruz	1991	0.06
Córdoba	1992	0.00	La Rioja	1998	0.01	Santa Cruz	1992	0.06
Córdoba	1993	0.00	La Rioja	1999	0.03	Santa Cruz	1993	0.05
Córdoba	1994	0.00	La Rioja	2000	0.03	Santa Cruz	1994	0.05
Córdoba	1995	0.05	La Rioja	2001	0.03	Santa Cruz	1995	0.05
Córdoba	1996	0.05	La Rioja	2002	0.03	Santa Cruz	1996	0.05
Córdoba	1997	0.05	La Rioja	2003	0.06	Santa Cruz	1997	0.05
Córdoba	1998	0.05	La Rioja	2004	0.06	Santa Cruz	1998	0.05
Corrientes	1989	0.05	La Rioja	2005	0.05	Santa Cruz	1999	0.07
Corrientes	1990	0.05	La Rioja	2006	0.05	Santa Cruz	2000	0.07
Corrientes	1991	0.06	Neuquén	1989	0.04	Santa Cruz	2001	0.07
Corrientes	1992	0.06	Neuquén	1990	0.04	Santa Cruz	2002	0.07
Corrientes	1993	0.10	Neuquén	1991	0.07	Santa Cruz	2003	0.03
Corrientes	1994	0.10	Neuquén	1992	0.07	Santa Cruz	2004	0.03
Formosa	1989	0.04	Neuquén	1993	0.07	Santa Cruz	2005	0.03
Formosa	1990	0.04	Neuquén	1994	0.07	Santa Cruz	2006	0.03
Formosa	1991	0.06	Río Negro	1989	0.07	Santa Fe	1989	0.06
Formosa	1992	0.06	Río Negro	1990	0.07	Santa Fe	1990	0.06
Formosa	1993	0.05	Río Negro	1991	0.05	Santiago del Estero	1991	0.07
Formosa	1994	0.05	Río Negro	1992	0.05	Santiago del Estero	1992	0.07
Formosa	1995	0.06	Río Negro	1993	0.05	Santiago del Estero	1993	0.07
Formosa	1996	0.06	Río Negro	1994	0.05	Santiago del Estero	1994	0.07
Formosa	1997	0.07	Río Negro	1995	0.10	Santiago del Estero	1995	0.07
Formosa	1998	0.07	Río Negro	1996	0.10	Santiago del Estero	1996	0.07
Formosa	1999	0.03	Río Negro	1997	0.10	Santiago del Estero	1997	0.06
Formosa	2000	0.03	Río Negro	1998	0.10	Santiago del Estero	1998	0.06
Formosa	2003	0.03	Río Negro	1999	0.09	Santiago del Estero	1999	0.10
Formosa	2004	0.03	Río Negro	2000	0.09	Santiago del Estero	2000	0.10
Formosa	2005	0.03	Río Negro	2001	0.09	Tucumán	1989	0.06
Formosa	2006	0.03	Río Negro	2002	0.09	Tucumán	1990	0.06
Jujuy	1989	0.06	San Juan	1989	0.09	Tucumán	1991	0.09
Jujuy	1990	0.06	San Juan	1990	0.09	Tucumán	1992	0.09
La Pampa	1989	0.04	San Luis	1989	0.00	Tucumán	1993	0.09
La Pampa	1990	0.04	San Luis	1990	0.00	Tucumán	1994	0.09
La Pampa	1995	0.08	San Luis	1991	0.00			
La Pampa	1996	0.08	San Luis	1992	0.00			
La Pampa	1997	0.08	San Luis	1993	0.00			
La Pampa	1998	0.08	San Luis	1994	0.00			
La Pampa	1999	0.07	San Luis	1995	0.00			
La Pampa	2000	0.07	San Luis	1996	0.00			
La Pampa	2001	0.07	San Luis	1997	0.00			
La Pampa	2002	0.07	San Luis	1998	0.00			
La Rioja	1989	0.00	San Luis	2001	0.00			
La Rioja	1990	0.00	San Luis	2002	0.00			

Chapter 6: Subnational undemocratic regime continuity in Mexico (2000-2006). Oaxaca and Puebla in comparative perspective

One of the central theoretical premises of this dissertation is that presidents with the capacity of controlling nondemocratic subnational rulers will have incentives to manipulate SUR incumbents for their strategic benefit. Under these circumstances, instead of promoting SUR dismantlement, presidents will likely opt to reproduce undemocratic regimes from above. A second major theoretical premise of this study is that whenever presidents cannot control over undemocratic rulers, they will have few incentives to promote the continuity of SURs, much less to induce their rulers to become part in vertical coalitions. In such a context, the center not only will avoid reproducing SURs from above, but whenever possible, it will seek to weaken these regimes. Nonetheless, the entrenched position of autonomous and non-controllable undemocratic incumbents, coupled with presidents' weak disciplining power, allows the former to keep their regimes alive. When this occurs, a different trajectory of SUR continuity ensues, namely, SUR self-reproduction.

The purpose of this chapter is to apply these two theoretical premises to the case of Mexico, a country that has recently experienced territorially uneven democratization. To do so, the focus shifts from quantitative comparisons to qualitative examination and comparison of two subnational cases, Oaxaca and Puebla. These subnational comparisons shed light on the hypothesized causal chains leading to SUR reproduction from above and SUR self-reproduction. Following Van Evera's (1997) recommended method of breaking down the

causal chains into their components parts, this chapter examines how presidential control led to cooptation, which in turn facilitated the possibility of vertical coalitions, thus resulting in SUR continuity from above. The chapter also explores the alternative causal chain, in which lack of presidential control leads to SUR self-reproduction, and examines the causal mechanisms that make the outcome possible, namely, the displacement/weakening and exclusion from vertical coalitions. Data for these examinations comes from archival documents, newspaper articles, official documents, plus 90 in-depth interviews with Mexican national and subnational top-rank officials (see list of interviews in the reference section of this dissertation).

The chapter is organized as follows: the first section provides a justification of the subnational case selection. The second section presents the first case study (Oaxaca), which represents a case of SUR self-reproduction. The third section is devoted to the analysis of the second case-study (Puebla), which illustrates SUR reproduction from above.

The narrative and analysis of the two case studies is organized in the same fashion. First, the undemocratic character of the state is presented and evidence regarding how it operates is discussed. Much has already been said about undemocratic regimes, but except for the indicators presented in chapter 3, little concrete evidence has been presented to illustrate specifically how a SUR works. The second subsection of each case study discusses the two main subnational variables facilitating or preventing presidential control, i.e., the type of state-administration, and financial autonomy. The third and fourth subsections of the case studies analyze the component parts of the causal chains outlined above. Accordingly, the third subsection explores the extent to which presidential control was possible, focusing on how the combined effect of subnational and national variables enhances or limits

presidential control. The fourth, and final subsection of the two case studies, explains how this control (or lack thereof) determines the prospects of vertical coalitions and, as a result, the type of SUR reproduction followed in each case.

I. Subnational case selection

The purpose of conducting an in-depth study is to shed light on and exemplify the two causal chains leading to SUR reproduction. The “diverse” case-study is best for this task; according to Gerring (2007), it allows to achieve maximum variance along relevant dimensions. This type of case study, then, “requires the selection of a set of cases that are intended to represent the full range of values characterizing the independent variable of theoretical interest” (Gerring 2007:98).

Given that the goal of this chapter is to illustrate how each causal chain is triggered by the capacity (or lack thereof) of federal incumbents to control SURs, the two selected cases score very differently on the main subnational variable facilitating or inhibiting presidential control. As chapter 4 demonstrated, the main instrument of territorial and political control during the 2000-2006 period was partisan. Thus, in order to assess the existence of presidential *partisan* control, which eventually gave way to the hypothesized outcome of SUR reproduction from above, a case is needed where presidential partisan penetration existed or was enhanced. By contrast, to estimate the lack of presidential partisan control in a given state, and thus the presence of the second hypothesized outcome –SUR self-reproduction– a case is needed where presidential partisan penetration did not exist or was neutralized. As noted earlier, one the main subnational variables capable of neutralizing or averting penetration is the nature of a state’s administration: whereas bureaucratic

administrations augment the chances of partisan penetration, and patrimonial administrations diminish it.

In light of these considerations, I select one undemocratic bureaucratic state (Puebla) and one undemocratic patrimonial state (Oaxaca) (see graph 3.7, chapter 3). These two states were selected out of the bulk of undemocratic-patrimonial and undemocratic-bureaucratic regimes because they have several aspects in common. Both rank within the group of the least economically developed states in Mexico, both states have been ruled by the PRI since the 1930s, and both are located in the south of Mexico. Still, the states differ on the main subnational variable of interest, namely, their state administrations.¹³³ Oaxaca and Puebla then, not only allow for a most similar case design, but also make a controlled-comparison possible, facilitating in turn a more fine-tuned assessment of the main variables' effect on the hypothesized outcomes.

II. OAXACA: A case of SUR self-reproduction

1) The political regime: How does a SUR operate in practice?¹³⁴

The state of Oaxaca, probably more than any other state of Mexico, has long been acknowledged as a non-democratic state (Fox 1994; Snyder 1999, 2001; Gibson 2005; Benton forthcoming; Lakin 2008; Martínez Vásquez 2007; Sorroza 2006). Still, even though

¹³³ These states also differ regarding the secondary independent variables, financial autonomy, although in a less pronounced way.

¹³⁴ Though I will provide a brief characterization of the administrations that anteceded 2000, the main focus of this section (and chapter) will be on José Murat's (1998-2004) and Ulises Ruiz' (2004-2010) administrations. The reason why I do so is because Murat and Ruiz were the Oaxacan governors who ruled after 2000, when national-subnational regime juxtaposition started.

the state has, since the 1980s, fallen into the lower places of the Mexican democratic index (see chapter 3), Oaxaca has experienced some political liberalization, especially in the 1990s.

The 1990s were the years during which the PRI started to lose its grip on power, when the first signs of democratic openness were observed (Beer 2003; Ward and Rodríguez 1994, 1999; Eisenstadt 2004, 2006; Magaloni 2006; Ochoa-Reza 2004). Oaxaca was not an exception to this national trend. For the first time in its history, in 1998, the PRI lost control over the state capital city (Oaxaca City) to the PAN. Signs of political liberalization were also seen at the gubernatorial level, where the vote share of the PRI declined from an average of 86% in the 1980s, to 74.71% in 1992, and 48.84% in 1998, and finally to 49.42 in 2004, a precipitous decline. This decline in the ruling party's vote share shrank the PRI's margin of victory while increased the number of effective parties (ENP) competing in gubernatorial races (see table 6.1). Whereas in 1980, only 1.31 parties competed in gubernatorial elections, this number jumped to 2.56 in 1998, and even though it declined a bit in 2004, it remained above 2 throughout the mid 2000s.

Yet the higher levels of competitiveness were accompanied by increasing electoral fraud. As table 6.1 shows, the quality of elections during the 1990s gubernatorial races was overall low (Oaxaca scored 2 in a scale of 1 to 4, where 4 is no fraud at all) and very low during the 2004 elections (when the state got a score of 1).¹³⁵ Although higher levels of fraud reveal the nondemocratic character of the regime, they also may denote increasing political competition. That is, PRI-ruled governors stuff the ballot because they face a stronger opposition, one that has the power to win elections.

¹³⁵ In 2004, the PRI candidate won the governorship in an allegedly fraudulent election against the PAN-PRD-Coalition "*Todos Somos Oaxaca*." For a thorough account of how the fraud was committed see Cué (N.D.).

These signs of increasing competitiveness at the gubernatorial level were partially offset by the fact that the PRI continued to exercise tight control over the state's legislature. As table 6.1 indicates, until 1989 the opposition only controlled 25% of the seats of the local legislature. Consistent with the political opening observed in the 1990s, opposition parties increased their seats' share to 40.47%, only to lose ground in 2004, when they controlled 38.09% of the seats. The control exercised by the PRI over the state legislature has had profound implications for the way in which Oaxacan rulers have exercised power. It has, for instance, allowed PRI governors to rule virtually unchecked.

Table 6.1: Oaxaca's indicators of democracy

<i>Year of election</i>	<i>ENP</i>	<i>Margin of victory in gubernatorial races</i>	<i>ENPL</i>	<i>Strength of the opposition in the legislature</i>	<i>Clean elections*</i>	<i>Turnover (head)**</i>	<i>Turnover (party)**</i>
	(governor's race)	(between winner and runner up) in percentage terms	(legislative seats)	(% of seats controlled by the opposition)	(Index ch.3)	(cumulated)	
1980	1.31	82.60			n/a	n/a	n/a
1983			1.70	25			
1986	1.32	82.51	1.72	25	n/a	n/a	n/a
1989			1.73	25			
1992	1.72	65.29	2.04	32.25	2	n/a	n/a
1995			2.40	40.47			
1998	2.56	11.39	2.17	40.47	2	1	0
2001			2.38	40.47			
2004	2.18	3.33	2.38	38.09	1	2	0
2007							
<i>Oaxaca's mean</i>	1.82	49.02	2.07	33.34	1.67	1.20	0.00
<i>States' mean</i>	2.03	61.36	2.16	38.32	1.02	1.08	0.39
<i>Min</i>	1.08	4	1.19	8.69	1	0	0
<i>Max</i>	3.37	99.44	4.49	82.14	4	3	2

Source: author's calculations (see Appendix chapter 3)

*The coding of this indicator starts in the 1990s -the indicator captures levels of fraud

**1997 is the baseline, as it is the year that many Mexican scholars regard as the transitional year (see Magaloni 2005)

Governor's ruling "styles"

Although Oaxaca has been governed by the PRI since the early 1930s, the no-re-election clause for all Mexican elective posts has allowed for governors' alternation in power. The rotation of state executives had important implications for Oaxaca's SUR. First, it was crucial to accommodate different PRI political cliques (*camarillas* or *PRI families*) within the state, thus avoiding party defection and instability within the party ranks, and ensuring in turn the PRI's continuity in power (see Smith 1979, Camp 1995, Magaloni 2006). Despite the fact that the PRI consolidated its power, the existence of executive turnover also helped lessen the undemocratic character of the regime. This was the case because governors, who came from different *camarillas*, and had in consequence different ideological backgrounds, policy orientations, and bases of support, could rule the state in different ways. Whereas some of them were inclined to engage in more inclusionary, less repressive, and less authoritarian practices, others opted to confront, repress, and alienate the electorate.

For instance, the administrations of Governors Ramírez (1986-1992) and Carrasco (1992-1998) were much more inclusionary and less repressive than post-1998 administrations. Even though these two governors were guided by very different ideologies and political agendas,¹³⁶ both courted local elites and organized groups in order to keep an inclusionary, non-repressive, albeit corporatist and controlled relationship with their bases of support. Because they had a clear policy orientation and did not radically switch their governing agendas, both governors managed to maintain their original bases of support unaltered during their respective *sexenios* (see table 6.2).

¹³⁶ Ramírez had a neocorporatist /state-oriented project, whereas Carrasco, a disciple of President Zedillo's policies, ruled the state following technocratic/neoliberal principles.

Table 6.2: Oaxaca's governors, policy-orientation, and constituencies

<i>Period</i>	<i>Governor</i>	<i>Party</i>	<i>Governor's policy orientation</i>	<i>Relationship with local organized groups (business (B) and organizaciones (O))</i>
1986-92	Heladio Ramírez	PRI	neocorporatist	B= highly confrontational, O=highly inclusive
1992-98	Diódoro Carrasco	PRI	neoliberal / technocrat	B=highly inclusive, O=inclusive
1998-04	José Murat	PRI	undefined	B=inclusive*, selectively confrontational O=inclusive, highly co-opted, and repressive
2004-10	Ulises Ruiz	PRI	undefined	B=moderately inclusive, O=exclusive, and highly repressive

*Inclusive during the first two years of his administration

The more policy-oriented, 'programmatic,' stable, inclusionary, and less-repressive ruling styles of Governors Ramírez and Carrasco, contrasted sharply with the less policy-oriented Governors José Murat (1998-2004) and Ulises Ruiz (2004-). Governor Murat was a pragmatist, a governor who ruled the state with an non-ideological agenda and in an improvised manner. His ad hoc and changing ruling style gave him sufficient leeway to court different bases of support, but at the same time prevented him from having a longstanding and loyal base of support. In fact, one of the main traits of the Murat administration was the alienation of and confrontation with the local groups which had originally supported him.

For instance, most of the major local entrepreneurs who actively promoted Murat's candidacy and finance his campaign would become targets of the governor's attacks. Members of the business elite were systematically threatened and persecuted, eventually

falling victims of state audits commissioned by Murat.¹³⁷ Prominent members of the local media were harassed up to the point of being found guilty and incarcerated for crimes they probably had not committed (interview López Lena). Similarly, newspapers' printing facilities were closed down or taken over (interview Gómez). Perhaps the only group within the local business elite not suffering Murat's attacks were the local contractors, who allowed the governor to divert public monies with shady deals that were made for the construction of public works (interviews Gómez, Aldaz, Cué).

Governor Murat's pragmatic and non-ideological ruling style also led him to maintain a changing and manipulative relationship with the state's *organizaciones*,¹³⁸ one that oscillated between courting and crushing them. On the one hand, he used a wide variety of state resources to co-opt, divide, and extort local organized groups in order to retain their support.¹³⁹ On the other hand, when he could not wield control over these *organizaciones*, the governor never hesitated to threaten, crush, and even incarcerate its leaders and members (Martínez-Vásquez 2006, 2007; Sorroza 2006). In sum, the lack of an ideological and programmatic agenda, gave the governor enough maneuverability to entice and repress different organized local groups.

Like Murat, Governor Ulises Ruiz Ortiz (2004-2010), did not have a defined policy orientation, much less a programmatic governing agenda (interview Díaz Pimentel). Yet unlike Murat, who confronted but also courted local groups, Ruiz did not have an interest in

¹³⁷ Interviews: Gómez Nucamendi; Colmenares; Esteva (a); López Lena; see also Martínez Vásquez 2007, Sorroza 2006.

¹³⁸ These include local branches of large confederations—such as the teacher's confederation, as well as medium and small unions, social movements, street vendors, and all PRI corporatist organizations.

¹³⁹ Interviews Bailón; Gómez; Murat; Cué; Altamirano; Díaz-Pimentel; Rito Salinas; Aldaz; Leyva, interview 22, see also Sorroza 2006

obtaining the support of local organized groups. Rather, he alienated and crushed both local business elites and *organizaciones*. Following his predecessor, the day after he assumed office, Ruiz ordered the take-over of the major local newspaper (*Noticias*) and fiercely confronted the most prominent business group of the state, the so-called *Grupo Oaxaca* (interview Gómez Nucamendi). He also initiated a fierce confrontation with local organized groups with kidnappings, incarcerations, and persecutions of local grassroots leaders (Martínez Vásquez 2006, 2007, interviews Gómez, Díaz Pimentel). Finally, Ruiz's confrontational and repressive practices also affected the local opposition. Perhaps the most vivid example illustrating the governor's repression and arbitrariness was the order of incarceration, issued in December 2004, of Oaxaca's most popular leader –his former opponent and alleged winner of the 2004 gubernatorial race, Gabino Cué.¹⁴⁰ This conflictive relationship with local organized groups and movements would reach its peak in 2006, when the state-government brutally confronted the teachers'/APPO (*Asamblea Popular de los Pueblos de Oaxaca*) movement, unleashing perhaps one of the most violent episodes of state-led repression in the post-democratic period.¹⁴¹

Ulises Ruiz's lack of interest in courting local organized groups and local business has to be understood within the broader context of Mexican politics. Ruiz was one of the closest friends, advisors, and campaign managers of Roberto Madrazo, the PRI's national leader, and 2006 presidential candidate. During his first two years as governor of Oaxaca (2004-2006), Ulises Ruiz spent very little time in the state, and delegated his power in his

¹⁴⁰ The governors' strategy soon backfired, when massive popular mobilizations were organized to prevent Gabino Cué's from being jailed (interview: Cué, see also Martínez Vásquez 2006, 2007).

¹⁴¹ The teachers/APPO conflict began in June and lasted until December 2006. The 6-month clash resulted in 23 persons being killed, hundreds being arrested and imprisoned, and in the filing of over 1200 complaints with human rights commissions (see LASA 2007, Human Rights Watch (HWR) 2007; Amnesty International 2007).

secretary of state, Jorge Franco “Chucky” Vargas. Instead, he was based in Mexico City, where he ran and coordinated Madrazo’s presidential campaign (interviews Díaz Pimentel, Esteva(a)). Ulises Ruiz’ base of support was not in Oaxaca; instead, it came from the national PRI structure, and most concretely from the PRI’s presidential candidate, who at the time was a powerful figure within the PRI and in national politics.¹⁴² “Ulises Ruiz thought, quite reasonably, that he would become a national cabinet member in a Madrazo administration,” reported Díaz-Pimentel, the former president of the Oaxaca state-legislature. “That is why,” Pimentel continued, “he cared more about Madrazo and his fate, than about governing the state of Oaxaca and its people.”¹⁴³

In sum Oaxaca’s political regime, despite ranking among the least democratic states of Mexico, underwent some partial liberalization during the late 1980s and 1990s, under the administrations of Ramírez and Carrasco. In contrast, signs of democratic setback were observed during the late 1990s and 2000s under the administrations of Murat and Ruiz. The contrast between the more confrontational and violent ruling styles of Governors Murat and Ruiz, and the more conciliatory governing styles of Governors Ramírez and Carrasco, indicates the fluctuating nature of democratic practices in Oaxaca.

This underscores three important aspects of the Oaxacan political regime. First, that democracy in the state has made (limited) progress and retrenched over the years. Second,

¹⁴² Under the party presidency of Madrazo, the PRI managed to win several municipalities, state-legislatures, governorships and even seats in the federal Congress. These victories, which contributed to revert the PRI’s electoral performance after the 2000 defeat, empowered Madrazo, as he was viewed as the main architect behind the PRI’s post 2000 victories (interview 12, 18, 20).

¹⁴³ A good example illustrating Ruiz’s unwillingness to rule the state, occurred when the governor moved his administrative office and residence, the *palacio de gobierno*, from the central Zócalo to the outskirts of Oaxaca City. To many Oaxacans, the *palacio de gobierno* symbolized the place where “Oaxacans could petition the governor, and stay in touch with him” (interviews: Gómez; Díaz Pimentel; interview 23).

the mild regime openness observed in the 1990s (see Fox & Aranda 1996; Ward & Rodríguez 1999) was only temporary, and thus warns against the reification of temporal patterns into permanent ones. Third, the retrenchment of democracy in Oaxaca since the early 2000s confirms previous scholarship claiming that national democratization in Mexico has been accompanied by partial subnational democratic rollback (Gibson 2005; Bautista 2007; Martínez Vásquez 2006, 2007; Sorroza 2006). In the next section, I examine the variables that contributed to the continuance of Oaxaca's nondemocratic regime after the watershed presidential election of 2000.

2) Governors' instruments of territorial and political control

(a). Neopatrimonial state administration

Different state administrations structure the exercise of political power in distinct ways. Indeed, unlike neopatrimonial incumbents, who exercise power virtually unchecked, bureaucratic administrations prevent rulers from exerting tight control over state-agencies, opposition forces, local organized groups, and civil society, thus paving the way for the existence of autonomous local groups. As argued in chapter 2, the nature of state-administrations has important implications for governors' capacity to avoid penetration and control by the central government, and is thus a major effect on the prospects of SUR continuity.

As noted in chapter 3, Oaxaca ranks among the most neopatrimonial states in Mexico. Indeed, as shown by the horizontal and societal accountability indicators of table 6.3,

Oaxaca's agencies responsible for checking the executive branch are weak.¹⁴⁴ Indeed, with the exception of 2007, both indicators score a perfect zero.¹⁴⁵ Likewise, governors in Oaxaca have, for the most part, employed the funds earmarked for specific municipalities in a highly discretionary fashion, as illustrated by the index of rulers' fiscal discretion. Finally, Oaxacan rulers have also bloated the state administration with public employees, thus augmenting patronage. All these indicators reveal that Oaxaca's level of neopatrimonialism is well above the mean of Mexican states, as shown by the last column and penultimate row of table 6.3.

Table 6.3: Oaxaca's indicators of neopatrimonialism

<i>Year</i>	<i>Ruler's fiscal discretion* †</i>	<i>Societal Accountability*</i>	<i>Horizontal Accountability*</i>	<i>Patronage*</i>	<i>Neopatrimonialism*</i>
1997	0.76	0	0	0.69	0.36
1998	0.48	0	0	0.69	0.29
1999	0.71	0	0	0.69	0.35
2000	0.82	0	0	0.64	0.36
2001	0.30	0	0	0.64	0.24
2002	0.82	0	0	0.65	0.37
2003	0.77	0	0	0.66	0.36
2004	0.56	0	0		
2005	0.24	0	0		
2006	0.39	0.46	0		
<i>Oaxaca's mean</i>	0.59	0.05	0	0.67	0.33
<i>States' mean</i>	0.78	0.20	0.22	0.75	0.42
<i>Min</i>	0	0	0	0.05	0.15
<i>Max</i>	1	1	1	1	0.68

Sources: author's calculation (see Appendix chapter 3)

*Lower values indicate higher levels of neopatrimonialism

† Based only on the % of funds (from the *Fondo General de Participaciones*) that the governor did *not* transfer to the municipalities

¹⁴⁴ Horizontal accountability measures the independence and efficiency of the agencies responsible for overseeing the use of money (i.e., state audits), whereas societal accountability measures the existence and efficiency of the laws of access to public information.

¹⁴⁵ In 2007, Ulises Ruiz, who was under international and national scrutiny due to the violent repression of 2006, was forced to implement policies aimed at increasing the transparency of his administration. It was in this context that he passed the law regulating the access to public information. An official from the *Instituto Federal de Acceso a la Información* (IFAI) (the federal agency responsible for overseeing the implementation of the laws of access to public information) reported that the Oaxacan law had several irregularities that would prevent Oaxacan citizens from gaining access to public information, once the law becomes effective (interview: Solís).

In addition to controlling agencies of horizontal accountability, preventing instances of societal accountability, distributing funds in a discretionary way, and relying on patronage, both Murat and Ulises Ruiz also sought to concentrate more power by expanding their control over municipal levels of government. As table 6.4 shows, when Murat won the governorship in 1998, the PRI controlled a sizeable percentage of the state's municipalities (73.68%). Even though that percentage dropped to 56% during his tenure, Governor Murat still controlled more than half of Oaxaca's municipalities.¹⁴⁶ However, despite his ability to exercise a tight grip over lower levels of government, Murat suffered a considerable setback in 1998 when the opposition PAN won the most populous municipality, the state's capital (Oaxaca City). This decline, which has continued, as the PRD began to control more municipalities, was offset in 2004 when the PRI managed to oust the PAN from Oaxaca City, thus resuming political control over the most populated center of the state. In addition, in 2007 under the administration of Ulises Ruiz, the PRI successfully reversed the trend by increasing the share of PRI governed municipalities to 60.93%.

¹⁴⁶ Note that not all municipalities in Oaxaca are governed by political parties. In the 1990s, Governor Carrasco introduced changes in the municipal electoral codes with the purpose of giving municipal governments the freedom to eliminate electoral rules and political parties from local political processes and allowing them to use customary practices, the so-called *usos y costumbres* (uses and customs), to elect local authorities (see Eisenstadt 2007, Benton forthcoming). *Usos y costumbres* is currently used in 418 out of 570 Oaxacan municipalities." Benton (forthcoming) shows convincingly that the introduction of the *usos y costumbres* facilitated the PRI's control over these municipalities.

Table 6.4: Percentage of municipalities under PAN, PRI, and PRD control¹⁴⁷

<i>Year of election</i>	<i>PAN</i>	<i>PRI</i>	<i>PRD</i>	<i>Other parties</i>
1997	7.04%	69.01%	21.83%	2.11%
1998	5.92%	73.68%	19.74%	0.66%
2001	14.67%	56.00%	24.00%	5.33%
2004	13.33%	49.33%	31.33%	6.00%
2007	4.64%	60.93%	31.13%	3.31%

Source: author's calculations based on CIDAC database

But the element that was more decisive to expand state incumbents' power over lower levels of government, as well as their leverage over the state more broadly, was the existence of a neopatrimonial state-administration. Common neopatrimonial practices used by Governors Murat and Ruiz to co-opt and repress opposition mayors included removing opposition mayors from office, financially choking opposition municipalities, commissioning state audits to investigate financial misdeeds (real or contrived), and inducing, buying off, and threatening opposition mayors in order to cause them to break ranks with their own parties and side with the governor.

In addition, Governor Murat used a variety of state resources and programs to benefit those mayors who sided with him, and to penalize municipalities whose mayors refused to stay by his side. As several opposition leaders and ex-mayors who refused to side with Murat reported, the governor would not give to opposition-ruled municipalities the *participaciones* and *aportaciones* which, by law, should have directly reached municipal coffers (interviews Esteva (a), Esteva (b), Altamirano, Gabino Cué).¹⁴⁸ By contrast, these

¹⁴⁷ The figures above only apply to the municipalities where political parties are allowed to compete.

¹⁴⁸ See also magazine *En Marcha*, Noviembre 2002; del Collado 2003; Martínez-Vásquez 2007; Lakin 2008.

funds flowed smoothly to those municipalities where opposition mayors were willing to side with the governor, and most notably to those opposition mayors who were eager to defect from their parties and join the PRI's ranks.¹⁴⁹

Oaxacan governors further consolidated their power using a state-level constitutional prerogative, the *desaparición de poderes* (literally “power disappearance”), which allows governors to remove mayors from office under conditions of civil disorder and threats to local governability. Governor Murat used two different tactics to remove municipal executives from office. First, he commissioned the state legislature to conduct state audits in those municipalities that did not comply with the governor's orders. Regardless of whether municipalities had engaged in state resource mismanagement or not, state auditors would constantly find evidence of state resource mismanagement in opposition municipalities (interviews: Esteva (a), Esteva (b), Altamirano). That evidence alone would suffice to remove mayors from office.¹⁵⁰ The second strategy was to create civil unrest and by so doing threaten local governability. With his skillful control over *organizaciones*, Murat sent thugs to take over municipal buildings. The purpose of these takeovers was to create the appearance of civil disorder and lack of governability needed to allow the Oaxaca Congress

¹⁴⁹ Local party leaders of the opposition were not in a position to stop this defection. This was in part because they did not have either selective or material incentives to sanction or induce copartisans' defection (interviews Esteva(b), 12, 15). This contrasted sharply with governors' capacity to buy off mayors of all stripes by distributing material rewards. A vivid example showing opposition party leaders' incapacity to avoid party defection occurred during a meeting held among the local PAN leader, PAN mayors, and Governor Murat. As the president of the PAN in Oaxaca put it, “in that meeting, [the PAN] mayor of Loma Bonita (Gustavo Zanatta) came to me and told me, in front of all the other mayors and the governor, that he was leaving the PAN and would join the PRI. Immediately after informing that he was becoming one of Murat's mayors, Zanatta stood up, shook Murat's hands, and handed him over a box of cigars. Not only did he break ranks with the PAN shamelessly, but he did so in front of all of us. Later on, the mayor would admit that Murat had offered him money and perks in exchange for his loyalty” (interview Esteva (b)).

¹⁵⁰ State audits were generally not conducted in municipalities ruled by mayors loyal to the governor (see Martínez-Vásquez 2007).

to declare the *desaparición de poderes* (interviews Esteva (a), Esteva (b), Altamirano. See also Lakin 2008, *En Marcha*: 2002).

The removal of mayors reached unprecedented levels during Murat's administration. Del Collado reports that between 1998 and 2003, Murat removed 25% of mayors (140 out of Oaxaca's 570 municipalities). According to del Collado (2003), after the 2001 local elections the PRD controlled 36 municipalities and, due to Murat's (and the state legislature's) removals, that number dropped to 29 by mid-2003. Similarly, in 2001, the PAN controlled 29 mayoralties, and by mid-2003 only 17. *Convergencia por la Democracia* had won 6 municipalities in 2001, and only retained Oaxaca City by mid-2003.¹⁵¹ In sum, of the 140 removals, 48 were in opposition-controlled municipalities, while the remaining occurred in PRI-ruled mayoralties, suggesting that Murat not only attacked the opposition but also did not hesitate to punish PRI mayors.¹⁵²

After mayors were removed from office, the state government appointed loyal PRI *administradores municipales* (state administrators).¹⁵³ Once in office, these administrators diverted federal funds sent to the municipalities (i.e., *aportaciones*) to the state government, thus illegally contributing to state coffers with resources that were originally destined for municipal projects (del Collado 2003, interview Esteva (b)). This strategy of appropriating

¹⁵¹ For a similar account see Martínez-Vásquez 2007, Bautista 2007.

¹⁵² In fact, as many interviewees reported, Murat exercised control over PRI mayors by way of threats and violence. Gabriel Esteva, a PAN federal delegate in the state of Oaxaca nicely illustrated how Murat disciplined his own copartisans: "before (the legislative) Election Day, Murat gathered PRI mayors and told them: 'I appointed you, and I have the power to remove you from office if I want to do so. I assign you the task of winning this election; if you don't win in your municipality, you are out'" (see also *Reforma* October 19, 2003).

¹⁵³ By law, municipal administrators should serve as provisional mayors until new, "extraordinary" elections are called. In the case of Oaxaca, however, administrators stayed in office until the next upcoming electoral cycle (del Collado 2003).

earmarked funds for municipalities was also common in PRI-ruled municipalities, where many mayors gave up money from *aportaciones* –originally destined to public works, education and health programs, and handed it over to the governor and his allies (del Collado 2003, interview Esteva (b)).

Buying off, removing, and controlling mayors for the purpose of diverting municipal funds to the state-government gave Oaxacan rulers additional resources to keep the regime alive. Yet, there were also other factors that helped Murat and Ruiz to maintain the regime in place as well as their entrenched position. I now turn to these.

(b). *Financial discipline/autonomy*

One of the instruments of gubernatorial territorial autonomy that can help neutralize presidential control while enhancing subnational undemocratic rulers' power vis-à-vis the central government (and within state borders) is the financial autonomy of governors from the federal government. Much of this dependence is contingent not only upon the amount of fiscal resources that SURs obtain from the center, but also on governors' financial management of the provincial economies. This section explores how these two sources of financial dependence shaped intergovernmental relations in Oaxaca.

Figure 6.3 and 6.4 indicate that Oaxacan governors managed to maintain low deficits and relatively low level of indebtedness. With the exception of 2002, Oaxaca avoided fiscal deficits, and the same pattern can be observed with regard to its debt, which never surpassed more than 3% of the state's GDP.¹⁵⁴ Contrary to what one might expect from Murat and

¹⁵⁴ It should be noted that despite the fact that Oaxaca did not incur large deficits, governors used most of the state's revenues to finance current expenditures rather than capital expenditures (SHCP 2007).

Ruiz's neopatrimonial style of government, they managed to maintain a sound economic policy. Rather than engaging in fiscal profligacy and poor financial and fiscal performance, as one would anticipate in states ruled by neopatrimonial administrations, Oaxacan governors successfully avoided large fiscal deficits and high levels of indebtedness.¹⁵⁵ Because of this, governors in Oaxaca did not depend on the federal government for financial assistance, and were thus in position to increase their autonomy from the center.

As figure 6.1 indicates, only 3% of the state's total revenues come from local revenues. This lack of local resources certainly could have put Oaxaca in a situation of tremendous fiscal dependency, one that could have restrained its rulers' autonomy from the center. However, as shown in chapter 4, the rules structuring Mexico's revenue-sharing system and intergovernmental transfers allowed Oaxacan rulers to neutralize fiscal dependency on the central government. The strict fiscal rules regulating the distribution of revenues subject to sharing (*participaciones*) ensured a steady, automatic, and non-discretionary flow of resources to Oaxaca.¹⁵⁶ As figure 6.2 shows, almost 30% of the federal funds that were regularly channeled to Oaxaca came in the form of *participaciones*; that is, one third of Oaxaca's revenues was guaranteed. In addition, even though the federal government could manipulate somewhat the distribution of some *aportaciones* sub-funds,

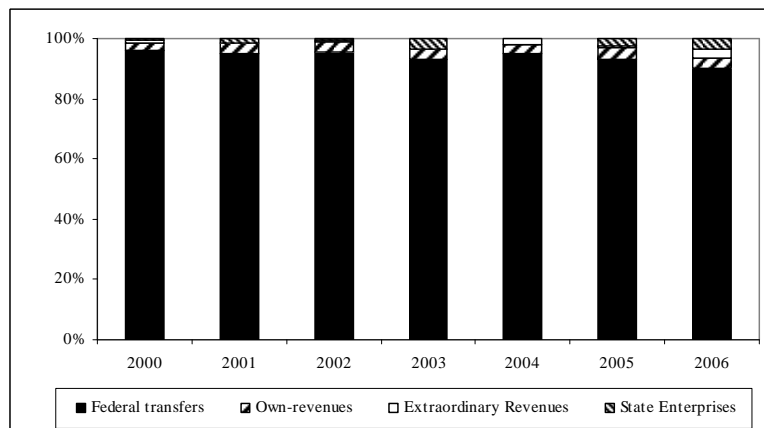
¹⁵⁵ Neopatrimonial rulers also have incentives to maintain a sound economy, for it is precisely this financial austerity that allows them to gain autonomy from the center and further preserve their political power. For a similar finding see Hartlyn (1998), who demonstrates that during the neopatrimonial administration of Balaguer in the Dominican Republic, the economy was kept in check. It was Balaguer's financial austerity what contributed him to lessen the (financial) intervention of the U.S. in the Dominican Republic, as fiscal profligacy had several times facilitated US intervention (Hartlyn 1998: chapter 4).

¹⁵⁶ Even though there are informal mechanisms to manipulate the distribution of these funds, such as the withholding of *participaciones*, evidence gathered in interviews indicates that, during the Fox period, the federal government did not resort to this strategy very often (interviews: Colmenares, Lepine). The reason why federal funds were not withheld responded to the strict rules established in the *Ley de Coordinación Fiscal* which penalize the improper distribution of money by the federal government. The law establishes that the federal government must pay interest every day it delays the payment of *participaciones* and *aportaciones*.

another 50% of Oaxaca's revenues flowed almost automatically to the state. As a result, both Murat and Ulises Ruiz were in fact provided with the funds they needed to run their state, as one close adviser of president Fox claimed: "Given that the bulk of the federal funds flowing to the state [of Oaxaca] was in the form of *aportaciones* and *participaciones*, it did not matter to a great extent that Fox refused to send additional federal funds to Oaxaca. Murat gets 7 pesos from *participaciones* and *aportaciones*. He certainly could get another 3 pesos from the federal government. Still, it did not matter for Murat that he did not get those 3 pesos. There is not much difference, with the 7 pesos he gets from *aportaciones* and *participaciones* he can survive perfectly well" (interview 11).

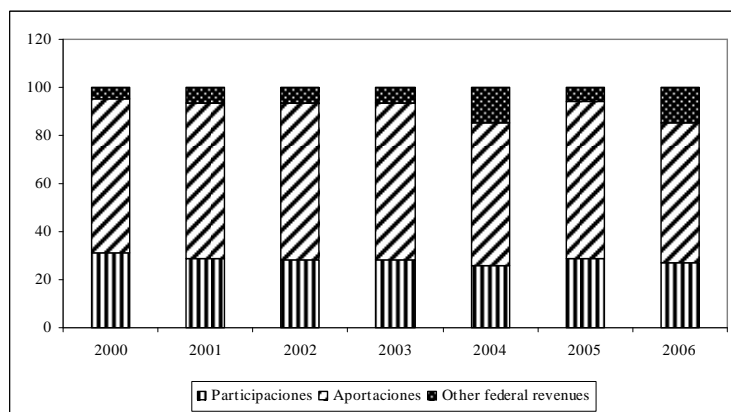
In sum, two factors contributed to enhance Oaxaca's financial autonomy from the center, namely, (a) governors' ability to maintain financial discipline and avoid incurring in deficits and debt, and (b) and the regular flow of *participaciones* and *aportaciones*, which was ensured by the institutionalized and non-discretionary nature of Mexico's revenue-sharing system and intergovernmental transfers. These two factors, coupled with the existence of a neopatrimonial state administration, enabled governors Murat and Ulises Ruiz to avoid instances of presidential territorial penetration and control from above. Moreover, this combination of factors, in interaction with Fox's own instruments of territorial and political control, prevented the central government from gaining effective control over the Oaxacan governors. In the next section I explore this interaction of factors.

Figure 6.1: Oaxaca: Income sources



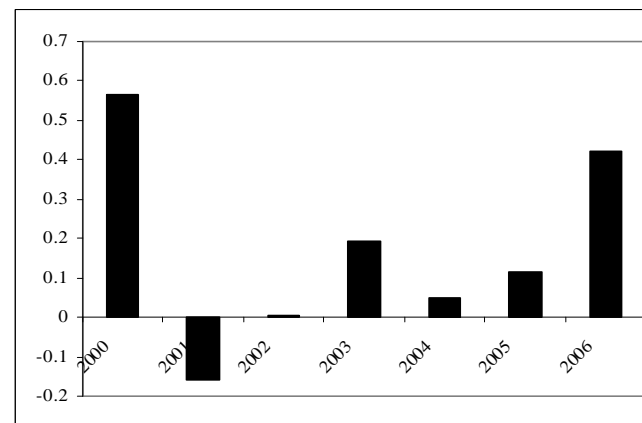
Source: Secretaría de Hacienda y Crédito Público [SHCP – UCEF]

Figure 6.2: Oaxaca: *Participaciones, Aportaciones*, and Other federal revenues as a share of total federal revenue



Source: Secretaría de Hacienda y Crédito Público [SHCP – UCEF]

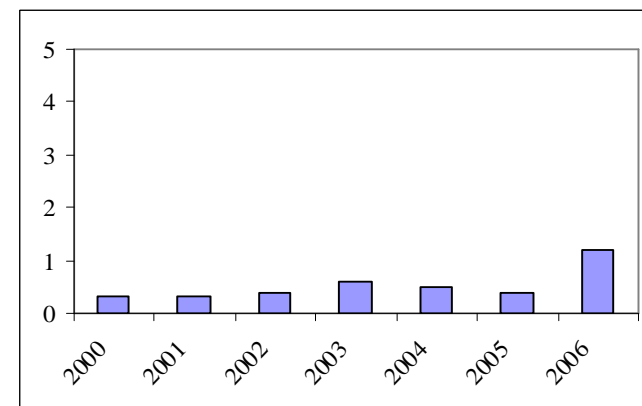
Figure 6.3: Oaxaca: Total income – total expenditures (1997-2007)* (in millions of Mexican pesos)



Source: Secretaría de Hacienda y Crédito Público [SHCP – UCEF]

*Debt service included

Figure 6.4: Oaxaca: Debt as percentage of state GDP (1997-2007)



Source: Secretaría de Hacienda y Crédito Público [SHCP – UCEF]

3) Interaction of governors and presidents' instruments of territorial and political control

As I noted in chapter 2, the ability of presidents to control undemocratic governors is shaped by a *combination* of national and subnational variables. To be able to politically/territorially penetrate and control subnational arenas two conditions are necessary: (a) the president needs have the means necessary to subjugate an undemocratic governor, and (b) the undemocratic governor's capacity to resist penetration from above must be minimal. In other words, neither of these two conditions alone is sufficient for a president to gain leverage subnational politics, rather it is the *combination* of both that is *necessary and jointly sufficient*.

This section explores how national and state-level variables combined shaped the prospects of presidential control over Oaxacans rulers and territory, and how this in turn, affected the possibility of vertical coalition making and SUR reproduction. It assesses Fox's main instrument of presidential control (i.e. partisan instrument) and analyzes its "effectiveness" against the backdrop of Oaxacacan rulers' own instruments of control. More specifically, I analyze how the lack of the president's partisan presence, and the existence of a neopatrimonial administration and low financial dependency on the center enabled Oaxaca's incumbents to neutralize presidential control.

During the 1997-2007 period, President Fox's PAN, did not have a strong presence in Oaxaca. With the exception of the 1998-2001 period, when the party was able to control Oaxaca City, the PAN was unable to make political and electoral inroads in the state. In fact, as illustrated in table 6.4, between 1997 and 2007, the PAN only controlled an average of 9.12% of Oaxacan municipalities, and the party was not able to win any single plurality seat

in the state legislature, and where it only controlled a minor percentage of the proportional representation (PR) seats. Of the total seats in the state legislature from 1997 to 2007, table 6.5 indicates that the PAN's control ranged from a low of 9.52% to a high of only 16.66% of the seats.

Table 6.5: PAN's electoral performance in Oaxaca

<i>Year</i>	<i>% of PAN state legislators</i>	<i>% of PAN federal deputies</i>	<i>% of PAN federal senators</i>	<i>PAN vote share (federal legislative elections*)</i>	<i>PAN vote share (presidential elections)</i>
1997	11.9		0	12.16	
1998	9.52		0		
1999	9.52		0		
2000	9.52	10.52	0	24.66	26.46
2001	16.66	10.52	0		
2002	16.66	10.52	0		
2003	16.66	10.52	0	18.44	
2004	16.66	10.52	0		
2005	16.66	10.52	0		
2006	16.66	10.52	0	16.73	16.77
2007	9.52	5.26	0		

Sources: CIDAC data base; Honorable Cámara de Diputados; IFE; Jones & Mainwaring (2003)

*Elections for federal deputies (average plurality and PR seats)

The electoral power of the Oaxacan PAN was not any different in national contests. Of Oaxaca's 19 federal deputies, the party managed to win only two (one PR and one plurality) in 2000, two (PR) seats in 2003, and one (plurality) seat in 2006 (*Honorable Cámara de Diputados, México*). The PAN's performance in senatorial races has been even worse, as the party has never managed to win any of the three seats assigned to Oaxaca. A similar pattern was observed during presidential elections, where the vote share of the Oaxacan PAN was also marginal, only obtaining 26.46% and 16.77% of the vote, in 2000 and 2006, respectively.

The lack of a PAN presence in Oaxaca seriously affected Fox's capacity to exercise control over recalcitrant Oaxacan rulers. Because the PAN did not control many municipalities, and did not have a strong presence in the state's legislature, Fox could not use the local PAN structure to limit the autonomy of the PRI Oaxacan governors from below. Yet, despite the party's weakness, few efforts were made to strengthen the PAN in the state. As the local PAN leader noted, "when we asked Creel [Fox's interior minister] to put more limitations on Murat's despotic power –by then he was removing PAN mayors like no one before him did-- Creel asked us: What is the actual power of the PAN in Oaxaca? Can it be used to undermine Murat's authority? No, so there's nothing we can do. And he was right, the PAN could not do anything to limit the governor's authoritarianism" (interview Esteva (b)). The unwillingness and incapacity of the Fox administration to strengthen the PAN's presence in the state was further confirmed by one of Fox's closest advisors, who noted that "one of Fox's mistakes in Oaxaca, was that he did very little to strengthen the [our] party in the state. We should have put more effort in consolidating the PAN's presence in Oaxaca, we should have put more money in Gabino Cué's campaign, because the only way in which authoritarian governors can be weakened is by making opposition parties, our party, stronger" (interview # 21).

The inability to use his party to penetrate in Oaxaca and to control its rulers was aggravated by the existence of a neopatrimonial state administration which permitted and enhanced the use of practices to co-opt, crush, and control opposition mayors. It was precisely because of these practices that Fox was prevented from using his own partisan local branch as a springboard to penetrate the state and control incumbents from below, as the few *Panista* mayors and politicians who controlled power positions in the state could not be

regarded as “representatives” of Fox in Oaxaca. The local PAN leader noted, “a large percentage of the *Panista* mayors and *Panista* officials (such as the federal delegates –see below) ‘play’ for the governor. He easily co-opts them, and *Panistas* end up playing by his rules” (interview Esteva (b)).

Two examples illustrate how the lack of strong PAN structure coupled with a neopatrimonial state administration prevented President Fox from gaining a foothold in Oaxaca. The first regards the appointment of *delegados federales* (federal delegates) in Oaxaca. Most of Mexico’s federal ministries have *delegaciones federales* (federal delegations) in the 32 Mexican states. The delegates appointed to these agencies are responsible for representing the federal government’s interests, and for overseeing the allocation of federal programs in each state. After assuming the presidency in 2000, Fox appointed new federal delegates in the states. However, given the lack of a strong partisan structure in Oaxaca, the president was unable to recruit delegates from his own party ranks. As a result, Fox’s was unable to name his own delegates and was forced to negotiate the appointment of delegates with the Murat.¹⁵⁷ This allowed Murat to gain more leverage over delegates, thus impeding the federal government from using delegates as brokers mediating between the federal government and the local population. But more importantly, the negotiated appointment of delegates enabled Murat to position loyal officials in key agencies, and they ensured his control over the distribution of a vast number of social programs such as *Oportunidades*, which were key to expanding Murat’s power over the municipalities.

¹⁵⁷ Interviews Gómez Nucamendi, Martínez, Varela, Altamirano, Esteva (a), Esteva (b), Aldaz, interviews 14 & 19, see also Martínez-Vásquez 2006, Gibson 2005.

In 2003 Fox managed to appoint PANistas (allegedly loyal) delegates. However, Murat soon managed to undermine the delegates' loyalty to the PAN. To do so, he blackmailed, threatened (through thugs he sent to the *delegaciones*), libeled, and bought off the new delegates, most of whom, frightened by the governor's actions, ended up funneling federal programs and subsidies to the governor's agencies, where they would be distributed by the governor's criteria (interview Esteva (a)).

The second example illustrating how the combination of a weak PAN structure and a neopatrimonial state administration resulted in both Fox's incapacity to discipline and control Oaxacan rulers, and the capacity of the governors to avoid control from the center regards federal audits conducted in Oaxaca. One common practice long used to control governors from the center is to send auditors to the states to review the administration of federal funds (interviews Carrasco, #23). Given Murat's and Ulises Ruiz's misuse of federal funds, Oaxaca was audited on several occasions. Federal audits, which are conducted by the *Auditoría Superior de la Federación* (Federal Superior Audit), are in practice carried out with the assistance of the state-level audit, an agency that is responsible to the state's legislature.¹⁵⁸ Given this organizational structure, a PRI controlled legislature can easily boycott any audit commissioned by the federal government.

This was exactly what occurred in Oaxaca, where due to the monopoly of the PRI in the state's legislature, both Murat and Ulises Ruiz were able to neutralize the potentially damaging effects of federal audits. In fact, had the PAN had a greater control of the legislature, federal audits might have proven to be an important mechanism for keeping

¹⁵⁸ The reason why the *Auditoría Superior de la Federación's* (AFS) works in tandem with state-audits is because of the former's lack of personnel in the states. This means that, at the end of the day, the personnel conducting the audits is recruited from local legislatures (interviews Martínez, De los Santos).

Oaxacan governors in check.¹⁵⁹ The lack of a strong PAN structure, then, was detrimental for Fox's attempts both to breach provincial borders and to constrict recalcitrant rulers in Oaxaca.

Finally, the recurrent use of neopatrimonial tactics to co-opt and control other organized groups of civil society, such as the *organizaciones*, diminished Fox's capacity to side with or take control of local organized groups, as they were all easily manipulated and controlled by the governor. Federal partisan penetration in Oaxaca was also restricted because Fox could not side with or win over other local opposition forces, such as the PRD. As shown in table 6.4, most of the opposition mayors and local legislators belonged to the PRD, and this diminished Fox's chances of siding with Oaxaca's opposition forces, as the PAN and the PRD stood at opposite sides of the ideological spectrum (see Eisenstadt 2004, 2006; Díaz-Cayeros 2004). In addition, the existence of municipalities ruled by *usos y costumbres*, which legally preclude the participation of national political parties in local politics, further enhanced local isolation from the national political system, thus hindering Fox's efforts to take hold on local opposition forces (interview Aldaz, see also Benton forthcoming).

In sum, the lack of a relatively strong PAN structure in the state, combined with the neopatrimonial nature of Oaxaca's state administration helped Oaxacan governors thwart political and territorial penetration from above. Fox's incapacity to win over Oaxaca and its governors gave the president few incentives to promote the continuity of a SUR upon which

¹⁵⁹ Control of the state legislature is also central to prevent governors' impeachment and removal from office. As several interviewees noted, Ulises Ruiz' obsession with getting a solid majority during the state-legislative elections of 2007 responded to his need to prevent the formation of an opposition legislative coalition that could eventually impeach him. Many observers believed that there was sufficient evidence, especially after the 2006 teachers/APPO conflict, to remove the governor from office.

he could not exercise any control, much less, as I show next, induced their rulers to become part in vertical coalitions, a topic to which I now turn.

4) Displacement from vertical coalitions and self-reproduction

Mexico's first non-PRI president in 70 years, Vicente Fox, had to rule the country within an unfavorable context. When he took office, 21 out of 32 states were ruled by PRI governors, no single party held a majority either in the Chamber of Deputies or in the Senate, and only around 300 municipalities (out of 2,417) were governed by his party, the right-center PAN (Shirk 2000, Mizrahi 2003). Under these circumstances, Fox was forced to strike political coalitions with opposition parties, and these also included alliances with subnational undemocratic rulers. In this political context, Fox had few incentives to dismantle SURs.

Fox's need to build coalitions with nondemocratic state-level incumbents, however, did not lead him to indiscriminately side with any type of undemocratic governor. As explained in chapter 5, the president engaged in *selective* coalition building, always prioritizing alliances with governors whom he could control and induce to cooperate and act along the lines of his agenda, and avoiding alliances with autonomous and recalcitrant nondemocratic rulers. This was, in fact, what occurred with Oaxaca's neopatrimonial rulers.

The Fox administration's relationship with Oaxacan governors was one of continuous confrontation. The violent episode in which a group of Sedesol officials was kidnapped in Mitla in August 2002; the sit-in in Mexico City's Zócalo during which Murat and his people demanded the release of federal funds withheld by the minister of *Communications and*

Transport; ¹⁶⁰ Murat's ability mobilize groups to travel to Mexico City to protest Fox's policies; the tensions surrounding the appointment of federal delegates in Oaxaca described earlier in this chapter; the claim filed by Murat with the Supreme Court against the federal government in 2004¹⁶¹; the federal audits commissioned by Fox to investigate Oaxacan governors' management of federal funds; the reticence of federal ministers to sign *Convenios de Coordinación* with the state of Oaxaca in 2002, as well as their resistance to visit the state to promote public works and federal programs after the violent kidnapping of 2002, are episodes revealing Murat's refusal to confront the federal government. Finally, also illustrating this uncooperative stance was s Murat's leading role in the creation of the Governor's National Confederation (Confederación Nacional de Gobernadores –CONAGO). The CONAGO was an organization created in 2001 to advance the collective interests of governors vis-à-vis the federal government. Murat, together with Andrés Manuel López Obrador (the PRD contestant in the 2006 presidential election), were among the most influential governors who pushed for the creation of this organization. One of the main reasons that led José Murat to create the CONAGO was the need to counterbalance the power of a PAN (opposition) president. As Murat put it, "the CONAGO was created to limit

¹⁶⁰ In 2001, Murat was able to mobilize a considerable number of Oaxacans, including members of his own cabinet, local deputies, mayors, and members of the opposition, to go to Mexico City. Once the protestors and Oaxacan politicians arrived in the country's capital, they were joined by the governor himself in their sit-in in the Mexican Zócalo, where they (including Murat) spent 4 days and nights demanding the ministerial funds that had been withheld (interviews: Rito Salinas, Díaz Pimentel, Pérez Audelo, Moreno Tello; Sorroza 2006). As a result of this mobilization, the funds, which had already been included in the federal budget and were earmarked for the construction an interstate highway, were eventually released.

¹⁶¹ This claim was filed following one of the audits commissioned by the federal government, which sought to investigate the misuse of *aportaciones* during the Murat administration. In the claim, the governor argued that with the investigation, the federal government had violated the state's sovereignty. Contradicting Mexico's LCF, Murat noted that the money coming in the form of *aportaciones* was not subject to federal rules, and argued that every *peso* that entered the state could be distributed according to state's laws. Other claims against the federal government were also filed in 2001, also denoting Murat's confrontational stance vis-à-vis the Fox's administration.

Fox's authority, which it did, but it also turned the relationship between Fox and myself into a difficult and confrontational one" (interview Murat).¹⁶²

Further demonstrating their unwillingness to cooperate with the federal government and to create vertical coalitions, Oaxacan governors refused to provide electoral support. With their tight control over local actors, resources, and territory, governors could have become important mobilizing partners of the president, never did so. In effect, the results obtained in both local and national elections speak of the PAN's incapacity to strike electoral coalitions with Oaxaca's main political leaders. Likewise, evidence gathered in interviews suggests that during the Fox administration, Oaxaca's federal deputies and senators, contrary to other more cooperative PRI federal congressmen, refused to vote in favor of PAN legislative initiatives. On several occasions, Murat ordered Oaxaca's national congressional delegation to oppose key pieces of legislation initiated by the PAN, including the 2003 fiscal reform, and the 2005 federal budget, where support from other PRI legislators was decisive.¹⁶³ In a way, both Murat and Ulises Ruiz did not have the need or the incentives to cooperate with a PAN president.

¹⁶² It should be noted that the conflictive relationship between Murat/Ulises Ruiz and Fox was further exacerbated by the intra PRI split between the teacher's union's leader (Elba Esther Gordillo) and then PRI president (Roberto Madrazo). On December 3, 2003, Elba Esther broke ranks with the PRI after a fierce confrontation with Madrazo, and the PRI's most prominent leaders, among whom were Ulises Ruiz and José Murat. Many interviewees reported that the two Oaxacan leaders were key to removing Elba Esther from the PRI. Soon after this break-up, Elba Esther, one of the most influential and powerful political actors in contemporary Mexican politics, sided with president Fox (and later on with Calderón), and became an important PAN partner for legislative and electoral coalition building (interviews Jiménez, Rivera Domínguez, Rodríguez Uresti, Moreno Valle, interviews 13, 14, 23; for a thorough analysis of this relationship see Raphael 2007). The close and functional association between Elba and the PAN, as well as her conflictive relationship with Madrazo, Murat, and Ulises Ruiz, toughened Fox's (and Calderón's) stance vis-à-vis Oaxacan governors (interviews: Aldaz, Palacios Alcocer; interviews 14, 20, 22).

¹⁶³ It is important to note, that Murat unlike other undemocratic governors (such as Ulises Ruiz, who only influenced a small number of PRI Oaxacan legislators –because, during his tenure, most of them belonged to the PRD), had a tight control over Oaxaca's congressional delegation. He managed to ensure Oaxaca's deputies and senators' loyalty not only due to the monopoly he exercised over legislators' nominations, and because he

The uncooperative relation between Oaxaca and the national government, also led the federal government to displace Oaxaca's rulers from vertical coalitions. Fox did not have an incentive to help Oaxacan governors and much less to reproduce Oaxaca's SUR on whose cooperation he could not count. Rather he had enough reasons to weaken the regime, and that was what he did. The president, for instance, sought to threaten the stability of governor Murat by commissioning several federal audits to investigate Oaxaca's rulers' financial mismanagement. In addition, he sought to limit the governor's power by filing several claims with the federal Supreme Court against the state of Oaxaca accusing the incumbents of making unconstitutional use of *aportaciones*. Also, whenever possible, Fox 'punished' Oaxacan rulers by discouraging the signing of *Convenios de Descentralización*. Finally, contrary to how he behaved with other more supportive SURs (such as those of Puebla, Veracruz, or Hidalgo), Fox did not reward Oaxaca with additional programs and funds (interviews #1:2007, Murat). As figure 6.2 shows, almost all of Oaxaca's federal revenues came in the form of automatic transfers, and only a very tiny part (i.e. "other federal funds") was made up of funds sent at the discretion of the federal government.¹⁶⁴ By so doing, the federal government managed to isolate and weaken Oaxaca's SUR.

Despite Fox's strategies to weaken Oaxaca's SUR, Governors Murat and Ruiz managed to keep the regime alive. Several internal factors contributed to this survival. First, the flow of *automatic* transfers (i.e., *participaciones* and *aportaciones*), which was ensured by the institutionalized and non-discretionary nature of Mexico's revenue-sharing system

had financed their campaigns, but most importantly because he disbursed generous monthly payments that complemented the legislators' salaries (interviews: Díaz Pimentel, Rito Salinas, Moreno Tello, Trejo, Aldaz, Esteva (b)).

¹⁶⁴ For quantitative evidence see chapter 5.

(Giraudy, chapter 4), allowed Oaxacan rulers to get the funds they needed to run the state (interviews #1:2007, Colmenares). Second, as noted earlier, the strategy of co-opting and indiscriminately removing mayors from office allowed governors Murat and Ruiz to divert municipal federal funds sent to the municipalities (i.e., *aportaciones*) to the state government, thus contributing to fill Oaxaca's coffers with federal resources that were originally destined for municipal projects. Finally, the ability of governors Murat and Ruiz to strike deals with private lenders and banks, coupled with their strong connections to high-level PRI national politicians¹⁶⁵ enabled them to have access to additional resources to finance their regimes. This, in turn created opportunities to expand their authority and maintain the regimes alive. By so doing, Oaxacan incumbents succeeded in reproducing their SUR despite national democratization.

III. PUEBLA: A case of SUR reproduction from above

1) The political regime: How does a SUR operate in practice?¹⁶⁶

The state of Puebla, as shown in chapter 3, ranks among the least democratic states in Mexico. Like Oaxaca, Puebla has been governed by the PRI since the 1930s, with no party alternation in power for more than 80 years. Table 6.6 indicates that with the exception of the effective number of parties (ENP) competing in gubernatorial races, and the quality of elections (clean elections), the indicators of Puebla's political regime reveal low levels of

¹⁶⁵ Murat and Ruiz were among the closest friends, advisors, and partners of Roberto Madrazo, the then PRI national leader and the 2006 presidential candidate.

¹⁶⁶ Though I will provide a brief characterization of the administrations that anteceded 2000, the main focus of this section (and chapter) will be on Melquiades Morales' (1998-2004) and Mario Marín's (2004-2010) administrations. The reason why I do so is because Morales and Marín were the Poblano governors who ruled after 2000, when national-subnational regime juxtaposition started.

competitiveness and inclusiveness. In fact, the margin of victory of the winning party over the runner up has been very high (with a period mean of 40.59%), and the PRI's control over the state legislature has been virtually indisputable.

Table 6.6: Puebla's indicators of democracy

<i>Year of election</i>	<i>ENP</i>	<i>Margin of victory in gubernatorial races</i>	<i>ENPL</i>	<i>Strength of the opposition in the legislature</i>	<i>Clean elections*</i>	<i>Turnover (head)**</i>	<i>Turnover (party)**</i>
	(governor's race)	(between winner and runner up)	(legislative seats)	(% of seats controlled by the opposition)	(Index ch. 3)	(cumulated)	
1984			1.59				
1986	1.53	69.11			n/a	n/a	n/a
1987			1.67	24.14			
1989							
1990			1.7	24.14			
1992	1.88	53.27			4	n/a	n/a
1993			1.67	24.14			
1995							
1996			2.22	43.59			
1998	2.44	25.84			2	1	0
1999			2.04	33.33			
2001			2.28	39.02			
2004	2.45	14.12	2.14	36.59	2	2	0
2007							
<i>Puebla's me.</i>	2.08	40.59	1.91	32.14	2.67	1.20	0.00
<i>States' mean</i>	2.03	61.36	2.16	38.32	1.02	1.08	0.39
<i>Min</i>	1.08	4	1.19	8.69	1	0	0
<i>Max</i>	3.37	99.44	4.49	82.14	4	3	2

Source: author's calculations (see Appendix to chapter 3)

*The coding of this indicator starts in the 1990s -the indicator captures levels of fraud

**1997 is the baseline, as it is the year that many Mexican scholars regard as the transitional year (see Magaloni 2005)

Yet, as occurred with most of the states in Mexico in the 1990s, Puebla's political regime experienced a precipitous opening in 1995 and 1998 during the state-legislative and gubernatorial elections, respectively. Table 6.6 shows that the number of effective parties competing for the governorship in the 1998 gubernatorial election jumped from 1.88 in 1992, to 2.44, at which point it remained stable thereafter. Likewise, the margin of victory of the

PRI in the 1998 election shrank considerably, from 53.27% in 1992, to 25.84%, in 1998, and to 14.12% in 2004. The increasing level of electoral competitiveness, however, was accompanied with increasing electoral fraud. As occurred in other states, such as Oaxaca, the quality of elections during gubernatorial races has decreased, and the index measuring clean elections scored 4 in 1992 to then fell to 2 in 1998-2004. The higher levels of electoral fraud perpetrated by the ruling party may be indicating the PRI faced the real possibility of losing elections due to the existence of a stronger opposition.

Similar signs of political liberalization can be observed in the state legislature, although here the trend is more erratic and less pronounced. The effective number of parties competing for state-legislative seats rose from 1.67 in 1993 to 2.22 in 1995. In that same election, the opposition managed to win almost the majority of the seats (i.e., 43.59%). However, the opposition's initial gains in the 1990s were soon offset by the progressive legislative recovery of the PRI and the opposition only won 33.33% of the seats in 1999, 39.02 in 2001, and 36.59 in 2004, never again attaining the high results of 1995. The decreasing legislative power of the opposition has had important implications for expanding the PRI hegemony in the state. In fact, the control exercised over the legislature has allowed the PRI to prevent the governor's impeachment, or the passage of legislation that could check the power of the state's executive.

2) Governor's ruling "styles"

As in Oaxaca, different PRI undemocratic governors have ruled Puebla using very different political agendas and ideologies. These different ruling styles had important consequences for the state's political regime, as they determined the relationship between

governors and local organized groups, as well as the nondemocratic character of regime.

Whereas some rulers displayed a more inclusionary and conciliatory ruling style, others opted to follow a more confrontational and alienating style of government that exacerbated undemocratic procedures (see table 6.7).

Table 6.7: Puebla's governors, policy-orientation, and constituencies

<i>Period</i>	<i>Governor</i>	<i>Party</i>	<i>Governor's policy orientation</i>	<i>Relationship with local organized groups (business (B) and organizaciones[^] (O))</i>
1992-98	Manuel Bartlett	PRI	developmentalist	B=selectively inclusive*, O=highly exclusive, alienation of PRI's corporatist structures and PRI local caciques
1998-04	Melquiades Morales	PRI	undefined	B=inclusive O=highly inclusive and accomodative
2004-10	Mario Marín	PRI	undefined	B=selectively inclusive, O=repressive**

*Mostly confrontational during the second half of the administration

**Especially during the first year of the administration (i.e., 2005)

[^] The local population regards *organizaciones* as the local branches of large confederations—such as the teacher's confederation, as well as medium and small unions, social movements, street vendors, and all PRI corporatist organizations.

For instance, Governor Manuel Bartlett (1992-1998) was a PRI politician who had made his political career in Mexico City and had few political contacts with Puebla's PRI politicians and the PRI's local structure (i.e., mayors, local deputies, as well as members of all PRI local corporatist organizations).¹⁶⁷ However, despite his lack of political insertion in the state, Bartlett did little to entice local PRI politicians and PRI brokers. The governor's

¹⁶⁷ Bartlett occupied important national posts during the presidential administrations of Miguel de la Madrid (1982-1988), and Carlos Salinas (1988-1994), and was a PRI presidential nominee on several occasions. As minister of interior of De la Madrid, Bartlett played a key role during the 1988 presidential election, as he was responsible for validating Salinas' (fraudulent) election. In exchange for the 1988 famous "caída del sistema" (i.e., the computer system's breakdown), which Bartlett orchestrated, he was offered the Ministry of Education under Salinas. When relations with Salinas deteriorated, Bartlett left the national government and became governor of Puebla.

project was to “modernize” Puebla, and in this the traditional PRI structures were a stumbling block. Bartlett arrived in Puebla with the goal of “showing the rest of Mexico what he would have done with the country had he become Mexico’s president” (interviews Morales, Hernández y Genis, Ehlinger). During his tenure, Bartlett invested heavily in public works, engaged in important projects of urban development, and placed a strong emphasis on the construction of technological schools/universities.

His state project was ambitious, and not only was targeted to modernize the state. It also aimed at aggiornating the local PRI and that necessarily included the isolation of the more traditional actors of the local PRI regime (interview Hernández y Genis, Alcántara, Velázquez). Soon after assuming the governorship Bartlett began to replace and alienate traditional local PRI politicians. Instead of relying on local PRI officials, Bartlett appointed out-of state ministers and refused to form electoral coalitions with local caciques, in part because he wanted to strengthen the PRI’s formal institutions and its bureaucracy.¹⁶⁸ The strategy of modernizing the local PRI via the displacement of local and traditional PRI politicians and brokers worked well during Bartlett’s first years in office, yet it proved disastrous in 1995, when municipal elections were held.

Indeed, one of the unintended consequences of Bartlett’s strategy vis-à-vis the local PRI structure was that the displaced caciques progressively opened up their strongholds to opposition parties, thus, for instance, allowing PAN politicians to campaign in the small towns of the interior. As the former president of the local PAN branch noted, “as president

¹⁶⁸ Bartlett’s disdain for local traditional PRI structures and his preference for the PRI’s formal institutions was observed during the governor’s visits to Puebla’s interior. In many occasions, as several Poblano politicians noted, Bartlett would arrive in the small towns and hold meetings with the PRI local representatives, while deliberately ignoring local caciques, even when the latter had control of the party machine (interviews: Fraile, Hernández y Genis, Escobedo, Velázquez, Moreno Valle).

of the PAN in Puebla, I had attempted, with little success, to campaign in the interior. Every time I visited these parishes and handed out fliers, people would laugh at me and would return the fliers. My party's popularity changed abruptly in the mid 1990s, when the local caciques began to be ignored by Governor Bartlett. It was in this context, for instance, that José Esquitín, a powerful and well known cacique from the Sierra in Puebla, allowed me to colonize and open a PAN branch in the Sierra. I began with 200 followers and little by little I was able to penetrate in the cacique's strongholds" (interview Fraile).

"The party's traditional bases, and the people in the interior," as Bartlett himself noted, "repudiated us. They all turned to the PAN, who then began to gain considerable force" (see also Eisenstadt 2005, Snyder 2001a). The PRI's electoral debacle was not only in the interior but also reached the urban centers, where for the first time since 1930 the party lost control of the state's capital and other major urban areas, such as Atlixco to the PAN.¹⁶⁹

As a result of the 1995 electoral defeat, Bartlett was forced give up his confrontational stance, rapidly turning back to appeal to the PRI's more traditional and corporatist sectors of the party and the caciques. Threatened by the growing number of PAN-ruled municipalities, Bartlett also toughened his position vis-à-vis PAN mayors, and during the last half of his administration Bartlett even was said to commission thugs to generate conditions of ungovernability in PAN-ruled municipalities, and to violently apprehend officials of PAN ruled municipalities (interviews Mantilla, Hinojosa).¹⁷⁰ The

¹⁶⁹ Several PAN local politicians argued the PAN had already been able to win the state's capital in the late 1980s and early 1990s, but obscure vote counting procedures and fraudulent practices had prevented the PAN from taking office in Puebla city (interview Hinojosa, Ehlinger).

¹⁷⁰ It was also in this context that the famous "*ley Bartlett*" (Bartlett's law) was put in place. Claiming the state's sovereignty, Bartlett altered the formula to distribute federal earmarked funds among municipalities. The new coefficients of distribution disproportionately favored the less populated municipalities of the state, and not incidentally, the ones which were ruled by the PRI.

governor also deepened his authoritarian practices vis-à-vis other social groups, such as the local elite, and most notably against local journalists and media owners who were systematically threaten and coerced (interviews Mejía, #24). In short, Bartlett's initial moderate attempt at dismantling the regime's undemocratic institutions and practices were soon rolled back and replaced by a more traditional and authoritarian style of government.

Bartlett's immediate successor, PRI Governor Melquíades Morales (1998-2004), ruled Puebla with a more conciliatory style. Unlike Bartlett, whose prior political career had taken place out-of-state, Morales worked his way up the PRI hierarchy, serving in different bureaucratic and electoral positions in Puebla. In part because he was a local politician, but also in part because he learned the 1995 lesson well, Morales sought to incorporate all the state's PRI cliques within his government. In order to avoid the hostility of local PRI politicians and PRI caciques, Morales appointed members of all of Puebla's PRI's cliques as secretaries of state to ensure Puebla's governability.¹⁷¹ As one of his secretaries reported, "Melquiades [Morales] wanted to ensure governability, he knew that an unemployed politician is like a guerrilla soldier; he messes with you and seeks to destabilize the government" (interview Moreno Valle).

Morales' accommodational strategy had one important drawback however: it prioritized politics over policy making. Most of the appointed secretaries were prominent local politicians but inexperienced officials and policy-makers. As a result, Morales' administration was characterized by poor and uncoordinated policy implementation, as well

¹⁷¹ For instance, Morales appointed Rafael Moreno Valle, the grandson of former Puebla's governor, as secretary of finance; a representative of governor Piña Olaya's (1986-1992) group was appointed as secretary of communications and transport; Bartlett's former attorney general, was appointed as secretary of government and, afterwards, as secretary of education (interviews Morales, Moreno Valle, Hernández y Genis).

as inter-ministerial deadlock (interviews: Moreno Valle, Velázquez). Yet, despite his poor administrative performance, Morales was regarded as a popular governor. His charisma; his close and smooth contact with the popular, indigenous, and poor classes; his sensitivity to social issues; his collegial relationship with the organized local groups and the media; his conciliatory style –all contributed to make his administration look less undemocratic.¹⁷²

Morales' successor, Mario Marín Torres (2004-2010), had served as Puebla City's mayor between 1998 and 2001, and as secretary of the interior during the last half of Bartlett's administration. Like Morales, Marín had made his political career in Puebla, but unlike his immediate predecessor, he was associated with the local PRI's more authoritarian wing. In fact, in his capacity as secretary of interior (during Bartlett's term), Marín was responsible for several human rights violations, arbitrary detentions, and violent confrontations with the opposition (interviews Hinojosa, Mantilla, Ehlinger).

As governor, Marín resumed the old undemocratic practices incurring in severe violations of human rights, especially in the small towns of the interior, while launching a fierce battle against local independent media and journalists, in who investigated the governor's deals and mismanagements. They were oftentimes sued for libel (interviews, Mejía, Ehlinger, Mantilla, Aguilar, Ibañez). Finally, during his administration, many newspapers as well as radio stations were either bought by the government or simply forced to close down (interview Mejía).

Marín's confrontational reached a critical moment in February 2006, after the breakout of the Lydia Cacho scandal. Cacho was an investigative journalist and director of a

¹⁷² Most of the Poblano politicians interviewed during field work, agreed about governor Morales's exceptional ability to establish cordial relationships with opposition forces, co-partisans, and the general population.

women's rights center in Cancún (state of Quintana Roo), who uncovered several networks of pedophiles and child pornographers operating in Cancún. The head of these networks were local businessmen and Poblano businessman Kamel Nacif, a close friend and campaign supporter of governor Marín. Cacho had been arrested in Cancún, transported to and incarcerated in Puebla, in a questionable procedure carried out by Puebla's police outside their home state. Puebla's governor was implicated in the scandal through a tape of a conversation with businessman Nacif, in which the two men were discussing plans to arrest and prosecute Cacho. The scandal, which created national outrage, also uncovered Mario Marín's shady connections with a reprehensible business, his predisposition to participate in human rights violations and his determination to deter investigations and to imprison journalists.

The Cacho scandal, which erupted during the final months of the 2006 presidential campaign, had profound implications for Marín's administration and the fate of the local PRI. For one, most of Puebla's organizations, as well as local business groups, openly condemned the governor's actions, seriously weakening the governor's base of support. Leaders of the main local business associations went to the point of filing claims with the federal congress against Marín's human rights violations (*Centro de Documentación, Información, y Análisis* –Honorable Cámara de Diputados 2006). Similarly, the private sector withdrew capital investments from the state, claiming that the lack of rule of law was not propitious (interview Ibañez, Mejía). Finally, Puebla's society as a whole strongly repudiated the governor's behavior, and this social censure was most notably seen in the July 2006 elections, when the PRI lost considerable ground vis-à-vis the PAN. As a consequence

of this popular disaffection, Marín had no choice but to slightly moderate his authoritarian ruling style.

The evidence presented so far indicates that Puebla's political regime, despite ranking among the least democratic states of Mexico, underwent some partial liberalization during the first 3 years of Bartlett's tenure and throughout the Morales administration. By contrast, signs of democratic setback were observed during Mario Marín's tenure. In addition, the contrast between the more confrontational and violent ruling styles of Governors Marín and Bartlett (during the second half of his administration), and Morales more conciliatory style, indicates that democratic practices in Puebla have fluctuated over time. Finally, the retrenchment of democracy seen in Puebla in the recent years confirms previous scholarship claiming that national democratization in Mexico has been accompanied by partial subnational democratic rollback (Gibson 2005; Bautista 2007; Martínez Vásquez 2006, 2007; Sorroza 2006).

3) Governors' instruments of territorial and political control

(a). Bureaucratic state administration

The cross-provincial and cross-temporal evidence presented in chapter 3 indicates that Puebla, unlike other undemocratic regimes, has a moderately bureaucratic state administration. In fact, as table 6.8 shows, of the different indicators that make up the neopatrimonial index, in Puebla, rulers' fiscal discretion, patronage, as well as the aggregated index of neopatrimonialism, all score well above Mexico's states' mean (recall that lower values on each scale indicate more neopatrimonialism). Levels of patronage, measured as the size of the public administration, have undergone some improvement. With the exception of

2001 and 2003, rulers' fiscal discretion for the most part has been low. Yet, a different pattern is observed regarding societal and horizontal accountability, as both indicators score below the other states' mean. However, even though Puebla's agencies of horizontal accountability rank below average, they have experienced a considerable improvement throughout 2000-2006. Finally, even though Puebla has made some progress towards ensuring greater societal accountability, the state only passed a law of access to public information in 2004, several years after other more bureaucratic states, such as Jalisco and Querétaro, which were committed to ensuring greater transparency early in the period.

Table 6.8: Puebla's indicators of neopatrimonialism

<i>Year</i>	<i>Ruler's fiscal discretion* †</i>	<i>Societal Accountability*</i>	<i>Horizontal Accountability*</i>	<i>Patronage*</i>	<i>Neopatrimonialism*</i>
1997	0.82	0	0	0.89	0.43
1998	0.82	0	0	0.89	0.43
1999	0.82	0	0	0.90	0.43
2000	0.82	0	0.11	0.91	0.46
2001	0.49	0	0.33	0.91	0.43
2002	0.82	0	0.44	0.91	0.54
2003	0.20	0	0.56	0.91	0.42
2004	0.82	0.35	0.67		
2005	0.82	0.42	0.78		
2006	0.82	0.50	0.89		
<i>Puebla's mean</i>	0.73	0.13	0	0.90	0.45
<i>States' mean</i>	0.78	0.20	0.22	0.75	0.42
<i>Min</i>	0	0	0	0.05	0.15
<i>Max</i>	1	1	1	1	0.68

Sources: author's calculation (see Appendix chapter 3)

*Lower values indicate higher levels of neopatrimonialism

† Based only on the % of funds (from the *Fondo General de Participaciones*) that the governor did *not* transfer to the municipalities

In addition to enhancing agencies of horizontal and societal accountability, respecting the rules of fiscal distribution, and reducing patronage, Puebla's rulers (Governor Morales

most notably) promoted other bureaucratic practices.¹⁷³ One practice was to respect instead of suffocate opposition parties and opposition-ruled municipalities. In fact, as table 6.9 illustrates, after 2001 the PRI lost considerable electoral presence and political power at the municipal level to other parties, especially the PAN.

Table 6.9: Percentage of municipalities under PAN, PRI, and PRD control

<i>Year of election</i>	<i>PAN</i>	<i>PRI</i>	<i>PRD</i>	<i>Other parties</i>
1997	10.14%	86.18%	3.23%	0.46%
1998	6.45%	84.33%	6.45%	2.30%
2001	21.20%	65.44%	8.76%	4.61%
2004	26.73%	60.83%	7.37%	3.69%
2007	23.50%	67.28%	5.53%	3.69%

Source: author's calculations based on CIDAC database

The more bureaucratic nature of Puebla's state-administration may have deterred *Poblano* governors from using extreme tactics to crush, co-opt, and manipulate local opposition forces and local organized groups. In fact, as many *Poblano* opposition leaders noted, unlike what happened in other neopatrimonial SURs such as Oaxaca, where governors blackmailed opposition mayors with state audits and removals from office, opposition (and even PRI) mayors in Puebla did not, for the most part, suffer these retaliations.

Despite the fact that during Morales' tenure other opposition groups began to threaten the PRI's presence in the municipalities, the governor maintained a collegial relationship with the opposition. Instead of isolating and financially choking opposition municipalities, Morales did not distribute federal and provincial funds with a partisan criterion (interviews

¹⁷³ Indeed, as table 6.8 shows, for the most part, progress toward more "bureaucraticness" occurred under the administration of Melquiádes Morales (1998-2004).

Velázquez, Moreno Valle, Ibáñez). Instead, he not only transferred what was prescribed by the law, but he also rewarded opposition municipalities based on their financial performance and their efficiency in providing public goods.¹⁷⁴ These incentives based on performance most notably benefited PAN-ruled municipalities (rather than PRI and PRD municipalities), which in general were ruled by less corrupt, more managerial, and more efficient mayors.

Unlike Oaxacan patrimonial rulers, who blackmailed opposition mayors with state audits, opposition (and even PRI) mayors in Puebla did not, for the most part, suffer these retaliations. As the first Panista mayor of Puebla City reported, “during Morales’ term, the governor ceased to threaten us with state audits, he would not commission state audits to extort us” (interview Hinojosa). Morales also avoided using the very common practice among patrimonial rulers of removing disloyal and opposition mayors. During his years in office, not a single mayor was removed in Puebla.

This collegial treatment of opposition forces was also true in the state legislature, where Morales treated PAN and PRD legislators in a respectful and conciliatory manner (interviews Velázquez, Mantilla). A similar relationship existed between the governor and the federal delegates. Despite the fact that most of them had been appointed with Morales’s consent and only few belonged to the PAN, properly speaking, Morales did not co-opt and coerce federal delegates for the purpose of gaining control over federal programs and resources. Instead, he was respectful of their autonomy, and by so doing created a closer

¹⁷⁴ For instance, Morales instituted a state program (FONCON), which consisted in a competitive process through which municipalities were assigned funds for public works. Municipalities offered to pay a given amount of money, and if that amount surpassed 50% of the total price, they were awarded the public work (in general, states in Mexico pay 50% of the public work, while the remaining part is paid by the municipality). Several ex-PAN mayors reported that it was mostly through this program that they managed to improve municipal infrastructure (interviews Velázquez, Contreras Coeto).

contact between the federal government and the local population, a core objective of the Fox administration (interview Mantilla).

This cordial relationship with opposition parties, opposition mayors, federal delegates, and the citizenry more broadly, deteriorated when Mario Marín assumed the governorship in February, 2005. During his first year in office, and before the Cacho scandal broke out in February, 2006, Marín maintained tense relationships with federal delegates, especially the Sedesol (Secretary of Social Development) delegate who refused to hand over Sedesol programs which the governor sought to use to favor Madrazo's presidential campaign in Puebla (interview Mantilla). Similarly, during 2006, Marín made more discretionary use of the *aportaciones*, with which he favored PRI mayors at the expense of PAN municipalities, and he also kept a closer eye on PAN mayors' expenditures, periodically threatening them with state audits (interview Contreras Coeto). However, this shift to patrimonial practices lasted only briefly, becoming less pronounced after the Cacho scandal, when the governor lowered the level of confrontation with opposition mayors and promoted a more cordial relationship with the federal delegates.

All in all, the more bureaucratic character of Puebla's state administration prevented Puebla's governors from exercising tight control over the state, its people, the opposition, other organized groups, and especially over state resources. In effect, the more bureaucratic nature of the state administration, as well as the more bureaucratic practices promoted by Puebla's governors, all contributed to disperse political power, thus reducing governors' political clout and territorial control within Puebla's borders.

(b). *Financial discipline/autonomy*

Unlike the pattern observed in Oaxaca, which was stable throughout the period covered in this study, the performance of Puebla's economy was erratic. The data presented in figures 6.2 and 6.3 indicate that Puebla's economy has suffered profound crises, as depicted by the massive deficit of 2004, as well as other more moderate ones in 2001 and 2002.¹⁷⁵ This pattern of profligacy, which was reversed in the 2004-2005 period, when total revenues surpassed total expenditures, was evident again (although in a less pronounced manner) in 2006, during Marín's administration.¹⁷⁶ A similar erratic pattern can be seen with the levels of indebtedness. Whereas debt remained low (0.5% of the state's GDP) during the 2000-2003 period, it doubled after 2003, reaching the level of 1.2% of the state's GDP in 2003-2004, the highest point of the period. All in all, the relatively high levels of indebtedness, as well as the financial vulnerability observed during recent years, have certainly decreased Puebla's governors' autonomy vis-à-vis private lenders and the federal government. Thus, in contrast with Oaxacan rulers, Puebla's rulers were more vulnerable to being subjugated by the federal government.¹⁷⁷

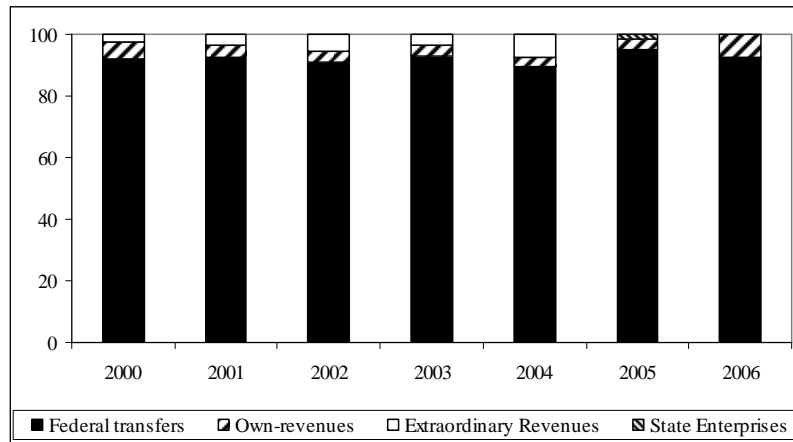
¹⁷⁵ The steep increase of expenditures over revenues observed in 2003 responded to electoral cycles. In 2003, the Poblano government used large amounts of money to win votes in the mid-term legislative and local elections. The "hoyo financiero" (financial hole), as this massive overspending was known, also caused important fractures within the PRI, especially between the finance minister (Rafael Moreno Valle) and the governor. Moreno Valle, then a PRI candidate for the governorship, broke ranks with the PRI and joined the PAN. He became a panista federal senator in 2006, and is considered as one of the main contenders for the 2010 gubernatorial race.

¹⁷⁶ As in Oaxaca, Poblano rulers have used most of the state's revenues to finance current rather than capital expenditures (SCHP data 2007).

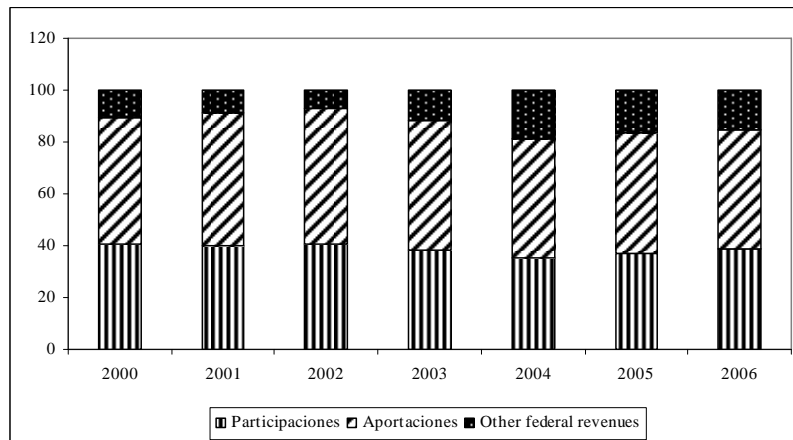
¹⁷⁷ Even though the overall (averaged) levels of indebtedness in both states might look similar, Puebla's debt, with the exception of 2006, has remained constantly higher than in Oaxaca's. Perhaps more importantly, the size of the state's surplus has been considerably lower in Puebla than in Oaxaca.

However, this financial dependency was somewhat moderated by the fact that, as illustrated by figures 6.5 and 6.6, around 90% of Puebla's total income comes from the federal government in the form of *participaciones* and *aportaciones*. Since these funds flow automatically to the states, the bulk of Puebla's income is guaranteed. In fact, not only is the flow assured, but it is not subject to presidential discretion, thus decreasing the financial vulnerability of Puebla vis-à-vis the federation.

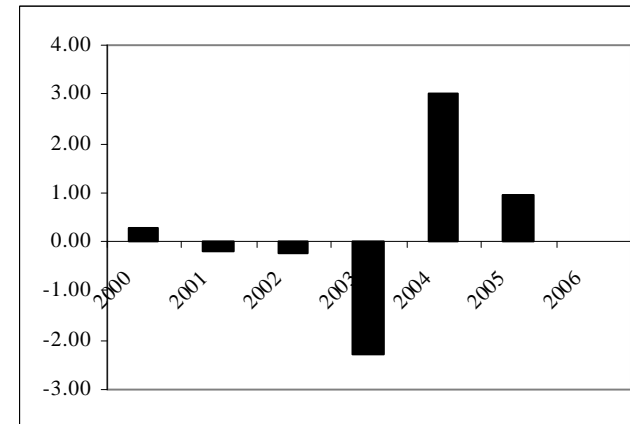
In sum, Puebla's financial autonomy from the center was somehow limited by the poor economic performance, which was characterized by large deficits, and lack of financial discipline, which translated into increased indebtedness. Yet, the regular flow of *participaciones* and *aportaciones*, provided Puebla's governors rulers with some financial relief as well as some financial autonomy from the center. However, the existence of a bureaucratic state-administration greatly contributed to increase Puebla's vulnerability vis-à-vis Fox. In effect, this type of administration, in interaction with Fox's own instruments of territorial and political control, contributed to expand the president's capacity to exert leverage from below over Puebla's incumbents. In the next section I explore how this interaction of factors gave Fox strong incentives to contribute to reproduce Puebla's SUR.

Figure 6.5: Puebla: Income sources

Source: Secretaría de Hacienda y Crédito Público [SHCP – UCEF]

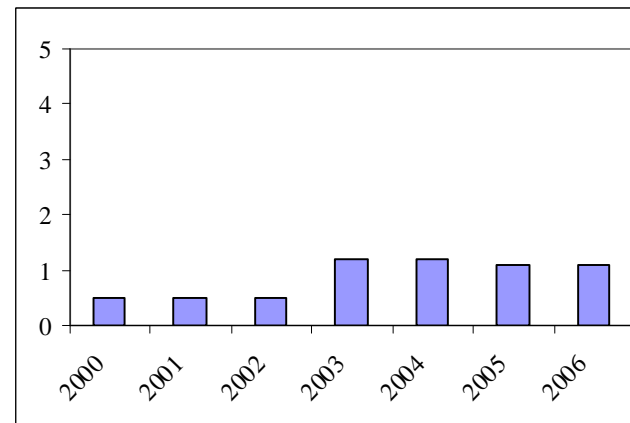
Figure 6.6: Puebla: Participaciones, Aportaciones, and Other federal revenues as a share of total federal revenue

Source: Secretaría de Hacienda y Crédito Público [SHCP – UCEF]

Figure 6.7: Puebla: Total income – total expenditures (1997-2007)* (in millions of Mexican pesos)

Source: Secretaría de Hacienda y Crédito Público [SHCP – UCEF]

*Debt service included. 2006 gets a score of 0, thus the absence of bar.

Figure 6.8: Puebla: Debt as a percentage of state GDP (1997-2007)

Source: Secretaría de Hacienda y Crédito Público [SHCP – UCEF]

4) Interaction of governors and presidents' instruments of territorial and political control

Although Puebla has been ruled by the PRI since the 1930s, opposition parties have managed to make political inroads in the state. Most notably, the PAN, has over the years developed a solid partisan structure in Puebla that has allowed it to penetrate in areas that were formerly controlled by local PRI caciques. Indeed, from the watershed 1995 municipal election onwards, the party has been able to systematically won municipalities and seats in the local congress. Despite the fact that the PAN was not able to win the state's capital after 1998, it increased the percentage of municipalities under its control from 10.14 in 1995 to 26.73 in 2004 (see table 6.10). The trend was mixed in local congressional races, however: the PAN controlled 35.89% of the seats between 1995-1998, 20.51% during 1998-2000, and 25.64% between 2001-2006 (see table 6.10).

The growing presence of the PAN in Puebla was also observed in national contests. As displayed in table 6.10 below, between 2000 and 2002, the PAN controlled 44.44% of Puebla's legislative delegation (obtaining a total of 6 plurality and two PR seats). Even though that percentage decreased to 38.88% (i.e., five plurality and two PR seats) during the 2003-2006 period, the party managed to dominate the state's congressional delegation in 2006, when it won 70% of Puebla's seats (obtaining 14 plurality and two PR seats). A similar trend was observed in the federal senate, where the PAN controlled one seat (33.33%) between 1997 and 2005, and two seats (66.66%) since 2006 out of a total of three seats. Finally, the electoral performance of the PAN in Puebla during presidential elections was exceptional, as the two most recent PAN presidents, Vicente Fox and Felipe Calderón,

received landslide victories in the 2000 and 2006 elections, respectively. In both occasions the PAN won over PRI candidates, with 42.53% of the vote in 2000, and 37.49% in 2006.

Table 6.10: PAN's electoral performance in Puebla

<i>Year</i>	<i>% of PAN state legislators</i>	<i>% of PAN federal deputies</i>	<i>% of PAN federal senators</i>	<i>PAN vote share (federal legislative elections*)</i>	<i>PAN vote share (presidential elections)</i>
1997	35.89		33.33	24.76	
1998	20.51		33.33		
1999	20.51		33.33		
2000	20.51	44.44	33.33	39.71	42.53
2001	25.64	44.44	33.33		
2002	25.64	44.44	33.33		
2003	25.64	38.88	33.33	33.18	
2004	25.64	38.88	33.33		
2005	25.64	38.88	33.33		
2006	25.64	70	66.66	35.26	37.49
2007	20.51	70	66.66		

Sources: CIDAC data base; Honorable Cámara de Diputados; IFE; Jones & Mainwaring (2003)

*Elections for federal deputies (average plurality and PR seats)

The strong presence of a PAN structure in a state ruled by the PRI had profound implications for Fox's capacity to penetrate the state and for his ability to constrain undemocratic PRI governors from below. Unlike Oaxaca, where there was a dearth of Panista mayors and officials, the existence of co-partisans both at the municipal level of government and in the federal legislature allowed President Fox to expand his presence and, more importantly, to constrict Puebla's rulers from below.

The existence of Panista federal congressmen, for instance, was key to penetrate the state with additional federal resources and to further strengthen the PAN's electoral base of support. With their tight connection with the federal government, Panista deputies and senators managed to get easy access to federal state-resources (i.e., money, social programs,

subsidies, among others). These resources, which in turn were channeled to the Puebla's PAN branch, were distributed among local Panista bases of support (interviews Ibáñez, Moreno Valle), and also used to entice and buy off political loyalties.¹⁷⁸ The access to federal resources was certainly decisive in increasing Fox's presence in the state, and his ability to control (and threaten) PRI governors from below (interviews Ibáñez, Moreno Valle).

More importantly, the capacity of the president to politically penetrate in Puebla was further enhanced by the existence of a bureaucratic state administration. As noted earlier, bureaucratic state administrations constrain governors' authority by limiting their capacity to exercise tight control over people, opposition forces, resources, and territory. The combination of such an administration with the existence of a strong Panista structure were important factors enhancing President Fox's control over governors. For instance, the more bureaucratic practices implemented by Puebla's incumbents gave the PAN room to compete and survive at the municipal level and legislative level. The lower levels of governors' fiscal discretion (i.e., an indicator of more bureaucraticness) observed in Puebla, limited governors' ability to financially control PAN mayors, thus ensuring that PAN municipalities would not be financially suffocated but would instead have the money needed to stay alive (interview Velázquez).

Additionally, and unlike what happened in Oaxaca, where Panista mayors and officials were co-opted and blackmailed by the use of neopatrimonial gubernatorial practices, in Puebla the existence of a more bureaucratic state administration gave Fox sufficient room of maneuver to rely on loyal co-partisans both at the municipal level of government and in

¹⁷⁸ I witnessed this exchange during my fieldwork in Puebla, when I visited different Panista local branches, which at that time were campaigning for local elections.

the federal legislature. This in turn, was decisive to allow him expand his presence in the state and, more importantly, gave him instruments to constrict the authority of Puebla's rulers from below.

Likewise, Puebla's bureaucratic state-administration also allowed the president to penetrate the state via its federal delegates. Unlike Oaxaca, where federal delegates were co-opted, threatened, and extorted by state authorities, federal delegates in Puebla had an ample room of maneuver to act as representatives of the federal government's interests (interview Mantilla). As a result, federal officials from diverse secretaries managed to implement federal programs and distribute federal goods among the local population, further expanding the presence of the PAN and the federal government in the state.

Finally, the existence of a more bureaucratic state administration allowed the federal government to side with local grassroots and organized groups which, unlike Oaxaca, maintained greater autonomy from the state-government. In fact, by distributing a variety of state-resources and handouts, such as bags of cement, food, medicines, and corrugated roofing, the PAN managed to secure a foothold in many communities of the interior by making informal coalitions with former PRI corporatist structures (interviews Germán, Moreno Valle).

In sum, the combination of a strong PAN structure in the state with the existence of a bureaucratic state administration, coupled with Puebla's relatively high levels of indebtedness and financial deficits, which put Puebla in a more vulnerable financial position vis-à-vis the federation, all contributed to increase president Fox's capacity to hold Puebla's rulers hostage and exert control over them from below.

5) Mutually functional vertical coalitions and reproduction from above

As the first non-PRI president in 70 years, Fox had to rule the country within a context that was not entirely favorable. In this context, the support of undemocratic governors, such as those from Puebla, was crucial. Governor Melquíades Morales, controlled a considerable number of PRI federal deputies (at least half of Puebla's delegation), and consequently was a valuable partner for legislative coalition building. As any other undemocratic PRI governor, Morales was also an important partner for electoral coalitions. With his control over the state's party machine, he could easily tilt the electoral balance in Fox's favor. In addition to his legislative and electoral support, Morales exerted considerable leverage over other governors of the southeast, such as those from the states of Tabasco, Veracruz, and Chiapas. As a result of this influence Morales was an indispensable power broker to obtain the acquiescence of other governors.

In light of these factors, and given Fox's capacity to control Puebla's rulers from below, and thus induce them to support his presidential agenda, the president had strong incentives to strike coalitions with Puebla's governors. The governors, for their part, had incentives to maintain a collegial relationship with the center, especially in light of the state's financial crisis. For these reasons, Fox actively kept Puebla's SUR alive, while its governors did not confront the national government but instead negotiated with it, providing it their support when it was needed. Morales himself noted the detrimental consequences arising from a confrontation with the federal government: "It is not good to engage in a fight with the chef [referring to whom has the power in the house], it is better to negotiate with her. That is why unlike other governors, I preferred to avoid confrontations with the federal

government. What was the purpose of filing a claim against Fox with the Supreme Court? You don't win anything if you confront the president" (interview Morales).

This mutually beneficial exchange paid off on several occasions during Fox's tenure. At the legislative level, Morales became an assiduous supporter of Fox's initiatives. He not only voted for Fox's less ambitious and politically less controversial pieces of legislation, such as the law of access to public information and the civil service law, but most notably he sided with Fox in those initiatives that were fiercely opposed by the national PRI leaders, such as the 2003 fiscal reform.¹⁷⁹ On these occasions, Morales, unlike other undemocratic rulers (like Murat from Oaxaca), did not hesitate to break ranks with his party and vote for Fox' initiatives.¹⁸⁰ In the specific case of the 2003 fiscal reform, Morales negotiated additional funds for Puebla's Children's Hospital (*Hospital del Niño Poblano*), which he got after voting for the initiative (interview Ibañez). This mutually beneficial exchange of legislative support and funds was observed in several occasions throughout Fox's period, as the governor would receive federal financial support for diverse state projects, such as the construction of interstate highways, public works, and assistance for social development (interview Morales, Ibañez).

In effect, and as confirmed by the quantitative analysis of chapter 5, the flow of federal funds to Puebla was smooth and constant. The upper dotted rectangles of figure 6.6 nicely illustrate this point. Unlike other undemocratic states, the federal funds that entered Puebla's coffers went well beyond the automatic transfers (*participaciones* and

¹⁷⁹ The 2003 fiscal reform draft was so controversial that it split the PRI congressional delegation into two opposing bands: one favoring Fox's initiative, the other against it.

¹⁸⁰ The same occurred with other undemocratic (bureaucratic) governors, like the governors from Veracruz and Hidalgo, who also voted in favor of Fox's draft.

aportaciones). Additional evidence gathered from Mexico's Treasury shows that Puebla, together with other undemocratic bureaucratic states (such as Jalisco and Veracruz), was among the greatest beneficiaries of Mexico's PAFEF and *Convenios de Descentralización* (transfers that are distributed by the federation for earmarked projects in specific areas (education, agriculture, and rural development) (SCHP 2008). All together, these examples underscore the collegial relation regarding financial transfers that existed between Puebla and the federal government, and which led Morales to note that "Puebla had more financial problems with Zedillo than with Fox; Zedillo, who was from my own party, cut more funds and sent less money to Puebla than what Fox did" (interview Morales).

Puebla's rulers also became valuable electoral partners of President Fox. During national contests (both legislative and presidential) the PAN did extremely well. Not only did it obtain the greatest share of the vote during both the 2000 and 2006 presidential contest, but it was able to gain a considerable share of senators and federal deputies. These results were quite remarkable in a nondemocratic state controlled by the PRI since the 1930s, and where undemocratic governors controlled their party machine. Yet, a major factor that contributed to these Panista victories was that PRI rulers agreed not to engage in ballot stuffing and they guaranteed a lower turnout of PRI voters (interviews Ehlinger, Ibáñez, Velázquez). In exchange, Puebla's governors were left untouched and rewarded with political and financial concessions from the center.

Finally, Morales played a key role as Fox's ally in one the president's most ambitious projects, the so-called "Plan Puebla-Panamá" (a program of economic development and international integration). As noted earlier, Morales was very influential among the governors of the southeast, and his role as regional leader transformed him into the natural

interlocutor between them and the federal government. His brokerage, then, was key to gain the support of the other governors. So Fox went on courting Morales, for “he knew that if he could have Morales as an ally, he could also count with the support of the other (southeastern) governors” (interview Ibañez).

In sum, the capacity of Fox to wield control over governors Morales and Marín, coupled with the governors’ lack of autonomy from the center, and their more conciliatory relationship with the federation, all facilitated the building of vertical coalitions. On the one hand, Fox had the instruments necessary to induce Puebla’s governors to accept his will/agenda. On the other, Melquiades and Marín had the need to cooperate with a PAN president. As a result, both Fox and Puebla’s rulers had sufficient reasons to engage in mutually beneficial exchanges: Fox not only did not dismantle Puebla’s SUR, but also contribute to reproduce it.

IV. Conclusion

The analysis of the case studies of Oaxaca and Puebla presented in this chapter offer evidence about how undemocratic regimes operate in practice, illustrating the way in which undemocratic rulers exercise political power within their strongholds. The chapter not only discussed the specific traits of two Mexican SURs, but also, and more importantly, shed light on the specific causal mechanisms that explain different trajectories of SUR continuity.

The analysis of Oaxaca and Puebla indicates that key differences across SURs –such as the nature of their state-administrations and financial autonomy– unleash distinct patterns of interaction with the national government, setting in turn states in different trajectories of SUR continuity. This finding reveals that, contrary to what most explanations of regime

continuity indicate, SURs endure for different reasons, and that the causes and the causal mechanisms that explain why and how they are resilient are not the same. Indeed, some SURs, as the cases of Puebla revealed, exist because they meet strategic needs of national politicians, thus inducing national incumbents to reproduce these regimes from above. Others, by contrast, as illustrated by the case of Oaxaca, continue to exist because specific characteristics of these regimes provide recalcitrant governors with the resources needed to maintain or expand their authority and power vis-à-vis local forces and the national government.

The in-depth, qualitative study of Oaxaca and Puebla also demonstrated that the two trajectories of SUR continuity are better explained by assessing the *combined* effect of national and subnational variables. The cases of Puebla and Oaxaca revealed that the politics that played out at the intersection of national and subnational arenas, which was central to determine the territorial strategies employed by national regarding SUR continuity, could not be understood without taking into consideration state-level variables.

Finally, the evidence gathered from the in-depth study of Puebla and Oaxaca, provides a basis for inferring that the causal patterns and mechanisms that were found operating in the cases of Oaxaca and Puebla may also be present in other similar nondemocratic states. As noted in chapter 3, Oaxaca is not the only patrimonial-non-democratic state in Mexico. Neither is Puebla the only bureaucratic-undemocratic state of the country. Hence, the pattern of interaction between national and state-level variables seen in these two cases, as well as how these in turn shape the SUR continuity, might contribute to explaining the continuity of other similar Mexican SURs.

Chapter 7: Subnational undemocratic regime continuity in Argentina (2002-2006). La Rioja and San Luis in comparative perspective

This chapter explores how presidential control, exercised via *fiscal* instruments, shapes the pattern of SUR continuity in Argentina. Between 2003 and 2007, President Néstor Kirchner could not count on a strong and nationalized partisan structure to make inroads in provincial arenas. This situation, which limited his power to discipline SUR rulers via partisan structures, contrasted sharply with his capacity to exert financial control over lower levels of government. Kirchner not only benefitted from the greater fiscal discretion and power conferred by Argentina's fiscal federalism, but also was able to take advantage of a considerable amount of revenues not subject to sharing, most of which accrued from export duties. The access to abundant resources allowed Kirchner to exercise the power of the purse over the provinces, giving him sufficient leeway to exert tight control over (non-democratic) provincial rulers who were in dire financial need.

As in chapter 6, the goal of this chapter is to present qualitative and comparative evidence showing how the capacity of presidents to exert control (or the lack thereof) over SUR incumbents shapes trajectories of SUR continuity. The subnational comparisons are meant to shed light on the hypothesized causal chains leading to SUR reproduction from above and SUR self-reproduction. To examine these causal chains of trajectories, I proceed following Van Evera's (1997) recommended method by breaking down the chains into their components parts. I thus look closely at how presidential control led to cooptation, which in

turn facilitated the possibility of vertical coalitions, thus resulting in SUR continuity from above. I also examine the elements of the alternative causal chain, in which lack of presidential control leads to displacement/weakening, and in turn to exclusion from vertical coalitions, eventually facilitating SUR self-reproduction.

To determine how the component parts of each of the causal chains affects the hypothesized outcome, I rely on evidence collected from archival documents, newspaper articles, official documents, as well as information gathered in 70 in-depth interviews with Argentine national and subnational top-rank officials (see list of interviews in the reference section of this dissertation).

The chapter is organized as follows. In the first section, I provide a justification of the subnational cases selected to illustrate Argentine SURs' trajectory of reproduction. Following the logic presented in chapter 6, I then turn to analyze the province of La Rioja, a neopatrimonial and fiscally indebted province, which illustrates the trajectory of SUR reproduction "from above." Subsequently, I study the province of San Luis, bureaucratic and fiscally autonomous province, which represents a case of SUR "self-reproduction." As in chapter 6, the narrative and analysis is organized in the same fashion. First, the undemocratic character of the state is presented and evidence regarding how it operates is discussed. Throughout this dissertation much has been said about undemocratic regimes, but little concrete evidence (except for the indicators presented in chapter 3) has illustrated specifically how a SUR works. The second subsection of each case study, discusses the two main subnational variables facilitating or preventing presidential control, namely, the type of state-administration and financial autonomy. The third and fourth subsections of each case study analyze the component parts of the causal chains outlined above. Accordingly, the third

subsection explores the extent to which presidential control was possible, focusing on the combined effect of subnational and national variables on presidential control. The fourth and final subsection of the two case studies, looks at how this control or lack thereof determines the prospects of vertical coalitions and, as a result, the type of SUR reproduction followed in each case.

I. Subnational case selection

As in chapter 6, two “diverse cases” (e.g., La Rioja and San Luis) serve the purpose of exemplifying and testing the two different trajectories of SUR continuity.¹⁸¹ Because this chapter seeks to demonstrate that different SUR trajectories are triggered by the capacity (or lack thereof) of federal incumbents to control SURs, two cases are selected that score very differently on the main variable facilitating or inhibiting presidential control.

Chapter 4 showed that fiscal control was the main instrument of presidential control available to President Kirchner between 2003 and 2007. Thus, in order to assess if presidential fiscal control was effective and conducive to SUR reproduction from above, a case is needed where presidential fiscal penetration existed or was enhanced. By contrast, in order to estimate if presidential fiscal control was not possible, thus leading to SUR self-reproduction, a case is needed where presidential fiscal penetration did not exist or was neutralized.

One factor facilitating subnational rulers’ capacity to fiscally control provincial incumbents is their financial autonomy vis-à-vis the center. Profligate governors who engage

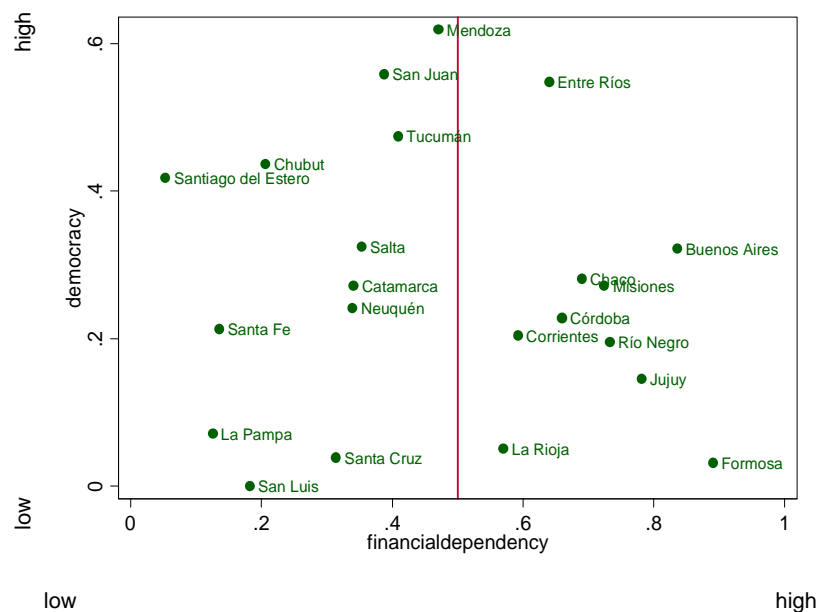
¹⁸¹To repeat, a diverse case, allows researchers to achieve maximum variance along relevant dimensions. This type of case study, then, “requires the selection of a set of cases that are intended to represent the full range of values characterizing independent variable of theoretical interest” (Gerring 2007:98).

in overspending and have high levels of indebtedness can easily become hostages of the federal government. By contrast, governors who are financially and economically responsible, and who, as a result, do not need to resort to the national government for financial aid, stand in a solid position to preserve their autonomy and independence from federal politicians, and can in turn self-reproduce their regimes.

In light of these considerations, the key criterion for case selection was determined by the province's financial dependence, and not by the nature of the state-administration as occurred in the Mexican case.¹⁸² I thus select one undemocratic financially dependent province (La Rioja), and one undemocratic financially autonomous province (San Luis) (see graph 7.1). The first case, La Rioja, is used to prove that in the presence of presidential control, SUR reproduction from above ensues. By contrast, the second case, tests whether the causal relationship between lack of presidential control and SUR self-reproduction holds true.

¹⁸² In Mexico, because the main mechanism of control was partisan, the key criterion to select cases was the type of state-administration found in each state, as neopatrimonial administrations, which are more resistant to partisan penetration, hinder presidential partisan control, and bureaucratic administrations facilitate it.

Graph 7.1 Levels of democracy and financial dependency in the Argentine provinces (avg. 2003-2007)¹⁸³



In addition, these two provinces were selected out of the bulk of undemocratic-financially responsible and undemocratic-financially irresponsible regimes (i.e., La Pampa, Formosa, Santa Cruz, La Rioja, San Luis), because they have several aspects in common. Both provinces have been ruled by the Peronist party since 1983, both are located in northwestern Argentina, and even though their levels of socioeconomic development now differ substantially, they were similar in the early 1980s.¹⁸⁴ In addition, both are small provinces, and both are highly dependent on revenues flowing from the central government. Despite these similarities, these two provinces differ on the main explanatory variable,

¹⁸³ Financial dependency is measured using an additive index of deficit and debt as a share of total income.

¹⁸⁴ In fact, both San Luis and La Rioja, as I will discuss in detail below, have been equally benefitted from the Régimen de Promoción Industrial (RPI or industrial promotion regime) instituted by the federal government in the early 1980s.

namely, level of provincial financial autonomy.¹⁸⁵ La Rioja and San Luis then, not only allow for a most similar case design, but also make a controlled-comparison possible, facilitating in turn a more fine-tuned assessment of the main variables' effect on the hypothesized outcomes.

II. LA RIOJA: A case of SUR reproduction from above

1) The political regime: How does a SUR operate in practice?¹⁸⁶

La Rioja, the home-province of former President Menem (1989-1999), has systematically obtained the lowest democratic scores. The province has been dominated by the Peronist party (PJ) since the democratic transition in 1983, and its governors and mayors, who up to 2007 were allowed indefinite reelection, have successfully entrenched their authority.

Table 7.1 presents disaggregated evidence substantiating La Rioja's low scoring democracy. Signs of sustained "undemocraticness" can be observed by comparing La Rioja's mean scores with the other provinces' mean scores. In all of the indicators presented in table 7.1, La Rioja scores well below the other Argentine provinces' mean. A closer look at how each individual indicator has evolved over time reveals that gubernatorial elections in La Rioja have become less competitive over the years, especially during the 1990s, as both the effective number of parties running for gubernatorial elections and the effective number of parties obtaining seats in the local legislature have remained low, and never above the 2.13

¹⁸⁵ These provinces also differ regarding the secondary independent variable, namely, the type of state administration (see graph 3.5, chapter 3).

¹⁸⁶ The main focus of this chapter will be on the administration of Peronist Eduardo Ángel Maza (1995-2006), whose term coincided with the presidency of Néstor Kirchner.

reached in 2003. In fact, these two indicators coupled with the party turnover indicator, which reports no party turnover over the entire period (see table 7.2), shed light on the sustained hegemonic character of La Rioja's political regime.

Table 7.1: La Rioja's indicators of democracy

<i>Year of election</i>	<i>ENP</i>	<i>Margin of victory in gubernatorial races*</i>	<i>ENPL</i>	<i>Strength of the opposition in the legislature</i>	<i>Turnover (party)</i>	<i>Turnover (head)</i>
	(governor's race)	(between winner and runner up)	(legislative seats)	(% of seats controlled by the opposition)	(cumulated)	
1983	2.00	16.75	1.36	16.00	0	1
1985			1.18	12.00		
1987	2.02	28.22	1.27	10.34	0	1
1989			1.34	6.90		
1991	1.52	60.19	1.13	10.00	0	2
1993			1.16	10.00		
1995	1.41	66.83	1.26	10.00	0	3
1997			1.35	13.33		
1999	1.92	37.63	1.28	16.67	0	3
2001			1.17	10.00		
2003	2.13	15.10	1.72	36.67	0	3
2005			1.34	36.67		
<i>La Rioja's mean</i>	1.83	37.45	1.30	15.71	0.00	2.17
<i>Provinces' mean</i>	2.58	16.25	2.30	45.56	1.55	2.89
<i>Min</i>	1.22	0.29	1.13	6.89	1	1
<i>Max</i>	4.45	84.56	8.91	100	4	7

Source: for calculations see Appendix to chapter 3

*Higher values indicate lower levels of democracy

In a similar vein, the large gap between the winner and runner-up further confirm the province's low political competitiveness. As table 7.1 shows, the two most competitive gubernatorial elections in the 1983-2005 period took place in 1983 and 2003. In 1983, the PJ won by a relatively low margin, obtaining 57.70% of the vote, against the 40.95% vote share garnered by the then electorally powerful UCR. 20 years later, in 2003, the incumbent PJ, Ángel "Didí" Maza, won by a margin of 15.10 points over the *Frente con Todos*, a new party formed in 2001 by Jorge Yoma (Menem's ex-brother-in-law), after splitting from the

Peronist party. In between these two elections, electoral competition in La Rioja was very low, as were the other indicators of democracy, all of which experienced a pronounced decline in the 1990s. Finally, the low turnover of provincial executives, which have only rotated three times in the last 25 years, speaks to the PJ's hegemony in La Rioja's political system.

Table 7.2: La Rioja's governors

<i>Period</i>	<i>Governor</i>	<i>Party</i>
1983-1987	Carlos Menem	PJ
1987-1991	Carlos Menem*	PJ
1991-1995	Bernabé Arnaudo	PJ
1995-1999	E. Ángel Maza	PJ
1999-2003	E. Ángel Maza	PJ
2003-2007	E. Ángel Maza**	PJ

*In 1989, Menem assumes the presidency. Alberto Gregorio Cavero (vice-governor) takes office

**In February 2007, Maza is impeached. Luis Beder Herrera (vice-governor) takes office

One important factor contributing to reduce electoral democracy in La Rioja has been the steady reform of electoral rules and institutions.¹⁸⁷ As shown by Calvo and Micozzi (2005), most of these reforms have allowed incumbents to minimize the risk of electoral defeat, to improve their control over local legislatures, and to escape the negative consequences of more competitive national level races. Among these reforms were (a) the

¹⁸⁷ Interestingly, the strategy of restraining democracy by changing electoral rules and institutions (see discussion on provincial Supreme Court below) is not observed in Mexico, where state-level incumbents do not engage in wholesale institutional reforms and/or electoral rule re-engineering as occurs in Argentina. Future work should explore why subnational formal institutions and electoral rules undergo more manipulation in Argentina than in Mexico.

introduction of the *ley de lemas*¹⁸⁸ in 1991, its elimination in 1992, and its re-introduction in 2001¹⁸⁹; (b) the 1987 introduction of rules to over-represent the rural districts of the province, where the PJ was stronger; and (c) the modification of the legislature's size, which entailed changing the number of seats from 54 in 1986, to 28 in 1991, then to 30 in 1998, 23 in 2002, and 36 in 2008 (see Leiras 2006, 2007). A similar trend was observed regarding electoral rules for legislative races, which underwent significant transformations, all to favor incumbents.

Despite the fact that electoral democracy in La Rioja suffer severe setbacks as a result of these reforms, more informal but perhaps more powerful factor strongly shaping the nondemocratic fate of La Rioja's regime was the role played by former President Menem. For over a period of 20 years, starting in 1983, when he was elected governor, up to 2003, when he stepped down from the runoff presidential race, Carlos Menem was the undisputable political leader and cacique of La Rioja.¹⁹⁰ Despite leaving the province in 1989, when he assumed the country's presidency, Menem pulled the strings of La Rioja's politics, exerting tight control over incumbents in all levels of government, the Peronist party and its machine, as well as civil society, local organized groups, and the media (interviews Guzmán, Douglas, #26). His political clout, which noticeably outlived his presidency,¹⁹¹ was decisive to thwart

¹⁸⁸ The "ley de lemas" (or apparentment system) allows parties to present different lists of candidates to compete in the same race. The vote obtained by each candidate is then added up and assigned *in toto* to the party label.

¹⁸⁹ As one anonymous interviewee noted, "the *ley de lemas* was introduced and rolled back depending on the relative power of the opposition forces; when the opposition became stronger it was introduced, otherwise there was no need to have such a law (interview # 4).

¹⁹⁰ Recall that in 2003, 4 years after having left power, former president Menem contended, for his third time, for the presidency.

¹⁹¹ An example of Menem's influence after leaving the presidency occurred in 1999, when he returned back to La Rioja. Instead of moving into one of the many properties he had acquired during his years in office, Menem

political liberalization in La Rioja. Indeed, he not only managed to discipline the provincial branch of the PJ, thus preventing intra-party factional competition, conflict, and party defection, all of which could have increased the level of competitiveness in the province, but also actively promoted the passing of several of the above-mentioned laws in order to reduce the power of the opposition (interviews Guzmán, Douglas).

This changed in 2003, after Menem stepped down from the presidential race. His resignation to compete in the runoff against Néstor Kirchner, which revealed Menem's decline in national politics, also affected his dominion over the province, as many local politicians ceased to view him as the powerful provincial caudillo he had once been. His loss of power, influence, and authority over the Riojano political system, had important implications for La Rioja's political regime. For one, the 2003 election, which severely undermined Menem's power both nationally and provincially, paved the way for some moderate political liberalization in La Rioja. The hierarchical and relatively orderly functioning of La Rioja's political system, through which Menem managed to exert tight control over incumbents in all levels of government, collapsed in 2003 after it became clear that the head of the hierarchy had lost its power. This situation generated an important power vacuum, which resulted in ferocious intra-party fighting and party factionalism within the Riojano Peronist party (interviews Chamía, Maza, Bengolea).

The atomization of the PJ, which was first observed in 2001, when the *Frente con Todos* was created, but which became more visible after 2003, contributed to moderately increase the levels of competitiveness in the 2003 and 2007 elections. In fact, the slight

moved into the governors' official home, which had been held vacant for the former president. Only in 2002, did Menem leave the residency, giving Governor Maza the governor's official home.

increase in the ENP, the ENPL, and the strength of the “opposition” in the local legislature can be seen as a direct result of the PJ’s atomization (see table 7.1). But perhaps the most visible example of how the vacuum left by Menem led to party factionalism occurred in 2006 and 2007, when Governor Maza made it clear that he was seeking to serve for a fourth consecutive term in office. After this announcement, local PJ popular leaders, who during years had been subjugated to the governor’s will soon rebelled and coalesced in an internal opposition front to undermine the governor’s power. This partisan infighting climaxed in 2005/2006 when, under the command of the vice-governor, Luis Beder-Herrera, factions of the Riojano PJ orchestrated Maza’s overthrow via impeachment.

In sum, the decline of Menem’s power over Riojano politics indirectly contributed to moderately lessen the undemocratic character of the regime. Despite this mild liberalization, La Rioja’s indicators continued to score well below average, indicating that the province stood and still stands among the least democratic subnational units of Argentina. In the next section, I discuss the variables that contributed to maintain Riojano nondemocratic regime alive.

2) Governors’ instruments of territorial and political control

(a). Neopatrimonial state administration

Chapter 3 presented evidence about the cross-provincial variation of Argentina’s state administrations, and showed that La Rioja stood (and still stands) among the most neopatrimonial provinces of Argentina. Indeed, table 7.3 indicates that all of La Rioja’s indicators rank well below the other provinces’ means, and further shows that La Rioja’s scores are always closer to the minimum levels (see last 4 rows of table 7.3). The individual

indicators in table 7.3 reveal that La Rioja's agencies of control have been weak. Such is the case, for instance, of the province's Supreme Court, which has been subject to constant manipulation (i.e., change in its composition and size) by the provincial executive, thus weakening its ability to exercise control over other branches of power.¹⁹²

A closer inspection of this indicator reveals that Riojano justices' instability was relatively low during the 1980s, while it became high during the 1990s and considerable higher after 2000. Two major factors contributed to this instability. First, using a variety of instruments, such as threats of impeachment –which not entail a loss job but also economic costs, as impeached justices are denied their pensions– and libel suits, governors' succeeded in inducing the resignation of 'autonomous' and disobedient justices.¹⁹³ Such was the case of the 2004 induced resignation of all sitting justices that allowed Governor Maza to appoint an entirely new Supreme Court (interview 5);

A second factor leading to justices' instability in office was the recurrent changes in the constitutional provision stipulating the size (i.e. number of justices) of the provincial Supreme Court. The provincial constitution was first changed in 1986, and subsequently in 1998, 2002, and 2008. In three of these four changes, governors altered the size of the Court, which went from having five members in 1986, three in 2002, and five in 2008. In every

¹⁹² Recall that the Argentine indicator of horizontal accountability measures the stability of provincial Supreme Court justices, i.e., the tenure of each sitting justice. The indicator is the yearly average tenure of each provincial Court justice weighted by the "seniority" of the political regime (see Appendix of chapter 3). A vast body of literature indicates that more stable courts are said to ensure greater judiciary autonomy, thus increasing justices' ability to control the executive (Helmke 2005; Bill Chávez 2004; Iaryczower et al. 2002).

¹⁹³ This strategy, as many interviewees reported, was even more frequent in provincial lower-courts, where judges were induced to resign. As one top-rank official of La Rioja's Supreme Court noted, "here in La Rioja, it is easier to remove judges (who, in theory have life tenure) than a public employee" (interview 26).

constitutional change, governors also made wholesale replacement of sitting Court justices, who should have remained in power despite the reforms.¹⁹⁴

In sum, either by changing the size of the Supreme Court or by inducing justices to retire, governors in La Rioja, most noticeably Governor Maza, managed to keep a subservient judiciary which, threatened by its own instability, was not able to exercise an effective check on the governor's exercise of political power. Quite the contrary, it validated (either by action or omission) most of the governors' actions (interview 5).

¹⁹⁴ For instance, in 2002, when governor Maza decided to alter the constitution and reduced the Court's size from five to three members, instead of removing two justices, he proceeded to removed four justices. By so doing, he used the constitutional reform as an excuse to make a wholesale alteration of the Court's composition, one which paved the way to pack the Court with loyal justices (interviews Bruno, Mercado Luna, Porras, Lanzilotto, Juárez, interview 5).

Table 7.3: La Rioja's indicators of neopatrimonialism

<i>Year</i>	<i>Ruler's fiscal discretion*</i>	<i>Horizontal Accountability*</i>	<i>Patronage*</i>	<i>Neopatrimonialism*</i>
1983	0	1	0.45	0.48
1984	0	0.9	0.36	0.42
1985	0	0.67	0.32	0.33
1986	0	0.75	0.22	0.32
1987	0	0.8	0.16	0.32
1988	0	0.83	0.23	0.35
1989	0	0.57	0.10	0.22
1990	0	0.63	0.13	0.25
1991	0	0.38	0.12	0.17
1992	0	0.21	0.15	0.12
1993	0	0.29	0.15	0.15
1994	0	0.35	0.13	0.16
1995	0	0.38	0.19	0.19
1996	0	0.33	0.04	0.12
1997	0	0.22	0.22	0.15
1998	0	0.27	0.22	0.16
1999	0	0.31	0.23	0.18
2000	0	0.3	0.27	0.19
2001	0	0.21	0.31	0.17
2002	0	0.25	0.32	0.19
2003	0	0.05	0.33	0.13
2004	0	0.09	0.33	0.14
2005	0	0.13	0.39	0.17
2006	0	0.17	0.32	0.16
<hr/>				
<i>La Rioja's mean</i>	0.00	0.42	0.24	0.22
<i>Provinces' mean</i>	0.30	0.52	0.60	0.47
<hr/>				
<i>Min</i>	0	0	0	0.12
<i>Max</i>	1	1	1	0.75

Sources: author's calculation (see Appendix chapter 3)

*Lower values indicate higher levels of neopatrimonialism

One of the main traits of a neopatrimonial administration is that public money and public goods are provided with particularistic and discretionary criteria rather than on the basis of universal standards (Mazzuca 2007:46). The type of the rules regulating the distribution of public funds, then, constitutes a good indicator of the level of neopatrimonialism prevalent in any political system. Where these rules are permissive or where they simply do not exist, incumbents can distribute public monies virtually unchecked. La Rioja is one of the only three Argentine provinces (the others are San Juan and Jujuy), where a system to regulate the distribution of provincial transfers does not exist (hence, the zero scores in table 7.3). Thus, Riojano governors are entirely free to determine the amount

that each municipality receives, the pace with which funds are distributed (i.e., on daily, monthly, quarterly or yearly basis), and whether or not these transfers are channeled automatically.¹⁹⁵ This fiscal discretion, in turn gave provincial incumbents a tremendous capacity to control mayors, as they, for fear of being deprived of funds, abided by the governors' decisions, agenda, rules, and policies.¹⁹⁶

During the 11 years of Mazista rule, all mayors, with the sole exception of La Rioja City mayor (i.e., the capital's mayor), acted as mere delegates of the governor (interviews Porras, Ortiz, Chamía). This occurred not only because most of them belonged to the governors' party (see table 7.4), but above all because the majority of mayors had virtually no administrative capacity to raise their own taxes (even though they legally can), and thus became highly dependent on provincial transfers. In other words, none of them stood in a solid financial position to oppose the governor's policies, much less to refuse participating in and supporting Maza's political cause. Quite the contrary, they were required to do as Maza requested, especially to deliver political support by mobilizing voters and the citizenry whenever elections and/or public rallies were organized (interviews Maza (a), Maza (b), Chamía).¹⁹⁷ Had they refused to do so, as occurred in 2003 when a group of mayors

¹⁹⁵ As noted in chapter 3 (appendix), rulers' fiscal discretion measures the cumulative years of existence of a *ley de coparticipación municipal* (i.e., the law regulating the allocation of fiscal resources between the provincial government and the municipalities).

¹⁹⁶ Contrary to what happens in Mexico, automatic transfers flowing from the central government to the provinces are not earmarked. In comparison to their Mexican counterparts, who get federal earmarked funds (*aportaciones*), Argentine governors have much more discretion to distribute federal money among the municipalities (see Bonvecchi and Lodola (2008) for a discussion of how different types of federal transfers confer governors with different degrees of discretion within provincial borders).

¹⁹⁷ The mayors' loyalty to Maza never faded, not even during the violent riots that took place in December 2006, when the PJ factions rallied by then vice-governor Beder-Herrera orchestrated Maza's ouster (and later his impeachment). All mayors, with the exception of Quintela, the capital's mayor, mobilized people from the interior to go to La Rioja city, where they besieged the provincial legislative building and organized sit-ins to support Maza's government (*Clarín, La Nación, El Independiente* (La Rioja) December 15, 2006).

coalesced demanding approval of a municipal coparticipation law to regulate the distribution of transfers, provincial money stopped flowing to the municipal coffers (interviews Bruno, Porras, Chamía).

Table 7.4: Percentage of municipalities under PJ control

<i>Year of election</i>	<i>% of municipalities belonging to the governor's party</i>
1983	100.00
1987	94.44
1991	100.00
1995	100.00
1999	100.00
2003	88.89
2007	83.33

Source: author's calculations based on Micozzi (2009), and Secretaría de Asuntos Municipales de la Nación, Ministerio del Interior

The lack of a provincial ‘coparticipation’ law also increased mayors’ dependency on Riojano governors by preventing mayors from soliciting loans and acquiring debt either with local or international financial institutions. Because they could not show they had a steady and regular income, they were banned from requesting loans from international development agencies and national or international banks. As a result, every time Riojano mayors wanted to apply for credit, they first needed to negotiate with Maza, who in turn would decide if the province would act as guarantor. “To get Maza’s consent,” as La Rioja City’s mayor noted, “we needed to pledge yet more political allegiance” (interview Quintela, see also interviews Ortiz, De Leonardi).

Finally, the lack of a provincial coparticipation law further limited Riojano mayors’ autonomy by preventing mayors from deciding where and how to spend provincial transfers, as it was the provincial government who decided where and how to spend the money. By so

doing, Maza ensured that transfers would not be used to feeding party machines that would enhance mayors' political bases of support (interviews Quintela, # 4).

The only mayor who stood in a position to 'disobey' the governor was La Rioja's City mayor, Ricardo Quintela (2003-2011). Due to the successful implementation of policies targeted to increase tax collection in the capital, Quintela managed to moderately lessen his fiscal dependency on the provincial government and, moreover, was able to enhance his power vis-à-vis governor Maza. This greater independence not only allowed him to oppose some of the governor's initiatives, but most importantly helped him extract some concessions, such as the signature of *Acuerdos Financieros Transitorios* (Temporary Financial Agreements), through which the provincial governor committed to sending a regular and fixed amount of funds to the capital city.¹⁹⁸ Despite the fact that these agreements ensured the steady flow of transfers to the city, the transfers remained non-automatic and the amounts to be distributed were still unilaterally determined by the provincial government (interviews Quintela, Chamía, Barrionuevo, Ortiz (a), Ortiz (b), De Leonardi, interview 4). As a result, La Rioja's City was held (financially) hostage to the governor.

The final indicator of neopatrimonialism presented in table 7.3 is rulers' access to patronage.¹⁹⁹ A close look indicates that patronage in La Rioja has, on average, been very high throughout the whole period under study and especially high after the years of Carlos

¹⁹⁸ During his tenure as federal deputy, Quintela had waged a long battle against the absence of a coparticipation law in La Rioja, fiercely confronting governor Maza. Once he was elected mayor of La Rioja City, he intensified his battle by taking people to the streets, organizing sit-ins and public building takeovers, all demanding a coparticipation law.

¹⁹⁹ Patronage, as noted in chapter 3, is measured as the number of inhabitants/1000 working in the provincial public administration.

Menem's provincial administration (1983-1989). In fact, La Rioja stands among the provinces with the highest rate of public employees per inhabitant, and has the city with the highest rate of public employees per inhabitant of the country, Chilecito. The fact that an average of 85 every 1000 inhabitants work in the provincial public administration confers governors with an impressive capacity to ensure the loyalty of a considerable portion of the local population, which for fear of being removed from office, becomes easy to discipline and manipulate.

In addition to controlling agencies of horizontal accountability, distributing funds in a discretionary way, and relying on employment patronage, Governor Maza turned to other neopatrimonial practices to further entrench his political power in La Rioja. To prevent mayors from becoming autonomous, in 1998 Maza passed a law that temporarily suspended the municipalities' magna charters (*Cartas Orgánicas*). This suspension, which later on became permanent, prevented mayors from managing their electoral calendars, and allowed Maza to take advantage of coattail effects, to prevent (intra-party) opposition forces from strengthening, to determine the election and appointment of candidates, and to control the electoral processes.

A final strategy implemented by Governor Maza to increase his power over mayors was to centralize the municipal payroll. This decision, which was carried out during Maza's first term (1995-1999), greatly reduced mayors' capacity to exert control over public employees. As one top rank official of La Rioja's municipality put it, "public employees became aware that their patron, the one who paid their salaries, was the governor (and not the mayor), and that's why he became loyal to the governor and not the mayor" (interview Ortiz). According to different municipal leaders, this decision prevented mayors from

building their own “troop of loyalists” to counterbalance the governors’ power (interviews Ortiz, Quintela, Chamía, De Leonardi).

(b). *Financial discipline/autonomy*

One of the instruments available to governors to neutralize presidential control while enhancing subnational undemocratic rulers’ power is governors’ financial autonomy from the federal government. Much of this dependence is contingent upon the amount of fiscal resources that SURs obtain from the center, but autonomy is also affected by governors’ management of the provincial economies.

Figures 7.3 and 7.4 provide evidence about La Rioja’s financial situation. As indicated by figure 7.3, with the exception of 2005, La Rioja’s financial balance is positive. The lack of current deficits contrasts sharply, however, with the level of indebtedness. In fact, figure 7.4 shows that La Rioja’s debt is shockingly high, reaching an average of 100.9% of the province’s GDP between 2002 and 2006.

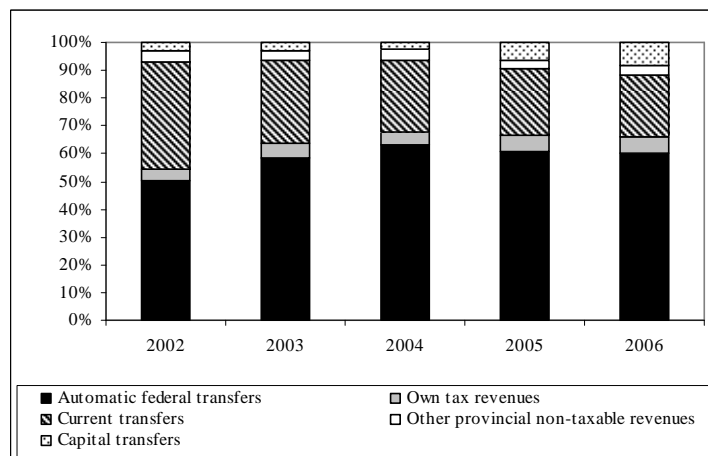
This financial dependency on the national government has been further aggravated by the fact that 90% of La Rioja’s total revenues stem from the federal government. As figure 7.1 indicates, La Rioja’s autonomous revenues (depicted by the solid white and solid grey rectangles) only constitute a negligible share of the province’s total income. All other revenues flow directly from the central state’s coffers, but as figure 7.2 shows, of La Rioja’s total federal transfers, only 60% (on average) flow directly and automatically to the province. All other federal transfers are determined ad hoc, and are contingent upon bargains among the national and provincial governments. In other words, approximately 40% of La Rioja’s

federal transfers are subject to negotiations between the federal government and Riojano governors.

This dependency on non-automatic funds, coupled with the high levels of provincial indebtedness, plus La Rioja's inability to buy debt beyond the federal government,²⁰⁰ has put La Rioja's governors in an extremely vulnerable position vis-à-vis the national government. As one close advisor of governor Maza put it, "governors in La Rioja do not rule for their people, they rule for the president. They spend most of their time in Buenos Aires lobbying in federal buildings for money, subsidies, and programs" (interview 2). This financial dependency, which became more acute after the 2001-2002 economic crisis when the province's debt skyrocketed to unprecedented levels and when the federal government 'nationalized' the provincial debt, contribute to increase the power of an already fiscally powerful president, as was the case of Néstor Kirchner.

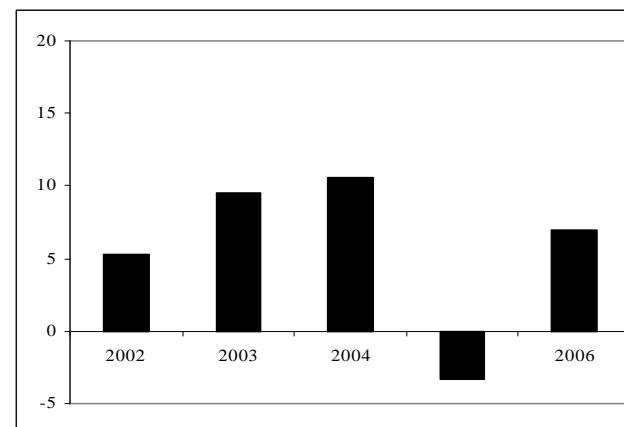
²⁰⁰ Due to the province's size and its weak economy, La Rioja has limited capacity to both issue its own debt (i.e. provincial bonds) and buy debt beyond the federal government.

Figure 7.1: La Rioja: Income sources



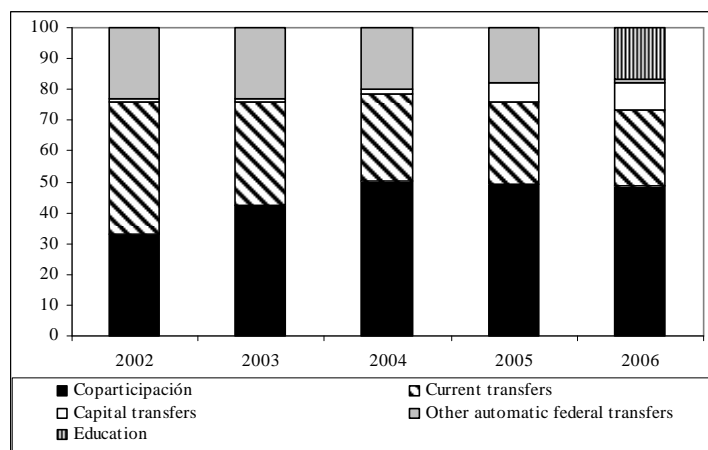
Source: Dirección Nacional de Coordinación Fiscal con las Provincias [Mecon – DNCFP]

Figure 7.3: La Rioja: Total income – total expenditures (1997-2007) (in millions of Argentine pesos)



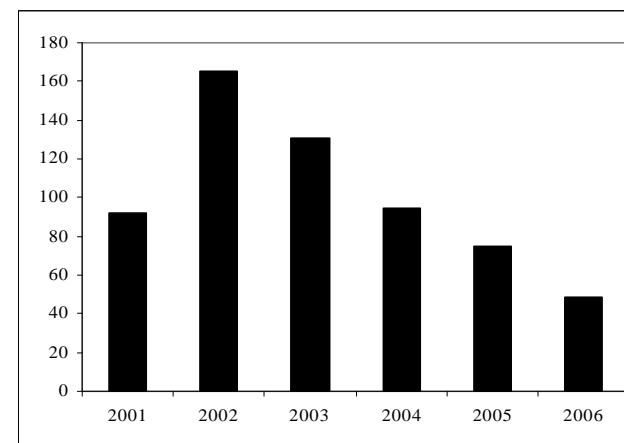
Source: Dirección Nacional de Coordinación Fiscal con las Provincias [Mecon – DNCFP]

Figure 7.2: La Rioja: Type of federal revenues as a share of total federal revenue



Source: Dirección Nacional de Coordinación Fiscal con las Provincias [Mecon – DNCFP]

Figure 7.4: La Rioja: Debt as percentage of provincial GDP (2001-2006)



Source: Dirección Nacional de Coordinación Fiscal con las Provincias [Mecon – DNCFP]

3) Interaction of governors and presidents' instruments of territorial and political control

As noted in chapter 2, the ability of presidents to control undemocratic governors is shaped by a *combination* of national and subnational variables. To be able to penetrate in and control subnational arenas, two conditions are necessary: (a) the president needs have the means necessary to subjugate an undemocratic governor, and (b) the undemocratic governor's capacity to resist penetration from above must be minimal. Taken alone, neither of these two conditions is sufficient for a president to gain leverage subnational politics, rather the *combination is necessary*.

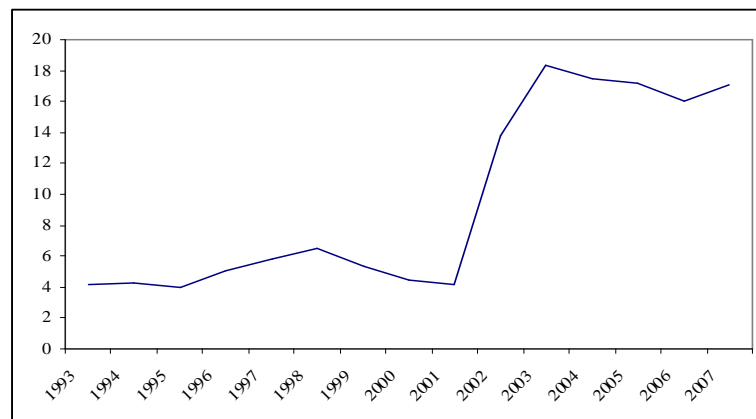
In this section I explore how national and provincial variables combined shaped the prospects of presidential control over La Rioja's incumbents, and how this in turn affected the possibility of vertical coalition making and SUR reproduction. To do so, I assess Kirchner's main instrument of presidential control, fiscal control or the distribution of funds to the provinces, and analyze its effectiveness against the backdrop of La Rioja's rulers' own instruments of control.

As noted in chapter 4, Argentine presidents' partisan capacity to exert control over subnational units has been progressively limited. Part of presidents' inability to discipline provincial incumbents via partisan instruments reflects the increasing levels of party de-nationalization observed since the late 1990s, but especially after 2003 (Calvo and Escolar 2005; Leiras 2006, 2007; Gibson and Suárez-Cao 2008). This process, which has especially affected the Peronist party, was first observed in the 2003 presidential election when the PJ fielded three different presidential candidates. This lack of cohesiveness, intensified in subsequent years, when President Kirchner split from the PJ and created the PJ- Frente para

la Victoria (PJ-FpV) faction, and other major Peronist territorial leaders, who refused to align with Kirchner, created their own PJ fractions (Bonvecchi & Giraudy 2008).

President Kirchner's low capacity to control provincial incumbents via partisan structures contrasted sharply with his strong capacity to discipline governors with fiscal instruments. President Kirchner benefitted from the windfall gains of an economy that grew at an 8.85% rate between 2003 and 2007 (INDEC 2007), increasing the government's revenues to unprecedented levels. In addition, and unlike any other president since the latest transition to democracy in 1983, Kirchner was able to take advantage of a considerable amount of revenues, most from export duties that were not subject to sharing with the provinces (see figure 7.5). This allowed Kirchner to dexterously exercise the power of the purse, and by so doing obtain the acquiescence and cooperation of several provincial incumbents regardless of their party affiliation and/or ideology (see Bonvecchi & Giraudy 2008).

Figure 7.5: Export/import duties as a share of total central government's revenues



Source: Cuenta de Inversión, Mecon (1993-2007)

This indeed was the case of La Rioja's governor. Soon after Kirchner took office, Governor Maza quickly closed ranks with the newly elected president. This move was highly

symbolic for a governor who was a close ally of one of Kirchner's main political contenders.

²⁰¹ Governor Maza, Menem's longest serving disciple, had been one of the main architects and operators of Carlos Menem's 2003 presidential campaign. His closeness to former President Menem, as well as his involvement in the 2003 election, put Maza in a very weak position vis-à-vis Kirchner, since the newly elected president still viewed Governor Maza (and Menem) as political opponents. As Maza noted "Kirchner was completely mad at me. Part of his anger came from the fact that I was Menem's ally, but also because I had encouraged Menem to step down from the runoff."²⁰² Kirchner seriously wanted a landslide over Menem, but once Menem stepped down, Kirchner had to assume the presidency as a weak president, with only 20% of the popular vote, and that is why he wanted me to pay dearly for my audacity" (interview Maza).

And that was precisely what Maza did after 2003. During the first year and a half of the Kirchner administration, Maza as well as his ministers, were forced to show President Kirchner and his ministers deference and respect. Between 2003 and 2005, as Maza himself and several of his closest advisers noted, the governor spent most of his time in Buenos Aires, holding weekly meetings with Kirchner and his ministers, and making both symbolic and substantial gestures of subordination, all of which were intended to prevent the financial isolation of La Rioja (interviews Ada Maza, Bengolea, Chamía). "It was only by showing President Kirchner that I [Maza] could be counted on as one of his loyalists, that I could ensure that the president would keep on sending funds to the province, something that he did

²⁰¹ Recall that in that election Menem competed against the then victorious Néstor Kirchner.

²⁰² Maza reported that he convinced Menem to step down because "they [Menem's campaign team] had been informed that the Buenos Aires' election observers (*fiscales de mesa*) had surrendered to Duhalde [Kirchner's political mentor], and we no longer had money to buy them back" (interview Maza).

not do during his first year in office” (interview Maza). This was the way in which Kirchner managed to control and induce La Rioja’s governor’s cooperation.

Another way in which president Kirchner exerted control over Maza, was by meddling inside provincial borders. Despite the fact that La Rioja had a patrimonial state-administration, one which allowed Maza to control resources, territory, and mayors and the citizenry, his dominion was weaker in the province’s capital, where a disobedient mayor governed. La Rioja city’s mayor became soon a Kirchner’s ally, as evidenced by the federal transfers that began to be funneled directly to the municipality and not through the governor (interview Quintela). By so doing, the Kirchner administration sent a clear message to the governor about its capacity to financially penetrate provincial borders, and more specifically about its capacity to win over mayors, and thus increase its ability to exert control from below.

In sum, the ability of president Kirchner to use financial means to discipline and control undemocratic Riojano governors, coupled with Maza’s chronic and dire dependence on non-automatic federal transfers, contributed to transform La Rioja’s incumbent into one of Kirchner’s most loyal governors, one upon whom Kirchner could count when he needed political support. For this reason, Kirchner actively engaged La Rioja’s governor in vertical coalitions.

4) Mutually functional vertical coalitions and reproduction from above

When Kirchner assumed the presidency in 2003, his party was split into 3 different factions: one led by former President Menem, the second one headed by San Luis’ former cacique, Adolfo Rodríguez Saá, and the third one led by Kirchner and his immediate

predecessor, Eduardo Duhalde.²⁰³ Each of these Peronist leaders had influence and wielded power over different parts of the country (Calvo & Escolar 2005). Thus, to further expand his territorial control and strengthen his position vis-à-vis the other Peronist leaders, Kirchner was forced to co-opt and stitch up alliances with governors.

It was in this context of territorialization and Peronist intra-party split that La Rioja became a highly prized political bounty. With the province's financial dependency on the central government and its high level of indebtedness, La Rioja's governor became a natural partner, one who could offer President Kirchner the possibility of extending his rule (via his partisan label, i.e., PJ-FpV) in the interior, and who could provide much needed electoral and legislative support. But La Rioja was also an attractive electoral district because it was the home-stronghold of former president Menem, and "controlling La Rioja", as one anonymous interviewee put it, "not only was worthy because it allowed Kirchner to extend his political influence, but above all, because it let him show the rest of the PJ that he had defeated Carlos Menem" (interview 4).

In light of these factors, Kirchner had strong incentives to strike coalitions with La Rioja's governor, while Maza, for his part, had very strong financial motivations to maintain a collegial relationship with the center. As a result, both Kirchner and Maza had a mutual interest in cooperating. Precisely for that reason, Kirchner actively kept La Rioja's SUR alive, and Maza provided the political support that was necessary for Kirchner's presidency.

The political dynamic surrounding the 2005 mid-term elections nicely illustrates how the president reaped the political benefits of siding with a "controllable" SUR. In that

²⁰³ The intra-party split was so severe, that these three Peronist leaders competed against each other in the 2003 presidential election in which Kirchner eventually became victorious.

election, Menem decided to run for one of La Rioja's three senate seats, and it was precisely to avoid Menem's victory (in his own stronghold) that Kirchner was forced to field a popular senatorial candidate that could prevent a Menemista landslide. This was the context in which Kirchner asked Maza to run for the Senate seat. As the governor himself put it, "we needed a very strong candidate to defeat Carlos Menem, and I, as the governor, was the only candidate who could do that" (interview Maza). In effect, Maza with his tight control over mayors, public employees, and the party machine, was the only candidate that could ensure a victory over the longstanding Riojano cacique Carlos Menem. "Running against Menem," as Maza reported, "was not an easy decision to make. I talked to Carlos and told him that I could not support him, that I had to prioritize the province over his candidacy. By then I was reestablishing my relationship with Kirchner, and if I did not follow the president's orders, the province would not receive a single penny from the federal government. Carlos Menem understood it and said that I should care for the province" (interview Maza).

Due to La Rioja's vulnerability vis-à-vis the center, Governor Maza not only agreed to run against his own political mentor, but agreed to go to the polls leading the Kirchnerista PJ-FpV ticket, instead of running as a PJ candidate. With this move, Kirchner not only won the first majority, i.e., two seats in the Senate and extended his territorial and partisan presence in La Rioja, but most importantly defeated his fiercest rival and longstanding PJ leader in his own stronghold.²⁰⁴ In exchange for this "service," Kirchner rewarded La Rioja with the non-automatic funds that were essential to run the province.²⁰⁵

²⁰⁴ In that election, the PJ-FpV also won two (out of five Riojano) seats in the House. Carlos Menem won the senate seat for the first minority.

²⁰⁵ These funds, which in La Rioja are known as the "fondos extra-coparticipables" (extra-coparticipation funds) are as important as the coparticipation funds, which only account for 50% of the province's total federal

Figure 7.2 shows the financial payoff of Maza's alignment with president Kirchner. After Kirchner took office, La Rioja saw a decrease in the non-automatic transfers sent by the federal government (depicted with the dashed and solid white rectangles), which decreased from a 40% of the total federal revenues to about 20%. In fact, when compared to 2002, the amount of current transfers funneled to La Rioja was considerably lower. This trend was reversed in 2005, however, when president Kirchner considered Riojano support as critical. As figure 7.2 indicates, federal capital transfers augmented considerably in 2005, and reached an even higher level in 2006, the year before the 2007 presidential election. In addition, other non-automatic transfers, such as current transfers (depicted by the transversally dashed rectangle), also flowed constantly and smoothly into Riojano coffers, indicating that during the years of the Kirchner administration, the president never stopped providing La Rioja's SUR with funds for infrastructure development (i.e., capital transfers⁰, which made up around 20% of La Rioja's total federal revenues.

The mutually beneficial relationship between Kirchner and Maza also paid off at the legislative level. Unlike other Peronist governors, Maza became an assiduous supporter of the president's legislative initiatives. Even though he did not control the entire Riojano congressional delegation,²⁰⁶ the deputies and senators who followed his orders supported all Kirchnerista bills, even the most controversial ones, such as the laws that were passed in 2006 that further increased (in a non-constitutional way) presidential power vis-à-vis other

revenues. Without the "fondos extracoparticipables", the province cannot cover its current and capital expenditures.

²⁰⁶ Of the five Riojano deputies, one belonged to the UCR, and while the remaining were Peronist deputies, Adrián Menem (Carlos Menem's nephew) usually followed his uncle's orders. In the Senate instead, Maza controlled the vote of Ada Maza (his sister) and Teresita Quintela, but could not discipline the third senator, Carlos Menem.

branches of government,²⁰⁷ as well as the bills that were introduced to extend the economic emergency of 2001, which also granted the executive extraordinary powers. In exchange for this support, the government continued to sign the Financial Agreements that ensured the flow of “extra-coparticipation” funds, without which the governor could have not run the provincial economy (interviews Bengolea, Maza, Mercado Luna).

In sum, the need of President Kirchner to obtain Maza’s legislative and electoral support as well as the president’s capacity to wield control over Governor Maza, coupled with the governor’s lack of autonomy from the center, and their more conciliatory relationship with the federal government, all facilitated the building of vertical coalitions. On the one hand, President Kirchner had the instruments necessary to control La Rioja’s governor, and thus the means he needed to subordinate to him to his will/agenda. On the other, Maza had the need and the incentive to be deferential to Kirchner. As a result, both Maza and Kirchner had sufficient reasons to engage in mutually beneficial exchanges: Kirchner not only did not dismantle La Rioja’s SUR, but also reproduced it, and its governor delivered the political and symbolic support that Kirchner needed.

²⁰⁷ These bills include: the modification of the *Consejo de la Magistratura*’s composition, which allowed Kirchner to control the greatest share of its members (38.5%); the law regulating the use of presidential decrees, which further enlarged the president’s legislative capacity; the *ley de Administración Financiera*, which granted the chief of cabinet legal authorization to reassign budget allocations without Congress’ consent (for a discussion of how these laws increased presidential power see Giraudy 2007, Bonvecchi & Giraudy 2007).

III. SAN LUIS: A case of SUR self-reproduction²⁰⁸

Like La Rioja, San Luis ranks among the least democratic provinces of Argentina. A closer look at how the province's indicators of democracy, reveals that, with exceptions of 1983 and 1999, when the UCR²⁰⁹ obtained a relatively high share of the vote, elections in San Luis have become less competitive over the years (see table 7.5). In effect, the effective number of parties running for gubernatorial elections has decreased throughout the years, and the margins of victory have become larger.

Table 7.5: San Luis indicators of democracy

<i>Year of election</i>	<i>ENP</i> (governor's race)	<i>Margin of victory in gubernatorial races*</i> (between winner and runner up)	<i>ENPL</i> (legislative seats)	<i>Strength of the opposition in the lower chamber</i> (% of seats controlled by the opposition)	<i>Turnover (party)</i> (cumulated)	<i>Turnover (head)</i>
1983	2.81	3.26	2.07	43.33	0	0
1985			1.92	50.00		
1987	2.58	19.20	1.93	44.19	0	0
1989			2.14	32.56		
1991	2.46	12.32	2.27	48.84	0	0
1993			2.75	48.84		
1995	1.82	55.03	1.97	41.86	0	0
1997			2.60	39.53		
1999	2.00	10.44	n.d.	51.16	0	0
2001			1.72	55.81		
2003	1.23	84.56	1.68	25.58	0	1
2005			2.57	32.56		
<i>San Luis's mean</i>	2.15	30.80	2.15	42.86	0.00	0.17
<i>Provinces' mean</i>	2.58	16.25	2.30	45.56	1.55	2.89
<i>Min</i>	1.22	0.29	1.13	6.89	1	1
<i>Max</i>	4.45	84.56	8.91	100	4	7

Source: for calculations see Appendix to chapter 3

*Higher values indicate lower levels of democracy

²⁰⁸ Even though I will provide a brief characterization of the administrations that anteceded 2003, the main focus of this section (and chapter) will be on Alberto Rodríguez Saá's (2003-2007) administration.

²⁰⁹ In 1999 the Radicals fielded candidates under the Alianza label.

As in La Rioja, San Luis has been governed by the Peronist party since 1983. Yet unlike La Rioja, which was ruled by three different PJ governors, San Luis has been governed by two governors only,²¹⁰ both of whom belong to the same family: Adolfo and Alberto Rodríguez Saá (see table 7.6).²¹¹ Accordingly, the levels of party and governor turnover, as noted by the two right hand columns of table 7.5, have been extremely low; in fact, they have been the lowest among Argentine provinces.

Table 7.6: San Luis' governors

<i>Period</i>	<i>Governor</i>	<i>Party</i>
1983-1987	Adolfo Rodríguez Saá	PJ
1987-1991	Adolfo Rodríguez Saá	PJ
1991-1995	Adolfo Rodríguez Saá	PJ
1995-1999	Adolfo Rodríguez Saá	PJ
1999-2003	Adolfo Rodríguez Saá*	PJ
2003-2007	Alberto Rodríguez Saá	PJ

*In 2001, Rodríguez Saá assumes the presidency for one week. Alicia Lemme (vice-governor) briefly served in his place

These numbers contrast somewhat with the legislative indicators. As displayed by table 7.5, the effective number of parties competing for legislative seats in the house has fluctuated over time, reaching fairly high levels of competitiveness such as in 1993, when the ENPL reached 2.75. The strength of the opposition in the provincial legislature has

²¹⁰ Until 2007 and 2008, both San Luis and La Rioja's (respectively) constitutions allowed for unlimited reelection.

²¹¹ Adolfo Rodríguez, the elder brother, governed from 1983 to 2001, when he stepped down to serve as Argentina's president for one week during the 2001-2002 crisis. His brother, Alberto, in turn, assumed the governorship in 2003 (see table 7.6).

undergone radical fluctuations: the meager control of 25.58% of the seats by the opposition in 2003 contrasts sharply with the 55.81% control of the seats in 2001.²¹²

These fluctuations underscore three important aspects of the opposition in San Luis. First, that its power has ebbed and waned over time, and that those swings have been very pronounced. Second, that the power of the legislative opposition has, at times, been considerably high, indicating that the opposition could effectively gain positions in power. Finally, the fluctuations also reveal that, unlike other Argentine undemocratic regimes, such as La Rioja or Formosa, the opposition in San Luis has not been decimated, but quite the contrary has always remained active and moderately strong.

Unlike La Rioja, San Luis' hegemonic regime was not consolidated by the constant manipulation of electoral rules and constitutional provisions. Instead, its entrenchment was largely possible due to a one-time constitutional reform in 1986. This reform was clearly intended to reduce the opposition's (i.e. the UCR) electoral power (Samper 1993, Guiñazú 2003, interview Samper). To do so, Governor Adolfo Rodríguez Saá gained approval for the indefinite reelection for governors, for creating a new chamber, the Senate (which overrepresented rural areas where the PJ was most powerful),²¹³ and for providing the executive with new and expanded decree powers (Guiñazú 2003: 81-83, Samper 1993; Suárez-Cao 2001). These new institutions, all of them highly detrimental to the opposition,

²¹² The legislative indicators displayed in table 7.5 regard the lower house. Still, because San Luis has a bicameral system, the indicators only provide partial information about the strength and access of the opposition in the legislature. If one takes into consideration the composition of the Senate, the relative strength of the opposition becomes smaller, as the senate has been literally monopolized by the incumbent party. The only exception was in 2007, when the opposition managed to win one out of nine seats.

²¹³ In addition, the powers of the lower-chamber were trimmed and some key functions (the nomination of lower judges, the appointment of the General Attorney and the Accountant General, as well as the impeachment process) were transferred to the newly created senate (see Guiñazú 2003:82).

are regarded in San Luis as the key pillars upon which the Rodríguez Saás' built their "dynasty" (interviews Laborda, Samper, Agúndez, Vergés, interviews 8 and 9; see also Samper 1993).

1) Governors' instruments of territorial and political control

(a). Bureaucratic state administration

The cross-provincial and cross-temporal evidence presented in chapter 3 indicates that San Luis, unlike other undemocratic regimes in Argentina, has a fairly bureaucratic state-administration. In fact, as table 7.7 shows, of the individual indicators that make up the neopatrimonial index, only one –i.e., rulers' fiscal discretion– is higher than the other Argentine provinces. Instead, the patronage indicator comes close to the mean score. The only indicator denoting relatively high levels of neopatrimonialism is the horizontal accountability indicator, measured as the stability of provincial Supreme Court justices, which scores below the provinces' mean.²¹⁴

A closer look at the indicators of state-administrations presented in table 7.7 reveals that San Luis' state administration has gone through different phases of neopatrimonialism. The 1990s stand out as the least bureaucratic years and this coincides with years in which the political regime was less democratic (see table 7.5), while the early 1980s as well as the early-mid 2000s, appear to be the more bureaucratic.

²¹⁴ Neopatrimonialism, as noted in chapter 3, is measured using the family resemblance concept structure. The family resemblance concept structure "is as a rule about sufficiency with no necessary condition requirements" (Goertz, 2006:36). Thus, it is possible that two or more provinces classified as neopatrimonial will not share all the defining attributes of neopatrimonialism but still capture a set of commonalities considered to be constitutive of this type of state administration. This is the case of San Luis, which, with the exception of the horizontal accountability indicator, can be regarded, comparatively speaking, as a low scoring neopatrimonial province. For another operationalization of neopatrimonialism see Behrend (2008).

Table 7.7: San Luis' indicators of neopatrimonialism

<i>Year</i>	<i>Ruler's fiscal discretion*</i>	<i>Horizontal Accountability*</i>	<i>Patronage*</i>	<i>Neopatrimonialism*</i>
1983	0.04	1	0.55	0.53
1984	0.08	1	0.52	0.53
1985	0.12	1	0.51	0.54
1986	0.16	0.81	0.48	0.48
1987	0.2	0.72	0.49	0.47
1988	0.24	0.77	0.51	0.51
1989	0.28	0.74	0.54	0.52
1990	0.32	0.49	0.57	0.46
1991	0.36	0.54	0.59	0.50
1992	0.4	0.59	0.59	0.53
1993	0.44	0.32	0.57	0.44
1994	0.48	0.32	0.56	0.45
1995	0.52	0.37	0.53	0.47
1996	0.56	0.3	0.56	0.47
1997	0.6	0.17	0.61	0.46
1998	0.64	0.19	0.63	0.49
1999	0.68	0.24	0.65	0.52
2000	0.72	0.28	0.66	0.55
2001	0.76	0.32	0.62	0.57
2002	0.8	0.35	0.64	0.60
2003	0.84	0.38	0.65	0.62
2004	0.88	0.21	0.66	0.58
2005	0.92	0.17		
2006	0.96	0.2		
<hr/>				
<i>San Luis' mean</i>	0.50	0.48	0.58	0.51
<i>Provinces' mean</i>	0.30	0.52	0.60	0.47
<hr/>				
<i>Min</i>	0	0	0	0.12
<i>Max</i>	1	1	1	0.75

Sources: author's calculation (see Appendix to chapter 3)

*Lower values indicate higher levels of neopatrimonialism

Turning to the evolution of each individual indicator, table 7.7 shows that the Rodríguez Saás have followed a tradition of manipulating the size and composition of the provincial Supreme Court. The indicator “horizontal accountability,” which as noted earlier, measures the average tenure of Supreme Court justices, has drifted over time, falling to very low levels between 1993 and 2000.²¹⁵ Wholesale changes in the size and composition of the

²¹⁵ Unlike other federal systems, in Argentina, the selection, appointment, as well as the specific number of provincial Supreme Court justices varies from province to province. There are some provincial constitutions that establish a fixed number of justices, thus limiting to a great extent the capacity of rulers to engage in court packing. Other provincial constitutions, by contrast, establish a fixed number of justices in the constitution but stipulate that the size of provincial Supreme Courts can be either augmented or diminished by statutory law. These laws, in turn, differ regarding the type of majority (i.e., 1/2 or a 2/3 majority) needed for passage. Finally, there are some other provinces where the number of justices is determined by statutory law (see Giraudy, Leiras & Tuñón 2009). In San Luis, the constitution establishes a fixed number of justices (i.e., 9 until 1997, and 5 since then) but notes that the tribunal can still be operational with a lower number of justices (i.e.,

provincial Supreme Court occurred in 1991, when Governor Adolfo Rodríguez Saá introduced five new and loyal justices, adding five to the existing four that were already in office. With that move he ensured an “automatic majority.”

As in La Rioja, another way in Adolfo Rodríguez Saá managed to maintain a subservient Supreme Court was by inducing justices to resign. This frequently used practice was employed to get rid of justices who acted autonomously and who, in consequence, became a potential threat to the governor’s authority (interviews Agúndez, Taurant, Samper). In 1994, the five justices who were appointed in 1991 were removed from the tribunal, and in 1996, two years after having been appointed, three allegedly loyal justices became victims of a massive libel operation orchestrated by the governor. The justices, who had sought to create a more autonomous Supreme Court by opposing several of Adolfo’s initiatives, especially the bills drafted to undermine the independence of the lower courts and the judiciary, were attacked and libeled in the provincial newspapers and most radio stations, and accused of corrupt practices (interviews Samper, Taurant). After months of going through these attacks, the 3 justices resigned, allowing the governor to appointment, once again, 3 new justices.

This pattern of altering both the size and the composition of the Supreme Court continued during the administration of the younger Rodríguez Saá brother, Alberto, who took office in 2003, as 3 (out of 4) justices were removed in 2005, two years after he took power. Even though he went on to replace justices, Alberto, unlike his elder brother, has not changed the size of San Luis’ Supreme Court.

with 5 justices until 1997, and 3 justices since then). This flexible rule gives governors constitutional permission to alter the size of the court.

The constant manipulation of the province's higher tribunal, contrasts sharply with the other indicators of neopatrimonialism, which, as noted earlier, suggest that San Luis has a relatively more bureaucratic administration than other SURs. The ruler's fiscal discretion indicator displayed in table 7.7 illustrates this point. San Luis, unlike La Rioja, not only has a law regulating the distribution of funds across levels of government, but its law has been in place since the last transition to democracy in 1983. The law regulating the distribution of municipal funds in San Luis works in a similar way to the federal coparticipation law (CL), in that it establishes that provincial funds be distributed on the basis of strict formulas. Moreover, as occurs with the federal CL, provincial funds allocated to the municipalities are transferred on an automatic and daily basis.²¹⁶

The existence of such a law limited the Rodríguez Saás' fiscal discretion, preventing them from blatantly blackmailing mayors by manipulating the pace and amount of provincial transfers. At the same time, the automaticity of the transfers gave mayors the possibility of gaining some autonomy from the provincial government, because the allocation of funds was required by law. Equally important, the existence of such a law gave mayors the possibility of obtaining more precise information about when and how provincial money is distributed, thus making the process of funds allocation more transparent and in turn more accountable.

Finally, on the last indicator of neopatrimonialism presented in table 7.7, i.e., patronage, San Luis has scored low. Despite the fact that the size of the public administration in San Luis is not among the smallest in the country, no other province exhibits such a

²¹⁶ Even though funds are channeled via strict formulae and automatically, the law establishes that only that 8% of the federal coparticipation will be transferred to the municipalities, plus that 16% of the property tax and the tax on cars. These percentages are low when compared to the most developed provinces of the country, such as Mendoza and Córdoba.

stability in the size of its payroll (Mecon-DNCFP, various years). In 1983, San Luis had 57 public employees every 1000 inhabitants. Ten years later, that number diminished to 55, and it reached its lowest level in 2004, when only 46 inhabitants out of every 1000 worked in the provincial administration (Mecon-DNCFP, various years). This pattern of keeping a small and stable provincial administration is quite remarkable in the Argentine context, where provincial public administrations began to bloat their rolls during the 1990s, (Gibson and Calvo 2000, Calvo and Murillo 2004, Jones & Hwang 2005).

Unlike most Argentine provinces, San Luis did not follow this trend. Quite the contrary, several policies were implemented to keep the size of the administration in check. Twice in the 1980s (i.e., 1987 and 1989), Adolfo Rodríguez Saá issued decrees freezing vacancies and suspended the overtime payment system (FUNIF 1999 [Tomo II], Guiñazú 2003). There is abundant anecdotal evidence about the governors' fanatical determination to keep the public administration small. As one of his Ministers of Economy reported, "Adolfo would build new neighborhoods from scratch, with new houses, new schools, new police stations, new public libraries, and new hospitals. However, his obsession with keeping the size of the public administration in check, would lead him to the ridiculous point of not wanting to hire new public employees to work in the police stations, the schools, the libraries, and the hospitals" (interview Marín). He not only avoided bloating the provincial administration with unskilled workers, friends, and followers, but most importantly, aimed at hiring the most qualified professional and technocrats, especially in the Ministry of the Economy and Public Works (interviews Marín, Poggi, Samper, interviews 8 & 9).

The governors' aversion to enlarging the provincial administration was so strong that the general public, with the passing of years, got accustomed to having one of the most

efficient and least clientelistic bureaucracies of the country. In fact, when in 2003 the newly elected governor (Alberto) implemented the *Programa de Inclusión Social*, a mega project of social inclusion aimed at offsetting the rising levels of unemployment by hiring people to perform different communal jobs,²¹⁷ the general public as well as most of the province's technocrats severely condemned the program because it was viewed as a covert form of public employment (interviews Marín, Samper, Agúndez, Laborda, Otero, interviews 8 & 9).²¹⁸

Other policies implemented by Adolfo Rodríguez Saá to rationalize the public administration and trim inefficient public spending, included the selling off of the provincial automobile fleet in 1988, the passage of a law establishing a wage cap for public employees, the suspension of advanced payments for centralized and decentralized public administration's personnel in 1989, the suspension of special pension's regimes in 1990, the passage of a law regulating public employees' conflict of interests in 1991, and the establishment of a civil service in 1993 (see FUNIF 1999 [Tomo II]).

During the years of Adolfo Rodríguez Saá's administration, in sum, several policies were implemented to prevent the bloating of the provincial public administration, to enhance

²¹⁷ In 2003, the level of unemployment in San Luis reached the unprecedented levels of 15.6%. The province had always been characterized by its low unemployment rates, which on average never surpassed 7% (see Suárez Godoy 2004, FUNIF 1999).

²¹⁸ The *Plan de Inclusión Social* is a conditional cash transfer program, that provides participants with cash allowances conditional upon certain verifiable actions, such as providing communal services, maintenance work in the public administration, etc. Yet, unlike other employment programs implemented in Argentina and other poor countries, employees make contributions to the pension system and have healthcare coverage.

its efficiency and predictability, and to decrease typical patronage practices. All these policies kept the levels of neopatrimonialism at a relatively low level.²¹⁹

Also unlike other more patrimonial provinces, such as La Rioja, where incumbents exerted tight control over lower levels of government, the Rodríguez Saás' could not exert absolute leverage on municipalities. As table 7.8 indicates, Peronist-ruled municipalities never reached the percentages observed in La Rioja (see table 7.4), where the governor controlled at least 83.33% of the mayoralties; instead in San Luis, the PJ oscillated between controlling less than half of the total municipalities in 2003, to controlling all but one municipalities in 2007.

Table 7.8: Percentage of municipalities under PJ control

<i>Year of election</i>	<i>% of municipalities belonging to the governor's party</i>
1983	51.61
1987	72.58
1991	66.67
1995	67.19
1999	59.38
2003	45.31
2007	98.46

Source: author's calculations based on Micozzi (2009), and Secretaría de Asuntos Municipales de la Nación, Ministerio del Interior

In addition to its limited electoral presence in the interior, the Peronist party, could not dominate the most populated district, i.e., the province's capital, San Luis City.²²⁰ With

²¹⁹ Even though levels of neoptrimonialism were low, it is important to note that San Luis' governors incurred patrimonial practices, especially regarding the local media and access to public information (see Behrend 2008).

²²⁰ 40% of the provincial population resides in San Luis City (Dirección Provincial de Estadísticas y Censos [DPEyC], Gobierno de San Luis). Yet, the other main urban center of San Luis province, Villa Mercedes, where around 30% of the provincial population lives, has always been dominated by the PJ.

the exception of the 1990s, the city was ruled by opposition parties –the UCR from 1983 to 1987, and the local dissident PJ between 1999 and 2007–. This lack of control over the province’s principal urban center had important implications for San Luis’ SUR, in that it gave opposition forces and the general citizenry some room to maneuver: to document, denounce, and confront the Rodríguez Saás’ abuses of power and thus weaken the regime. Perhaps the most vivid example of this confrontation occurred in 2004, when thousands of regular citizens, opposition parties (organized under an umbrella organization, the “Multisectorial”) and several organized groups (among which were the highly combative teachers’ union) went to the streets demanding the end of the Rodríguez Saás’ rule.

The lack of political control over the capital city did not prevent the Rodríguez Saás from using nondemocratic and semi-illegal tactics to undermine the power of the opposition. In 2000, for instance, immediately after the incumbent PJ had lost the mayoralty of San Luis city to the opposition, the promoted the passage of a new law aimed at redistricting the city, which entailed the division of the capital into four different towns. This law, whose purpose was to reduce the electoral clout of the opposition, sparked an impressive resistance in the streets, provoking the seizure of the local legislature. As a result of these mobilizations, the Rodríguez Saás and PJ legislators repealed the bill. Yet the governor did not give up, and created a new municipality (La Punta) from scratch in the outskirts of San Luis city. La Punta, where hospitals, schools, even an university, public housing, high tech centers, and soccer fields were built overnight, soon attracted San Luis city’s residents who, as the governor intended, moved away from the capital city and thus contributed to lessen the electoral weight of the province’s capital (interview Agúndez).

Finally, perhaps the most aggressive action of the Rodríguez Saás against the opposition in the capital city was taken in 2003, when the governor, ignoring the right of San Luis' mayor to call for municipal elections, announced his own electoral calendar. Elections in the municipality were held twice that year, as both the mayor and the governor followed their own calendars, fielded their own candidates, and elected their respective mayors. After the two elections were held, San Luis city was ruled by two mayors, had two seats of government, required citizens to pay local taxes to two mayoralties and municipal employees to work for two different patrons. This episode, one of the most unusual episodes in contemporary Argentine politics, lasted one year and a half and ended when the federal Supreme Court ruled against Alberto Rodríguez Saá and ordered "his" mayor, Angélica Torrontegui, to step down.

In sum, despite the fact that the Rodríguez Saá brothers altered the size and composition of the Supreme Court on numerous occasions, indicating that theirs was a regime that did not respect agencies and institutions of horizontal accountability, and also implemented several dubious practices to undermine the power of the opposition in the capital city, their power was more limited than in other nondemocratic provinces. In contrast to patrimonial nondemocratic regimes, such as La Rioja, the more bureaucratic nature of the province's administration contributed to disperse political power.

(b). Financial discipline/autonomy

With no parallel in the country, the province of San Luis has, over a period of 20 years, undergone one of the most radical economic transformations observed at the provincial level. This section focuses on this striking economic revolution, which, coupled

with the implementation of policies that aimed at maintaining a balanced budget and very low levels of indebtedness, allowed San Luis to stand among the most financially responsible and economically sound provinces of the country. This economic performance not only had important implications within provincial borders; it also became decisive in shaping the province's relation with the federal government and, in turn, the prospects of San Luis' SUR continuity.

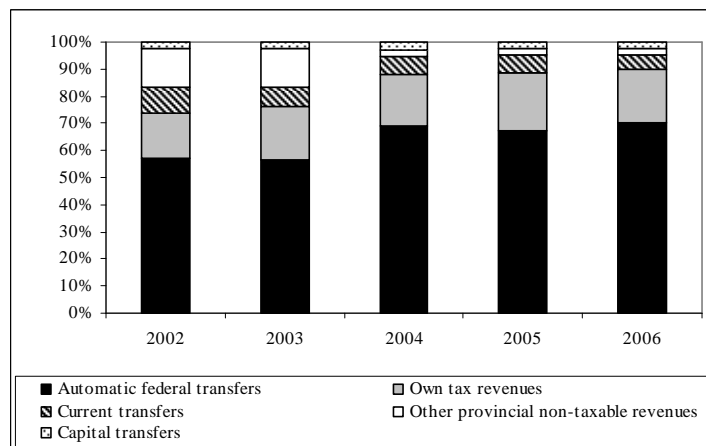
Like most small provinces in Argentina, San Luis is highly dependent on federal transfers. In fact, as figure 7.6 shows, around 60% of San Luis' income stems from the federal government. Yet, unlike other small provinces, around 90% of these transfers are made up of automatic co-participation funds (as depicted by the black, light grey, and vertical lined rectangles in figure 7.7). That is, even though the province relies on the federal government for its subsistence, the funds that make that subsistence possible flow to San Luis on a regular (i.e., daily), formula-based, automatic, and non-discretionary basis.

Also, unlike other small provinces, San Luis obtains a fair share of revenues from its own taxes. As figure 7.6 indicates, an average of 20% of the province's income comes from provincial taxes –a remarkable percentage given Argentine provincial governments' low institutional capacity and lack of political will to tax their population. Finally, as figure 7.6 reveals, San Luis' dependency on other federal transfers (depicted by the dotted and lined rectangles) is, relative to the other provinces, very low.

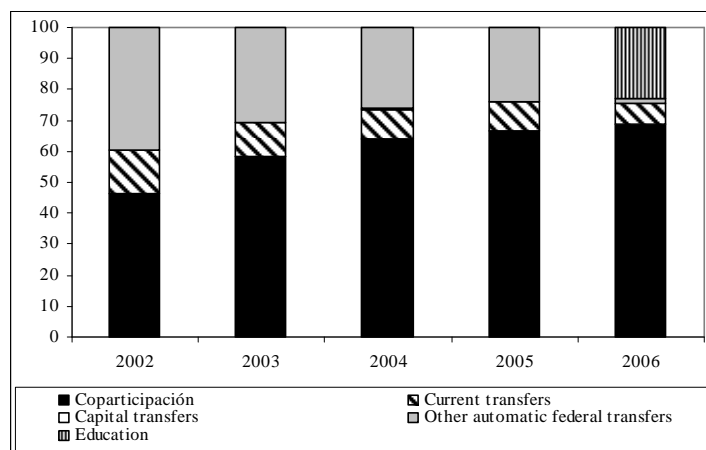
I argued in chapter 2 that financially responsible and austere provincial incumbents who manage to keep their expenditures small, can further expand their autonomy from the center, as they do not need to resort to the federal government's financial aid. A closer look at how the Rodríguez Saás managed the provincial economy indicates that they proceeded in

a very responsible and orderly manner. As figure 7.8 shows, during the 2002-2006 period, and only with the exception of 2005, when the province experienced a small deficit, the financial balance has been positive. More strikingly is the pattern of indebtedness observed in figure 7.9. San Luis not only has been able to maintain low levels of indebtedness, even in 2002 when the economic crisis hit the country, but above all has become one of the Argentine provinces with the lowest levels indebtedness (Cetrángolo and Jiménez 2004, Cetrángolo et al. 2002, DNCFP –Ministerio de Economía).²²¹

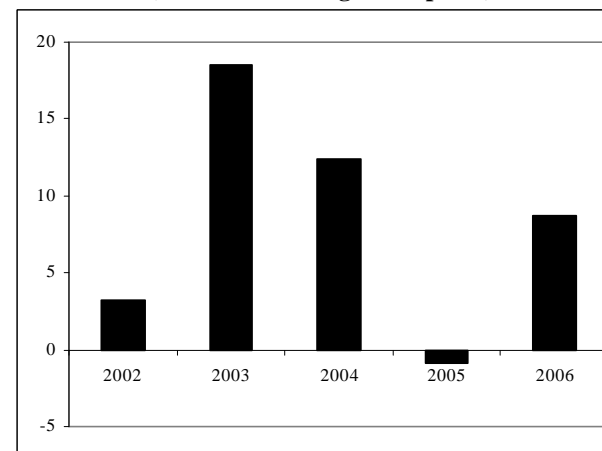
²²¹ What is more, financial autonomy is also possible in San Luis because most of the province's lenders are international financial institutions and private lenders, not the federal government (interviews Poggi, Marín).

Figure 7.6: San Luis: Income sources

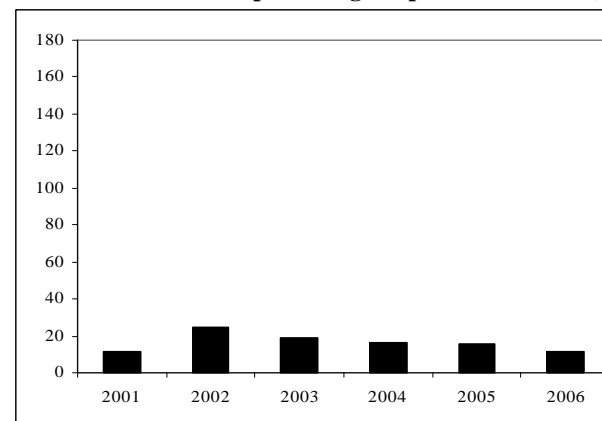
Source: Dirección Nacional de Coordinación Fiscal con las Provincias [Mecon – DNCFP]

Figure 7.7: San Luis: Type of federal revenues as a share of total federal revenue

Source: Dirección Nacional de Coordinación Fiscal con las Provincias [Mecon – DNCFP]

Figure 7.8: San Luis: Total income – total expenditures (1997-2007) (in millions of Argentine pesos)

Source: Dirección Nacional de Coordinación Fiscal con las Provincias [Mecon – DNCFP]

Figure 7.9: San Luis: Debt as percentage of provincial GDP (2001-2006)

Source: Dirección Nacional de Coordinación Fiscal con las Provincias [Mecon – DNCFP]

This efficient, responsible, and austere financial management of the provincial economy has put San Luis' governors in a very powerful position to neutralize presidential penetration and control. Since 1983, all Argentine democratic presidents have had hard times to discipline the Rodríguez Saás via fiscal instruments (interviews Marín, Poggi, Vergés, Montero, Samper).

The economic and financial success of San Luis was built on two pillars. The first was Adolfo's commitment to financial austerity and responsible management. Indeed, soon after taking office, he attacked government inefficiencies and sold public companies (see FUNIF 1999). As several of his close advisers reported, he became obsessed with improving provincial tax collection, taking decisive steps to streamline bureaucratic procedures. During his 20-year administration, Adolfo promoted and signed several bills designed to balance the budget that obliged the government to spend half of its revenues on public infrastructure and investment, and which, at the same time, penalized unproductive and wasteful public spending. Finally, the provincial government implemented a very tough policy with regard to public debt and savings, one which sought to maintain indebtedness at a minimum and savings at a maximum.²²² In sum, Adolfo Rodríguez Saá himself kept a watchful eye over the provincial economy. As his former Minister of Economy put it, "the governor met with me every Monday to review tax collection and public accounts, and to control levels of investment and public spending" (interview Marín).

²²² Probably the best example illustrating San Luis' commitment to saving occurred in the 2001-2002 economic crisis. Due to its impressive savings capacity, San Luis had a considerable amount of money in the Argentina's National Bank. With the implementation of the so-called *corralito*, which froze bank accounts and assets, San Luis saw most of its savings confiscated. Interestingly, San Luis was the only province affected by such a measure. San Luis' capacity to save is all the more striking given the context of economic hardship observed in the country and the provinces since the mid-late 1990s.

The second pillar of San Luis' economic and financial success was the province's industrial policy. San Luis was one of four provinces which benefited from one of the country's tax incentives programs for investment in underdeveloped provinces, the so-called *Régimen de Promoción Industrial* (RPI or industrial promotion regime).²²³ This regime, which offered a number of tax breaks to firms that settle in the province, was the driving force of San Luis' spectacular economic growth and development. Reforms in 1979, 1982, and 1983 delegated the authority to grant federal tax breaks from the national government to provincial administrations and thereby conferred upon governors an enormous capacity for development (Eaton 2001, Guiñazú 2003). "By granting federal tax breaks," as Eaton (2001) notes, "they could promote industries, provide jobs, and broaden locally generated tax revenues at the expense of other provinces" (2001:101).

Unlike La Rioja, which also benefitted from the RPI, San Luis took full advantage of the industrial promotion regime, making industrial development the government's principal economic activity (see Guiñazú 2003). Industrial activity only comprised 14.7% of the provincial GDP in 1980, before RPI was implemented. Ten years later, in 1991, it had reached 63.7%, and 50.3% in 2004 (DPEyC-San Luis). Needless to say, the process of industrialization brought about important improvements in most socioeconomic and demographic indicators. To list a few, the economically active population in the manufacturing sector grew 245.5% between 1980 and 1991; the percentage of households living in poverty decreased from 27.7% in 1980 to 18.6% in 1991; and the percentage of households with no water and electricity dropped from 34.1% and 27.2% in 1980, respectively to 19.9% and 12.1% in 1991 (see Guiñazú 2003:59-64).

²²³ The other 3 provinces were La Rioja, San Juan, and Catamarca.

Unlike governors from other provinces which also benefitted from the RPI, the Rodríguez Saás accompanied the process of industrial development with an impressive investment in public infrastructure. Roads, highways, housing for workers, and sewage were built at an impressive pace and extension,²²⁴ providing not only better services for the newly installed industries, but also improving the living conditions of most *sanluseños*.

In sum, the dynamism brought about by the industrial promotion regime, which led to spectacular levels of economic growth, coupled with the Rodríguez Saás' austerity policies and efficient management of the provincial economy, as well as their low levels of indebtedness –all contributed to enhance the Rodríguez Saás' financial autonomy from the federal government. This autonomy translated into presidential inability to discipline the Rodríguez Saás and had important implications for San Luis's SUR's reproduction.

2) Interaction of governors and presidents instruments of territorial and political control

In this section I explore how national and provincial variables combined shaped the prospects of presidential control over San Luis' incumbents, and how this in turn affected the possibility of vertical coalition making and SUR reproduction. To do so, I assess Kirchner's main instrument of presidential control, fiscal instruments or the distribution of funds to the provinces, and analyze its effectiveness against the backdrop of San Luis' rulers' own instruments of control.

President Néstor Kirchner, unlike any other president since 1983, counted on abundant fiscal resources to exert leverage on provincial governments and subnational

²²⁴ As of 2007, San Luis has 1/3 of Argentina's (paved) highways and roads (DPECyC-San Luis).

arenas. The windfall gains of commodity exports, which enriched the central government's coffers with revenues that were not subject to sharing, allowed Kirchner to dexterously exercise the power of the purse over provincial incumbents. However, San Luis' sound economy and its low levels of indebtedness, coupled with the province's capacity to collect relatively high amounts of tax-revenues, all contributed to lessen Rodríguez Saá's financial dependency on the federal government. This gave the governor the means necessary to avoid becoming hostage of Kirchner's strategy of financial subjugation, and perhaps more importantly, gave him the chance to become one of Kirchner's staunchest opponents.

However, the existence of a more bureaucratic state administration, which limited the governor's capacity to exert tight control over resources, territory, opposition forces, and local organized groups, generated opportunities for presidential penetration. Even though Kirchner's capacity to trespass on provincial borders and provincial power via partisan instruments was low (see chapter 4), the president's fiscal leeway enabled him to make inroads in the province by co-opting opposition mayors from San Luis City, Daniel Pérsico (2003-2005) and Alfonso Vergés (2005-2007). To do so, the president bypassed the governor and channeled federal funds and programs directly to the mayors (interviews Vergés, Agúndez, Montero, *El Diario de la República* November 20, 2006). With this strategy, the president sought both to empower local popular leaders from the opposition and to extend his party label (i.e., the PJ-FpV) into the Rodríguez Saás' stronghold to control them from below. This strategy, however, proved short-lived, given that the opposition lost control of the capital city to Rodríguez Saá's candidate in 2007.²²⁵ By so doing, President

²²⁵ An additional factor contributing to Kirchner's incapacity to put together a strong local coalition to control the Rodríguez Saás, was that the local opposition forces were extremely factionalized and divided (interview Montero).

Kirchner could not count on potential allies to control the governor from below. Moreover, he could not even pursue strategies of financial co-optation with mayors of the province's interior, because the Rodríguez Saá's policies of economic austerity and financial responsibility, which trickled down to the municipal level, prevented mayors from being in dire economic and financial straits, and, in turn, less in need for additional federal financial resources (interview Montero). In short, the lack of a relatively strong and sustainable PJ-FpV structure in San Luis, coupled with the governor's and mayors financial autonomy, helped San Luis' governor to thwart penetration and control from above. The sound economic position of the province, not only strengthened San Luis' SUR and expanded Rodríguez Saá's autonomy, but was also detrimental to the construction of intergovernmental coalitions.

3) Displacement from vertical coalitions and self-reproduction

Throughout the years of the Kirchner administration, the relationship between San Luis' governor and the president was one of continuous confrontation, showing that neither side had incentives to engage in mutually functional relations of cooperation, nor to establish vertical coalitions. In effect, not only did Kirchner avoid striking coalitions with Alberto Rodríguez Saá, but most importantly he sought to undermine from below the governor's authority within San Luis. The governor, for his part, not only refused to support Kirchner's agenda, but most importantly, boycotted the president's initiatives, as no other governor in the country dared to do.

There are abundant examples illustrating the governor's unwillingness to side with Kirchner. For instance, unlike other PJ (and even opposition governors), Rodríguez Saá did

not hesitate to break ranks with the president by refusing to participate in several intergovernmental fora such as the *Consejo Federal de Inversiones* (i.e., the interprovincial agency responsible for financing different investment projects), and the *Consejo Federal Vial* (i.e., the agency responsible for coordinating highway construction), alleging that the federal government had treated San Luis in an unfavorable and discriminatory manner. Additional accusations of financial discrimination went unheard in Buenos Aires, but were later transformed into a claim filed with the federal Supreme Court against the Kirchner administration.²²⁶

Additionally, Rodríguez Saá was the only PJ governor who openly confronted one of Kirchner's linchpin policies, namely, the administration and (unconstitutional) appropriation of export duties.²²⁷ He not only denounced the president in the media, but filed yet another claim with the federal Supreme Court in which he demanded the complete refund of the income tax. Finally, the most eloquent example of Rodríguez Saá's confrontational stance with the president occurred in the 2007 elections, when he ran as the Peronist dissident presidential candidate against Kirchner's wife, demonstrating that he had become one of the most visible and influential anti-*Kirchnerista* leaders within the dissident Peronist faction.

Rodríguez Saá's uncooperative behavior was also observed in Congress. Contrary to what occurred with Governor Maza, who instructed La Rioja's congressional delegation to back most of Kirchner's bills, Rodríguez Saá's disciplined delegation opposed most of the

²²⁶ This lawsuit has the potential of reversing most of Kirchner's financial policies vis-à-vis the provinces.

²²⁷ Rodríguez Saá alleged that the "*retenciones*" (i.e., export duties) were unconstitutional because they reduced the producers' income, and in turn the income tax. A reduction in this tax, which according to the co-participation law, is subject to provincial sharing, reduced the amount of money that was sent to the provinces.

president's legislative initiatives.²²⁸ This refusal was vividly observed in 2006, when no San Luis' deputy voted for Kirchner's most valued initiatives.²²⁹

A similar unsupportive behavior was seen during campaigns and elections. Unlike what occurred in La Rioja in 2005 and 2007, Rodríguez Saá refused to go to the polls in alliance with the *Kirchnerista* faction, i.e., the PJ-FpV. Even though Kirchner managed to win the federal 3rd senatorial seat, he fared poorly in the lower house race, where he did not obtain a single PJ-FpV seat. The electoral gains of the PJ-FpV in San Luis were even smaller in the 2007 mid-term and presidential race, where he did not obtain a single seat in the house, and received only 8.56% of the vote in the presidential race (DINE, Ministerio del Interior). In sum, by refusing to make alliances with the PJ-FpV, Rodríguez Saá prevented Kirchner's faction from growing stronger in San Luis,²³⁰ and by so doing curtailed the president's capacity to exert control from below.

The uncooperative relation between San Luis and the federal government also led the federation to displace the Rodríguez Saás from vertical coalitions. Kirchner did not have incentives to reward San Luis' governor and much less to reproduce a SUR on whose cooperation he could not count. In effect, and contrary to how he behaved with other more cooperative and functional SURs such as La Rioja, Kirchner did not provide San Luis with additional federal programs and funds. As figure 7.7 shows, every single penny that flowed from the federal government to San Luis came in the form of automatic transfers, that is, money that by law flows directly to the states. Unlike other non-democratic provinces, such

²²⁸ Rodríguez Saá controlled all the delegation except for one senator, who responded to Kirchner's PJ-FpV.

²²⁹ See footnote 27.

²³⁰ The PJ-FpV only obtained 1 senatorial seat in 2005, not a single seat in the 2007 mid-term election, and only 8.56% of the presidential vote that same year (DINE).

as La Rioja and Formosa, which received a considerable amount of non-automatic federal revenues as a reward for his support, President Kirchner did not transfer additional federal money to San Luis.

Another way in which Kirchner sought to undermine Alberto Rodríguez Saá's authority was by hampering the governor's capacity to implement programs and policies in the province. As in most federations, the implementation of several provincial programs and/or policies requires federal approval. By refusing approval, Kirchner delayed the implementation of different programs that were of utmost interest to the governor. The federal government did not issue the permission needed to install new radio stations/bands, to approve the curricula of the newly created University of La Punta, to build the international airport near La Punta, to authorize new air routes between the province and other destinations, to build new stretches of provincial highways, and to produce new medicines in San Luis' laboratories. Kirchner also suspended many important federal programs that operated in San Luis such as the Environmental Plan, various federal funded health programs, the plan to eradicate the Chagas' disease, the plan to modernize several health-care centers, and the program of subsidies for small landowners and small firms, among others.

Despite Kirchner's strategies to weaken San Luis' SUR, Governor Alberto Rodríguez Saá managed to keep the regime alive. SUR continuity in San Luis was possible because the governor had both the means necessary to self-reproduce the regime and to weather presidential attempts to destabilize the regime. In sum, Rodríguez Saá's financial autonomy, which helped him prevent the penetration of a president as fiscally strong as President Kirchner, was key to shaping the nature of intergovernmental relations, and in turn the prospects of SUR continuity in San Luis.

IV. Conclusion

The analysis of the case studies of La Rioja and San Luis presented in this chapter offered evidence about how undemocratic regimes operate in practice, illustrating with concrete examples the way in which undemocratic rulers exercise political power within their strongholds. The chapter not only discussed the specific traits of two Argentine SURs, but also, and more importantly, shed light on the specific causal mechanisms that explain different trajectories of SUR continuity.

The in-depth qualitative analysis of La Rioja and San Luis indicates that key differences across SURs –such as their financial autonomy from the central government and to a lesser extent, the type of state administration, unleash distinct patterns of interaction with the national government, setting in turn provinces in different trajectories of SUR continuity. This finding reveals that, contrary to what most explanations of regime continuity indicate, SURs endure for different reasons, and that the causes and the causal mechanisms that explain why and how they are resilient are not the same. Indeed, as the case of La Rioja revealed, some SURs endure because they meet strategic needs of national politicians, thus inducing national incumbents to reproduce these regimes from above.²³¹ Others, such as San Luis, continue to exist because specific characteristics of these regimes provide recalcitrant governors with the resources needed to expand their authority and power vis-à-vis local forces and the national government.

The cases of La Rioja and San Luis also demonstrated that trajectories of SUR continuity are better explained by assessing the *combined* effect of national and subnational

²³¹ The case of La Rioja is, in fact, a dramatic demonstration of the power that financial dependency has on converting the governor's loyalty, especially in light of the prior strong links of Governor Maza to former President Menem.

variables. The cases of La Rioja and San Luis revealed that the politics that played out at the intersection of national and subnational arenas, which was central to determine the territorial strategies employed by national regarding SUR continuity, could not be understood without taking into consideration state-level variables.

Finally, the study of La Rioja and San Luis provides a basis for inferring that the causal patterns and mechanisms that were found operating in the cases of La Rioja and San Luis may also be in other similar nondemocratic states. As noted in graph 7.1, La Rioja is not the only nondemocratic fiscally dependent province present in Argentina, nor is San Luis the only fiscally autonomous nondemocratic province of the country. Hence, the pattern of interaction between national and state-level variables seen in these two cases, as well as how these in turn shape the SUR continuity, might contribute to understanding the continuity of other similar Argentine SURs.

Chapter 8: Conclusion

As many scholars have noted, one of the most salient characteristic about the latest processes of democratization in the developing world is that national democracy has not always been accompanied by subnational democratization. This study confirms this trend by taking a closer look at Argentina and Mexico, two countries where national democracy has not trickled down evenly. Indeed, as shown in chapter 3, subnational units in these two countries vary tremendously with respect to their levels of democracy. At least 20.8% of the Argentine provinces and 31.2% of the Mexican states still remain undemocratic –i.e., have not experienced any kind of movement towards higher democracy, whereas only 20.8% Argentine provinces and 18.7% Mexican states can be regarded as fully democratic. These results not only reveal that subnational nondemocratic regimes are ubiquitous, but perhaps more importantly, that they are “sticky.”

Understanding the conditions that make this resilience possible has been the central goal of this study. In chapter 2, I proposed a new analytic model to assess subnational undemocratic regime continuity. I argued that existing approaches to the study of regime juxtaposition –the “territorial politics approach” and the “provincial approach,” provided partial explanations of SUR continuity, as they only explained some cases well but not others. However, I also noted that each of these approaches emphasized different and important elements of the national-subnational reality, and that precisely for that reason each of them should be synthesized into a more satisfying model.

From the first body of literature, I borrowed the idea that national politics and national institutions affect the prospects of SUR continuity. Yet, in line with the provincial approach, I also recognized that subnational variables shape SUR survival. In fact, one of the main claims of this dissertation was that subnational variables strongly shape the pattern of intergovernmental interaction, thus determining whether and how SURs are reproduced.

Building on these premises, I argued that the capacity of national incumbents to penetrate and control subnational nondemocratic arenas/governors gives the former incentives to engage in a strategy of SUR reproduction (from above). An undemocratic governor who is subject to presidential manipulability and control can in fact be very beneficial for a president in need of political support. With their tight control over voters and national legislative delegations, subservient undemocratic governors can provide important benefits to national incumbents (Gibson 2005). If presidents can successfully induce governors to cooperate with the center, the latter might find it very convenient to engage in mutually beneficial vertical coalitions. When this occurs, I contended that a first type of SUR continuity ensues, namely, *SUR reproduction from above*.

Yet, presidential penetration and control over nondemocratic incumbents/arenas, is not always attainable. In fact, recalcitrant and powerful undemocratic governors may stand in a position to prevent and/or neutralize presidential leverage and control. When this occurs, presidents have few incentives to promote the continuity of SURs upon which they cannot exercise any control, much less induce their rulers to become part in vertical coalitions. In such a context, the center not only will avoid reproducing SURs from above, but whenever possible, it will seek to weaken these regimes. Nonetheless, the entrenched position of autonomous and non-controllable undemocratic incumbents, coupled with presidents' weak

disciplining power, allows the former to maintain the status quo and keep their regimes alive. When this occurs, I noted that a different trajectory of SUR continuity ensues.

I further argued that control from the center over the periphery could be attained either via their party structures, and/or through fiscal leverage depending on the context in each country. Accordingly, I identified 3 possible paths through which presidents can exert control over SURs –the *fiscal path of presidential control*, the *partisan path of presidential control*, and finally the *fiscal-partisan path of presidential control*. The cross country comparison carried out in chapter 4 revealed that Argentine presidents, when compared to their Mexican counterparts, experienced more variation in terms of the accessibility to instruments of presidential control. For instance, while President Menem (1989-1999) stood in a powerful partisan and fiscal position vis-à-vis governors,²³² Kirchner's (2003-2007) could exert control over subnational incumbents mostly via fiscal means. By contrast, President De la Rúa (1999-2002) stood in a very weak position in relation to the provinces, as he could not discipline governors neither through fiscal nor via partisan instruments. Mexican President Fox, for his part, disciplined governors via partisan instruments, and only towards the end of this tenure could he resort to fiscal instruments (derived from the windfall gains from oil) to wield political power over lower-levels of government.

After carrying out cross-country and cross-temporal comparisons to identify the distinct paths of presidential control followed by each president, I carried out within-country comparisons and explore whether different trajectories of SUR continuity were contingent upon undemocratic governors' capacity to resist (or succumb to) presidential control. To test these premise I conducted both quantitative and qualitative studies. In chapter 5, I tested the

²³² His fiscal power, however, was somewhat reduced during his second administration (1995-1999).

more general claim of my argument by performing different cross-sectional time-series analyses, each of which was aimed at testing whether presidential control leads to SUR reproduction from above. The regressions ran in chapter 5 strongly confirmed the major theoretical statements of this study, revealing that President Fox benefitted SURs he could control via partisan instruments, while President Kirchner rewarded non-democratic provinces that had high levels of indebtedness. President Menem, for his part, who had access to both partisan and fiscal instruments, benefitted SURs that were either possible to control via partisan structures, or possible to control via fiscal means. Finally, President De la Rúa, due to his limited access to both fiscal and partisan instruments, did not benefit SURs upon which he could not exert control.

In addition, the regressions strongly supported the argument that presidents favored one specific type of undemocratic regime over another. In other words, contrary to what current scholarship on subnational authoritarian regimes contends, neither Fox, nor Menem or Kirchner, rewarded *all* existing SUR during their respective administrations. Instead, they selectively benefitted those regimes upon which they could exert some type (i.e., fiscal or partisan) of control. Most importantly, none of these presidents contributed to expand the power of SURs upon which they could not exercise political leverage. In fact, as shown by all regressions models, the SURs which were not easily penetrable or controllable by presidents were punished, in that they received a lower proportion of federally funded programs/transfers (other things being constant).

In chapters 6 and 7, I shifted my research focus from quantitative comparisons to a closer qualitative, in-depth examination of two within-country comparisons in each country. The case studies of Oaxaca, Puebla, San Luis, and La Rioja showed precisely that different

types of SUR reproduction occurred along the paths indicated by the theoretical framework outlined in chapter 2.

Chapter 6 analyzed the evolution of Oaxaca and Puebla, two states that scored very low on the democratic index developed in chapter 3. The analysis offered evidence about how undemocratic regimes operate in practice, illustrating with concrete examples the way in which undemocratic rulers exercise political power within their strongholds. In addition, drawing on data collected from 90 in-depth interviews with Mexican national and subnational top-rank officials, the chapter presented detailed evidence to substantiate that key differences between SURs –such as the nature of their state-administrations and financial autonomy, unleashed distinct patterns of interaction with the central government, thus setting states in different trajectories of SUR continuity.

In effect, the study of the case of Puebla showed that the existence of a bureaucratic state-administration, which rendered state's borders more penetrable, coupled with a strong presence of the PAN in Puebla, enabled Fox to both make political inroads in the state and take hold over his party structure and other opposition forces. These factors contributed to expand the president's capacity to constrict Puebla's governors from below, giving Fox the possibility to induce Poblano rulers' cooperation. Because President Fox stood in position to obtain strategic benefits from Poblano incumbents, he opted to reproduce Puebla's SUR from above.

By contrast, the existence of neopatrimonial state-administration, together with a low Panista presence in the state of Oaxaca, allowed Oaxacan incumbents to neutralize presidential penetration and control, and in addition expand their power to confront the president and challenge his authority. Under these circumstances the federal government had

few incentives to strike vertical coalitions with Oaxacan rulers. Indeed, contrary to how Fox behaved with other more supportive SURs (such as Puebla, Veracruz, or Hidalgo), the president took a series of measures to weaken the regime, among which were refusal to funnel additional programs and funds, the commissioning of several federal audits to investigate Oaxacan incumbents' financial misdoings, and finally filed several claims with the federal Supreme Court against the state of Oaxaca.

Despite Fox's efforts to destabilize the regime, governors Murat and Ruiz managed to keep Oaxaca's SUR in place. Several internal factors contributed to this survival. First, the flow of automatic transfers (i.e., *participaciones* and *aportaciones*), which was ensured by the institutionalized and non-discretionary nature of Mexico's revenue-sharing system, allowed Oaxacan rulers to get the funds they needed to run the state. Second, the strategy of removing mayors not only increased Murat and Ruiz' political clout at the local level, but also served to fill the state's coffers with the appropriation of federal transfers that were destined for municipal projects. In effect, by appointing loyal *administradores municipales* (municipal administrators), Oaxacan governors were able to shift considerable federal money destined to municipalities into the state's coffers. Finally, the ability of governors Murat and Ruiz to strike dealings with private lenders, and banks, coupled with their connections to the PRI national structure²³³ enabled them to get additional resources to stay in power, and in turn, created opportunities to expand their authority and maintain the regimes alive. By so doing, Oaxacan incumbents succeeded in reproducing their SUR "from below" despite national democratization.

²³³ Murat and Ruiz were among the closest friends, advisors, and partners of Roberto Madrazo, the then PRI national leader, and 2006 presidential candidate.

In chapter 7, I analyzed the evolution of two Argentine SURs, La Rioja and San Luis. As in chapter 6, the analysis of the Argentine cases illustrated with concrete examples the way in which a subnational undemocratic regime rulers works in practice. The cases were also employed to exemplify how differences across regimes, such as their levels of financial autonomy, unleashed distinct patterns of interaction with the central government, and set in turn, states onto different trajectories of SUR continuity.

The case study of the province of La Rioja provided detailed evidence about how a vulnerable and controllable SUR can be held hostage by the central government. La Rioja's critical financial dependence on the center created the conditions necessary for President Kirchner, who had easy access to abundant resources, to control Riojano governor. Interestingly, this occurred even despite the fact that La Rioja had a neopatrimonial state administration that would, in theory, have allowed them to neutralize presidential control. These factors, contributed to expand the president's capacity to win over Riojano governors, giving the president sufficient power to induce provincial incumbents to provide electoral, legislative, and symbolic support, as well as important reasons to reproduce La Rioja's SUR from above.

Conversely, the case-study of San Luis showed that a sound financial provincial situation was sufficient to neutralize the impressive (fiscal) power of President Kirchner. San Luis' austere and responsible financial practices and lack of financial dependency on the federal government provided Governor Alberto Rodríguez Saá with the means necessary to avoid becoming hostage of Kirchner's strategy of financial subjugation. In effect, San Luis' financial autonomy not only prevented presidential manipulation and presidential control

from above, but also gave Alberto Rodríguez Saá the instruments needed to oppose Kirchner's agenda and became one of his fiercest attackers.

Because of the Rodríguez Saá's uncooperative and confrontational stance, Kirchner did not have incentives to benefit San Luis' governor, much less to reproduce a SUR on whose cooperation he could not count on. Quite the contrary, the president had reasons to implement policies to weaken San Luis' SUR. As a result, and in stark contrast to how he behaved with other more cooperative and functional SURs (such as La Rioja), President Kirchner did not benefit San Luis with additional federal programs and funds, further punishing San Luis' governor by delaying (or even suspending) the implementation of different federal programs that were of utmost interest for the governor. Yet, the governor's sound economic and financial situation provided him with enough resources to reproduce San Luis' SUR.

In summary, the cases of Oaxaca, Puebla, La Rioja, and San Luis presented strong evidence showing how the key explanatory variables identified by the analytic framework operated to produce the hypothesized outcome. At the same time, the four case studies fleshed out the causal mechanisms through which the presidential control (or lack thereof) unleashed different trajectories of SUR continuity. In addition, each of the subnational case-studies showed that existing theories, which assume that SURs endure for similar reasons are, to a large extent, inconsistent with what occurs in reality. Last but not least, the strength of the analytic framework was further substantiated with the analysis of La Rioja. In addition, the case study of La Rioja also sheds important light on how the key independent variable, in this case, the financial dependency of the provincial government on the central state, was key to explain the type of SUR continuity unfolding in La Rioja. This case is a

dramatic demonstration of the power that financial dependency has on converting the governor's loyalty, especially in light of the prior strong links of Governor Maza to former President Menem. It is also a clear demonstration of the capacity of a patrimonial governor, who in theory stands in a stronger position to act as a provincial levy against presidential penetration and manipulation, to "deliver" his province to the president due to financial necessity.

Lessons from Argentina and Mexico

Contributions to the study of regime juxtaposition

This dissertation improves previous studies on regime juxtaposition, and subnational political regimes in several ways. At the *conceptual* level, this thesis moves past current works on subnational political regimes by offering a detailed and comprehensive discussion of how to conceptualize democracy. With the exception of Gervasoni (2006, 2008) most works of regime juxtaposition have paid little attention to issues of conceptualization, and as a result have not been able to offer consistent assessments about which regimes are democratic and what others are not. Moreover, scholars of regime juxtaposition have in general adopted a "thick" or expanded definition of democracy and by so doing have augmented, in Sartori's (1970) words, the concept's intension and reduce its extension. This, as noted in chapter 3, has had important implications because they have underestimated the number of existing nondemocratic regimes.

This dissertation, by contrast, adopted a strategy of conceptual separation. Building on the work by Mazzuca (1998, 2007), this study uses the access-exercise framework, which as shown in chapter 3, has the major advantage of avoiding the underestimation of existing

SURs, and consequently provides a better assessment of what regimes should be regarded as nondemocratic and what others as democratic. In fact, this study shows that the number of SURs is much larger than what previous studies have indicated. Having a clearer understanding of the universe of cases is important because it improves, as Munck (2004) notes, the researcher's ability to construct theories, define strategies for measurement and case selection, and establish comparisons/contrasts among cases. Thus, the classification presented in this dissertation, provides scholars of regime juxtaposition with tools to gain leverage on each of these tasks.

Second, this study makes an important contribution regarding strategies to measure democracy. Chapter 3 explicitly discusses the proper mathematical and quantitative tools that are needed to measure democracy. Following Goertz' (2006) strategy of increasing concept-measure consistency, this dissertation, unlike previous studies measuring subnational democracy, ensures that the proper numeric measure of democracy reflects the basic structure of the concept (of democracy) adopted in the study.

Third and related, this dissertation measures subnational democracy in *all* Argentine provinces and Mexican states, and *across time*.²³⁴ In so doing, it improves the current literature of regime juxtaposition in two major ways. On the one hand, by measuring subnational democracy in all units, this study uncovers the universe of SURs, which up to now was not identified simply because previous works were essentially case studies. On the other hand, by measuring subnational democracy across time, this dissertation singles out cases that have remained nondemocratic since the latest transition to democracy, and those

²³⁴ Solt (2003) and Gervasoni (2006) are the only studies measuring democracy at the subnational level in all subnational units in Mexico and Argentina, respectively, but their measures cover shorter time-spans.

that have made progress towards more democracy. Altogether, these two contributions have the major advantage of helping researchers to refine the domain of cases to which theories (of SUR continuity or SUR change) are deemed to apply.

This dissertation also makes an important *analytic* contribution to the study of subnational political regimes. The proposed analytic framework has the major advantage of explaining SUR continuity across countries, as well as trajectories of SUR continuity within countries and through time using one *single model*. In so doing, this study improves previous theoretical models on SUR continuity, in that it approaches regime juxtaposition from dynamic (i.e., temporal) and spacially-integrated (i.e., national and subnationally) point of view. So far, scholars in this tradition have used static analytic lenses, in that they have not sought to explain the mechanisms that account for SUR continuity at different moments in time. In addition, these studies have been spatially limited, in that they have focused either on several countries but on a single subnational case in each country (see Gibson 2005), or alternatively on several subnational cases within a single country (Snyder 1999, 2001; Gervasoni 2006, Montero 2007). By addressing spatial and temporal variation using one single model, the framework developed in this dissertation provides more comprehensive tools to better assess SUR continuity across and within countries, and over time.

One of the major findings uncovered by this study is that instances that facilitate presidential control, either from above or from below, are important determinants of subnational regime continuity. In other words, this dissertation has shown that democratic presidents are, under specific circumstances, active promoters of subnational nondemocratic regimes. In general, it is expected that democratic presidents who have leverage over

subnational areas or subnational incumbents will tend to promote political liberalization, especially if these areas or rulers are dominated by opposition forces.

However, this dissertation has presented vast evidence showing that this is not necessarily the case. The four in-depth case-studies as well as the quantitative analysis presented in chapter 5, show that when presidents control, and thus have leverage to induce subnational undemocratic rulers to meet their strategic needs, they actively reproduce the very same regimes that keep these rulers in power. This occurs regardless of partisan or ideological orientation. Both center-right, and center-left parties, such as the PAN and the Peronist party during the Menem administration, and Peronism during the Kirchner years, respectively, have proceeded to reproduce controllable SURs, despite the fact that these SURs are from the opposition –as shown by the Mexican case of Puebla, and the Argentine province of La Rioja.

At the same time, this study found that presidential incapacity to penetrate in the periphery, which in turn hinders president's capacity to exert control (either from above or below) over recalcitrant rulers, tends to facilitate SUR weakening. Put differently, the lower the chances are for presidents to constrict subnational rulers, the higher the chances for undermining the power of nondemocratic incumbents' power. This finding suggests that instances of subnational democratization, or, at the very least, SUR weakening, are, paradoxically, more likely to occur when democratic presidents *cannot* control and manipulate nondemocratic subnational rulers. In fact, as shown throughout this dissertation, when presidents can control subnational nondemocratic areas they opt to reproduce them instead of promoting their democratization. Taken together, these two findings provide important insights into the conditions under which nationally democratic presidents are more

likely to promote democratization in subnational units. Future studies, should test whether these are regular patterns or trends that are only observable in Argentina and Mexico.

Contributions to the study of intergovernmental relations

More than a decade ago, Guillermo O'Donnell (1993) noted that the power of the central state was not homogenous throughout the territory. More specifically, he argued that in many countries of Latin America “blue areas” characterized by robust rule of law coexisted with “green areas” where the rule of law was partially attenuated, and “brown areas” where the rule of law was extremely attenuated.

This dissertation presents strong evidence to support to this theoretical insight, offering numerous examples that show that the power of the central state (wielded either through partisan or fiscal means) varies subnationally, and is mediated by different characteristics of the peripheral units. As importantly, this dissertation reveals that the capacity of the central government to penetrate throughout the territory is not necessarily curtailed by the fact that subnational units are nondemocratic, as most studies of subnational authoritarianism claim. Indeed, the cases of La Rioja and Puebla show that presidential penetration and control is possible despite subnational non-democraticness. Rather, this study shows that what prevents the central government from penetrating (and thus controlling) subnational areas is the undemocratic nature of the political regime in *combination* with the patrimonial nature of state-administrations and the financial autonomy of subnational units, as exemplified by the state of Oaxaca and the province of San Luis.

In summary, the evidence presented in this study indicates that the lack of penetration of the central state in the peripheries is shaped by a multiplicity of factors, and not only by

the nondemocratic nature of subnational political regimes. This finding, which has been largely overlooked by most studies of intergovernmental relations, is central to understand how power relations operate across levels of government, and under what conditions national politicians can expect to make successful political inroads in subnational arenas.

Another important finding uncovered in this dissertation, which is closely related to the previous point, is that the central government exerts power over subnational units in very distinct ways. I showed that political power over lower-tier governments can be exercised along two major instruments, namely, partisan or fiscal instruments. Yet, throughout this study I demonstrated that these two distinct instruments are not always available to presidents. As the study of the case of Mexico revealed, power to penetrate in lower levels government was mostly exerted via partisan instruments. By contrast, in Argentina this power was exerted mostly via fiscal means, and also via political parties (before the 2000s, when political parties were still territorial strong organizations).

Given the centrality played by parties and fiscal institutions to link national and subnational arenas in other federations, the patterns observed in this study might also be generalizable to other federations of the developing world. For instance, in federal countries where parties are weak and presidential fiscal discretion is high, such as in Venezuela, Bolivia, or Russia, power relations might very likely operate following the pattern observed in Argentina. By contrast, in countries where political parties are relatively strong, as in India or Brazil –in the last couple years, power relations across levels of government might follow the trend seen in Mexico.

In addition, and related, by acknowledging that political power in federations is wielded differently (i.e., via partisan, fiscal, or partisan-fiscal means), this study further

validates that federal systems are not of one type, as the burgeoning literature on ‘varieties of federalism’ (Stepan 2004; Obinger, Leibfried & Castles 2005) has argued, but rather different. This is an important finding because federal systems, which are widely a key explanatory variable in studies of democracy, welfare states, development, and political parties, are usually regarded as being of the same kind. In fact, countries are dummied up and coded in a dichotomous way as being federal or non-federal. This oversimplification in the treatment of federal systems might come at the cost of overlooking key distinctive aspects of federal systems that might be central to elucidate the political coalitions that are needed in different federal systems to exert intergovernmental power and that are central to explain democratic, welfare, and developmental outcomes. This study has not concentrated on these coalitions, but future works should explore if the political coalitions needed to exert partisan power are any different from the political alliances that are required to exercise fiscal or partisan power across levels of government.

This study also offers another important insight for scholars of federalism. As noted in chapter 2, in general, the vast and growing literature on federalism has viewed intergovernmental politics as taking place between presidents and governors as a whole.²³⁵ In this view, authority and power across levels of government is assumed to be zero-sum, i.e., power or authority is either located at upper or lower-tier of government. Moreover, this view assumes that *all* subnational units are equally powerful or equally weak vis-à-vis the central government. Further, it assumes that all units (a) act in the same way, (b) are all constrained by the same provincial structures, and (c) behave according to the same rank of preferences. However, one of the central findings of this study is that subnational units and,

²³⁵ Wibbels (2005), Bonvecchi (2005), Olmeda (2008).

more specifically, subnational nondemocratic districts vary considerably from each other.

This finding is important because it uncovers that differences across provinces matter, as they are decisive to shape patterns of political interaction across levels of government. Hence, future studies within the subfield of federalism should develop analytic frameworks that are sensitive to cross-subnational differences. By so doing, they will certainly overcome the imitated scope of their theories, and more importantly, will provide explanations that are more in tuned with real world.

Finally, the findings presented in this study also have important implications for practitioners and policy-makers. First, the generation of new and original data on subnational democracy and state-administrations provides valuable insights for policy-makers and practitioners interested in designing policies aimed at fostering the even territorialization of democracy. By identifying the specific subnational areas that are non-democratic, these officials can get a better sense of where to target policies enhancing subnational democratization and bureaucratization. Second, as noted earlier, this study has shown that the power of the central state does not penetrate homogenously throughout the national territory. This finding is important for policy-makers, as it highlights that the implementation of national programs and national policies is likely to be unsuccessful in those areas where the central state has no power to enforce them, or where it cannot count on subnational allies to promote policy-implementation. One of the corollaries of this study is that the successful implementation of federally funded programs and policies in areas where the central state is weak is only possible where national and subnational actors can engage in vertical coalition making.

Issues for future research

In this study I only concentrated on how different types of SURs, in interaction with national variables, unleashed distinct trajectories of SUR *continuity*. Future works should look at how types of SURs affect the prospects of SUR *change*. Previous scholarship on (national) political regimes found that different types of regimes affect the probability and nature of regime change (Linz and Stepan 1996), and also the type of regime transition that they follow (Snyder 1992; Hartlyn 1998a, 1998b; Geddes 1999). For instance, Snyder (1992) and Hartlyn (1998a) have argued that transitions to democracy in neopatrimonial settings are characterized by a dynamic that is quite distinct than the one observed in non-neopatrimonial regimes.²³⁶ The classification of subnational regime types presented in this paper, coupled with the insights of the literature on regime change and regime transitions at the national level, can help refine theories about subnational regime change, advancing our understanding of the factors that foster or hinder state-level democracy.

Second, the reconceptualization of subnational political regimes advanced in this study sheds new light on different aspects of subnational politics and subnational democracy that have so far been uncharted and that might merit further exploration. The access-exercise framework presented in chapter 3, indicates that states/provinces can be compared along two different dimensions, i.e., their political regimes and their state-administrations. These new criteria for comparing states/provinces provide scholars with useful insights to examine important topics that up to now have been unexplored. For instance, chapter 3 revealed that

²³⁶ According to these authors, in neopatrimonial settings, organized groups, societal forces, and the political opposition, are generally repressed and/or prevented from participating in politics. These exclusionary conditions strongly shape the pattern of regime transition, as they are likely to unleash more violent and radical transitional processes, some of which can end up in incumbents being toppled by revolution .

most states/provinces scoring high on neopatrimonialism are located either in the least economically developed regions of Argentina and Mexico. By lumping cases together along state-administrations, researchers can uncover whether neopatrimonialism is associated with (or caused by) (low) levels of economic development, and (high) inequality and poverty.

Third, a comparison between access and exercise reveals that moves away from nondemocracy towards democracy occur in a more pronounced manner and at faster pace than moves away from neopatrimonialism towards bureaucratization. One possible reason for this is that the social, economic, political, and institutional factors that drive changes in state-administrations are distinct from the factors that spark change in the political regime. In fact, as Mazzuca (2004) suggests, it is probable that the actors “who have an interest in pushing democratization often have an interest in maintaining neopatrimonialist practices of exercising that same power” (p.257). Such is, indeed, the case of opposition leaders who fought against nondemocratic rulers, but who once in power did not dismantle neopatrimonial state-administrations. Future research should explore how coalitions and actors promote or prevent changes away from neopatrimonialism.

Fourth, the analysis of the case of Oaxaca showed that patrimonial rule and fiscal profligacy not necessarily go hand in hand, as scholars of African politics have noted (cf. Bratton and van de Walle 1997). By contrast, the case-study analyzed in this dissertation reveals, in line with Hartlyn’s (1998a) findings, that patrimonial rule might be compatible with a financially balanced economy. Indeed, there is evidence that many subnational neopatrimonial Argentina rulers, such as Vicente Saadi in Catamarca during the 1980s and Carlos Juárez in Santiago del Estero during the 1990s, had their respective economies in check. Evidenced gathered in interviews, albeit not included in this study, indicates that

these governors were aware of the potentially high costs to creating dependency on the center through fiscal mismanagement. This finding has important implications for the study of SUR continuity and change, as they highlight that nondemocratic rulers who are fiscally and financially sound are in a stronger position to neutralize potential economic sanctions that could be used by the national government to weaken their regimes.²³⁷ The existence of sound economy, by contrast, gives subnational rulers opportunities to expand their authority and maintain the regimes alive. Future studies should survey the implications of neopatrimonialism for the sustainability of SURs.

Finally, this dissertation tested the analytic framework outlined in chapter 2 by focusing on two federal countries, and two subnational cases in each country. The quantitative analysis presented in chapter 5, provided a first insight into the generalizability of the general theoretical claim of this study, namely, that (all) SURs in Argentina and Mexico that are deemed controllable by the center have been reproduced from above. Future studies, should explore whether this also occurs in other federations where regime juxtaposition is prevalent.

²³⁷ In fact the neopatrimonial SURs of Catamarca and Santiago del Estero are two good cases illustrating that SUR dismantlement via economic sanctions enforced by the central government was not successful, as these two cases were overthrown by force, namely, through federal intervention.

METHODOLOGICAL APPENDIX I

SECTION I

Access to State Power (political regimes)

(a). Alternation (turnover) and clean elections

Before turning to discuss the indicators used to operationalize democracy, two clarifications on the secondary-level level dimensions are in order. The first regards the “turnover” indicator. As Mainwaring, Brinks, and Pérez-Liñán (2007) note, considering alternation (or turnover) as one of the constitutive elements of democracy might lead to the misclassification of cases (130-131). Such is the case of countries/provinces where citizens are satisfied with the party that governs, and decide to reelect the party in power. In such cases, there is no alternation, and following Przeworski et al.’s (2000) coding, that country/province should be (erroneously) regarded as a case with a nondemocratic regime.

The way in which democracy is conceptualized in this dissertation might also lead to the problems that affect Przeworski et al.’s coding. In fact, as figure 3.1 indicates, democracy has three (or four) defining attributes, namely, turnover, contestation (for both executive and legislative offices), and clean elections. Because the necessary and sufficient concept structure of democracy entails that all constitutive dimensions of democracy be multiplied, a score of zero in the “turnover” variable would automatically imply a score of zero for democracy, regardless of how the other 3 constitutive dimensions score. As a result, regimes that do not experience party alternation due to the (high) satisfaction of the electorate would score a perfect zero, and thus would erroneously be classified as nondemocratic. If this happens, the classification of democracy I advance in this dissertation would have similar problems of misclassification as the ones seen in Przeworski et al.’s regime classification.

To avoid the zero-scoring due to turnover, I make three operationalization decisions. I choose (1) to incorporate *both* party turnover *and* governor turnover, (2) to *cumulate* rather than *dichotomize* the party/head (turnover) variable, and (3) to *add up* and *weight* both measures. As a result, the turnover variable only scores zero in those cases in which there has *never* (in the lifetime of a regime) been party turnover *and* head (i.e., governor) turnover. That is, turnover scores zero *only* in the cases where a single person and a single party have ruled consecutively since the onset of the last transition of democracy until present day.²³⁸ Thus, the only instances which score perfect zero are the ones in which there was no party and head alternation *at all*, instances that any attentive analyst would certainly avoid coding as democratic.

Additionally, I have two theoretical and substantial reasons to include turnover as one of the constitutive dimensions of (subnational) democracy. As Calvo and Micozzi (2005) show for the Argentine case, between 1983 and 2003, 32 constitutional reforms and 34 electoral reforms reshaped the subnational electoral map of Argentina. These reforms, as the authors show, aimed at both securing control of provincial incumbents upon local legislatures, and entrenching their position in power. Thus, the turnover indicator captures the incidence of electoral rules that were put in place to make provincial electoral systems less competitive and more hegemonic, and can then be regarded as a good proxy for abuse of political power.²³⁹

²³⁸ The only case in which we observe this pattern is in the Argentine province of San Luis, where Adolfo Rodríguez-Saá (PJ) ruled his province from 1983 to 2001. He stepped down from office because he served as president of Argentina for one week during the political crisis of 2001-2002. Adolfo was replaced by his brother, Alberto Rodríguez-Saá, who has held the governorship since then.

²³⁹ The assessment and coding of how electoral rules affect political competition is definitely the best indicator to capture political competition. Yet, because coding these rules in 24 provinces in Argentina and 32 states in

For the Mexican case, the inclusion of turnover as one of the constitutive dimensions of (subnational) democracy is of paramount importance given the country's tradition of partisan hegemony and lack of alternation. In a country where the same party (i.e., the PRI) has ruled for over 70 years (and in some states, over more than 80 years), and where the permanence of the same party in power was not been exclusively related to the satisfaction of the electorate with the ruling party's performance (Magaloni 2006), it seems reasonable to take into account the incidence of the lack of turnover on democracy, especially when studying democracy at the state-level, as many states have not experienced alternation since the 1930s.²⁴⁰

Finally, in order to assess the impact of the turnover variable on subnational democracy, I operationalized and measured democracy with and without the alternation (or turnover) attribute. The correlation between the two measures yields a score of 0.83 in the case of Mexico, and 0.62 in the case of Argentina. The results thus indicate that the measure of democracy is not significantly altered when turnover is included.

A final caveat is in order with regard to the secondary-level dimensions of democracy. "Clean elections" is, perhaps, one of the most difficult concepts to operationalize and measure at the subnational level, for it demands reviewing in retrospect every single gubernatorial election held in 32 states and 24 provinces over a period of 25

Mexico, for over a period of 25 and 10 years, respectively, is a daunting task. I took turnover and the effective number of competing parties (see below) as proxies of political competition.

²⁴⁰ It should be noted that even though the two justifications for including turnover as one of the constitutive dimensions of democracy work for the Argentine and Mexican cases, they may not travel across all contexts.

years.²⁴¹ I have thus decided, at the risk of under estimating its effect, to measure this variable in Mexican states only. The reason why I have not measured electoral conflict (or electoral fraud) in Argentina is because, as two of the most prominent scholars studying contemporary Argentina and Argentine politics have noted, there has been, since 1983, little fraud or manipulation of the vote-counting processes (Levitsky and Murillo 2005, Gervasoni 2009).

(b). Indicator description and aggregation

As figure 3.1 shows, democracy is made up of 7 indicators. Each of these indicators is measured following the formulae presented in tables 3.1 (Argentina) and 3.2 (Mexico). The necessary and sufficient concept structure of democracy provides in and of itself the justification for why I *do not* add up the secondary-level dimensions of democracy, and it also provides the justification for why I *do* add up the indicators. At the indicator level, addition (rather than multiplication) becomes a desirable option because indicators are *substitutable*. Substitutability is normally associated with the logical OR, which in turn is closely connected with arithmetic addition.

Scales with larger metric structures are assigned larger weight when final scores are aggregated, thus driving scores in often misleading and inappropriate ways (see Goertz 2006; Munck & Verkuilen 2002). To avoid “scale effects,” i.e., the effects produced by the use of different of scales, I standardize all individual indicators between a range of 0 and 1.²⁴² In so

²⁴¹ As I explain later on in methodological appendix II, the variable “clean elections” was constructed based on a thorough review of state newspapers. I review the local-newspapers’ coverage in each state during the four subsequent weeks after Election Day.

²⁴² This operation was done using a STATA package downloaded from <http://www.komkon.org/~tacik/stata/>.

doing, each indicator attains the same scale, and thus ensures that all indicators weight in exactly the same proportion. The standardization of scales is also useful (and desirable) because it ensures the comparability of scales, and consequently facilitates a more straightforward interpretation and comparison of indicators.

Table I.1: Access Indicators (Argentina)

Abbreviation	Description	Calculation	Source
HEAD	Based on Przeworski et al.'s (2000) coding this indicator measures the cumulative rate of provincial chief executive turnover	ACCHEAD is the number of changes of provincial chief executive [HEADS] accumulated during the life of a particular political regime. [HEADS is defined as the number of changes of the chief executive in each year]	Author's calculations based on BASECIAP
PARTY	Based on Przeworski et al.'s (2000) coding, this indicator measures the cumulative rate of provincial chief executive party turnover.	ACCPARTY is the number of changes of the provincial chief executive party [PARTY] accumulated during the life of a particular political regime. [PARTY is defined as the number of changes of the party in each year]	Author's calculations based on Guía Electoral
ENP	Laakso and Taagepera Index (1979)	$1/\sum si^2$, with si representing the number of votes cast for party i during gubernatorial elections	Calvo & Escobar (2005) and author's calculations based on Guía Electoral
Margin victory		measured as $v1 - v2$, where v1 is the vote share of the winning gubernatorial candidate, and v2 the vote share of the second-place candidate*	Author's calculations based on Guía Electoral
ENPL	Laakso and Taagepera Index (1979)	$1/\sum si^2$ with si representing the number of seats held by party i	Calvo & Escobar (2005) and author's calculations based on Atlas Electoral de Andy Tow
Gov's seats		100 - % of governor's party (or party coalition) legislative seats	Author's calculations based on Giraudy & Lodola (2008) Database

*First round. The scale of this variable was reversed to make higher values reflect higher levels of "democraticness."

Table I.2: Access Indicators (Mexico)

Abbreviation	Description	Calculation	Source
HEAD	Based on Przeworski et al.'s (2000) coding this indicator measures the cumulative rate of provincial chief executive turnover	ACCHEAD is the number of changes of provincial chief executive [HEADS] accumulated during the life of a particular political regime. [HEADS is defined as the number of changes of the chief executive in each year]	Author's calculations based on <i>Rulers</i> Database
PARTY	Based on Przeworski et al.'s (2000) coding, this indicator measures the cumulative rate of provincial chief executive party turnover	ACCPARTY is the number of changes of the provincial chief executive party [PARTY] accumulated during the life of a particular political regime. [PARTY is defined as the number of changes of the party in each year]	Author's calculations based on CIDAC's Electoral Database
ENP	Laakso and Taagepera Index (1979)	$1/\sum si^2$, with si representing the number of votes cast for party i during gubernatorial elections	Author's calculations based on CIDAC's Electoral Database
Margin victory		measured as $v1 - v2$, where $v1$ is the vote share of the winning gubernatorial candidate, and $v2$ the vote share of the second-place candidate*	Author's calculations based on CIDAC's Electoral Database
ENPL	Laakso and Taagepera Index (1979)	$1/\sum si^2$ with si representing the number of seats held by party i	Author's calculations based on CIDAC's Electoral Database
Gov's seats		100 - % of governor's party (or party coalition) legislative seats	Lujambio (2000) and CIDAC's <i>Electoral Database</i>
Clean elections	Index that captures the existence, durability, and intensity of post-electoral conflicts	Post-electoral conflict ranges from 1 to 4, where 1= absence of post-electoral conflict, 2= post-electoral conflict lasted less than a week (7 days), and there were no dead and/or human/material casualties, 3= post-electoral conflict lasted more than one week (from 8 to 30 days), and/or people were held in custody, and/or there were human/material casualties, 4= post-electoral conflict lasted more than one month and/or there were deaths** †	Based on a review of major local (state-level) newspapers (1991-2006) [see Methodological Appendix II]

*The scale of this variable was reversed to make higher values reflect higher levels of "democraticness."

**State-level newspapers were reviewed for a period of 4 consecutive weeks starting with the day the election was held.

†The scale of this variable was reversed to make lower values reflect higher levels of "democraticness."

SECTION II

Exercise of State Power (state administrations)

Indicator description and aggregation

One of the advantages of having a family resemblance concept structure is that (at both the secondary and indicator level) the substitutability relationship can be used to build “functional-equivalent” indicators. This type of indicator, also known as “system-specific” indicator (Przeworski & Teune 1970), is very much praised and recommended among qualitative/comparative historical scholars, who deliberately seek to enhance measurement validity (Locke & Thelen 1995; Munck 1998, 2004; Zelditch 1971).²⁴³ This strategy of substituting indicators for functionally equivalent ones helps to overcome the problem of “indicator indeterminacy,” namely, that indicators measure different things in different cases and time periods.

It is precisely to capture historical, cultural, and contextual diversity, and thus to ensure measurement equivalence, that I operationalize some of the secondary-level dimensions of neopatrimonialism using system-specific indicators. For instance, “*rulers’ fiscal discretion*” in Argentina is measured using the “*rules of fiscal allocation*” indicator. This indicator cumulates the number of years of existence of the law that regulates the distribution of fiscal resources between the provincial and municipal of governments. By contrast, “*rulers’ fiscal discretion*” in Mexico is measured with the “*appropriation of municipal funds*” indicator, which reflects the percentage of fiscal funds that governors did not transfer to the municipalities. Mexican states are obliged by law to pass on 20% of the

²⁴³ See Hicks, Misra, and Ng (1995) for an example of how this strategy is applied.

transfers they receive from the *Ley de Coordinación Fiscal* to the municipalities. The existence of this law, and the lack thereof in Argentina, justifies using different indicators to measure the more general secondary-level dimension “*rulers’ fiscal discretion*.”

The same occurs with the horizontal accountability indicators. In the case of Argentina I measure horizontal accountability with indicators that operationalize the level of judiciary independence (from the executive). In stead, in Mexico, the indicators used to measure horizontal accountability operationalize the effectiveness of the state-level agencies (i.e., agencies of fiscal control) responsible for controlling the executive branch’s use of fiscal resources. The reason why I do not use indicators of the judiciary system in Mexico is because in Mexico, state-level judiciary systems are more homogenous than in Argentina. Unlike other subnational judiciary systems, in Argentina, each province dictates its own constitutional and statutory rules to select, appoint, and determine the number of provincial court justices. This variation is not observed in Mexico, where the rules regarding state-level judiciaries are very similar.

Tables 3.3 and 3.4 schematize how I measure each of the 6 indicators that made up each of the four secondary-level dimensions of neopatrimonialism. The tables not only provide a brief disaggregation of these measures, but also reflect the mathematical operations I conducted to transform these measures into single numbers. An extensive and detailed description of each of the individual indicators and sub-indicators is presented right below the summary tables.

Table I.3: Exercise Indicators (Argentina)

Abbreviation	Indicator	Calculation	
HA (Horizontal Accountability)	Independence of the judiciary (IJ)	IJ	Exercise=(IJ+SPA+RFA)/3
Patronage	Size of public administration (SPA)	SPA	
Rulers' fiscal discretion	a. Rules of fiscal allocation (RFA)	APFF	

Table I.4: Exercise Indicators (Mexico)

Abbreviation	Indicator	Sub-indicator	Calculation	
SA (Societal Accountability)	Access to public information (API)	i. Cumulative years of API law ii. Sum of publicity of public information iii. Cumulative years of API agencies	API=(i+ii+iii)/3	Exercise=(HA+VA+SPA+APFF)/4
HA (Horizontal Accountability)	Agencies of fiscal control (AFC)	i. Cumulative years of modern fiscal law ii. Agreement between state govt. and ASF to supervise R33 and R23	AFC=(i+ii)/2	
Patronage	Size of public administration (SPA)		SPA	
Rulers' fiscal discretion	Appropriation of Fondo General de Participaciones		APFF	

DESCRIPTION OF INDIVIDUAL INDICATORS AND SUBINDICATORS

1. Horizontal Accountability

Independence of the judiciary (IJ) (Argentina)

This indicator measures the stability of provincial Supreme Court justices. The indicator is the yearly average tenure of each provincial Court justice weighted by the “seniority” of the political regime. (Source: Base de Tribunales Superiores de Justicia Provinciales, Giraudy & Tuñón 2008).

Calculation of IJ: The indicator was standardize between a range of 0 and 1.

Agencies of fiscal control (AFC) (Mexico)

i. *Cumulative years of modern fiscal law.* Measures the cumulative years during which states’ accounting systems were regulated by a “modern law of fiscal administration.”²⁴⁴ (Source: Figueroa Neri (ed.) 2005).

ii. *Agreement between the state government and the Auditoría Superior de la Federación (AFS) to supervise budgetary item 33 (Ramo 33 (R33))*²⁴⁵. Coded as 1 during the

²⁴⁴ “Modern laws of fiscal administration” are the fiscal administration laws that have been approved after 2001, when the Ley de Fiscalización Superior de la Federación (LFSF) was passed. The LFSF has institutionalized the “modern” Mexican accounting system and has established the legal basis for the exercise of a more efficient fiscal control. After this law was passed in 2001, states were “induced” to update their accounting systems in compliance with the LFSF (see Figueroa Neri 2005).

²⁴⁵ Ramo 33 (or *Aportaciones*) is comprised of different conditional transfers (funds). Among the most significant ones are the fund that is used to cover the payroll of teachers, the municipal social development fund (FAISM), and the poverty alleviation fund (FAIS). Since these funds are allocated by the federal government they can, *in theory*, be subjected to federal oversight. Yet, during the late 1990s, there was some controversy as to whether these funds, which are managed by local governments, could be subjected to control by federal agencies. The controversy arose after Puebla’s PRI governor Manuel Bartlett had allocated part of the *Aportaciones* in a way that was clearly detrimental to the opposition (PAN) municipalities.

years in which the state let the AFS control the allocation of R33, and 0 when it did not.²⁴⁶

(Source: Diario Oficial (various years), obtained from <http://www.asf.gob.mx/> [“Convenios” section]).

*iii. Agreement between the state government and the Auditoria Superior de la Federación (AFS) to supervise budgetary item 23 (Ramo 23 (R23))*²⁴⁷. Coded as 1 during the years in which the state let the AFS control the allocation of R23, and 0 when it did not.²⁴⁸ (Source: Diario Oficial (various years), obtained from <http://www.asf.gob.mx/> [“Convenios” section]).²⁴⁹

Calculation of AFC: All individual sub-indicators were standardized between a range of 0 and 1 to make their scales comparable. I then took the average of *i*, and *ii* (which was the sum of both types of Agreements), and obtained the **AFC** indicator.

2. Societal accountability

Access to public information (API)

i. Cumulative years of API law. Measures the cumulative years during which states were regulated by an API law. The first time point corresponds to the year in which the law

²⁴⁶ To be coded as 1, the agreements signed between the local legislatures (and/or local fiscal control agencies) and the AFS had to *explicitly* state that both agencies (or other responsible agencies) would collaborate to supervise the allocation of federal fiscal resources within the Ramo 33 (R33). In several agreements the reference to this oversight was very vague; those years were coded as 0.

²⁴⁷ Ramo 23 comprises “contingent” funds that are conditionally allocated to states that have experienced natural disasters.

²⁴⁸ To be coded as 1, the agreements signed between the local legislatures (and/or local fiscal control agencies) and the AFS had to *explicitly* state that both agencies (or other responsible agencies) would collaborate to supervise the allocation of federal fiscal resources within the Ramo 23 (R23). In several agreements the mentioning to this oversight was very vague; those years were coded as 0.

²⁴⁹ *ii* and *iii* were transformed into one single measure. To do so, I added them up

became effective (vs. the year in which the law was passed).²⁵⁰ (Source: *Estudio Comparativo de Leyes de Acceso a la Información Pública*. 2007. IFAI <http://www.ifai.org.mx/test/eym/edos.htm>, and various state API laws).

ii. *Sum of publicity of public information*. This indicator measures the quantity of mandatory public information that, by law, should be publicly available. I grouped the information that all API laws established as “public” into different categories (i.e. “access to financial documents,” “rosters and salaries of public employees,” “beneficiaries of public programs” etc.). Categories that were included in the laws were given a value of 1, and those which were not included in the laws were coded as 0. I then added up all categories and obtained a score indicating the level of “publicity of public information.” (Source: *Estudio Comparativo de Leyes de Acceso a la Información Pública*. 2007. IFAI <http://www.ifai.org.mx/test/eym/edos.htm>, and various state API laws).

_____iii. *Cumulative years of API agencies*. Measures the cumulative years during which API agencies operated. API agencies are the institutions responsible for managing all issues related with the management of public information (i.e. requests, regulations, sanctions, etc.).²⁵¹ The first time point corresponds to the year in which these agencies were given legal status (i.e. became effective vs. the year in which they were legally established) and in which

²⁵⁰ The reason to do so responds to the fact that in several states (i.e., Michoacán, Oaxaca, Puebla, Hidalgo, and Durango) laws were passed 18 months before they became effective. In several interviews with officials at the Federal Institute for Access to Public Information (Instituto Federal de Acceso a la Información [IFAI]) it was noted that the time elapsed between the date the law was passed and the date in which it became effective reflected governors’ lack of political willingness to improve the access to public information (Interviews with IFAI officials, 4/2/07, 4/18/07). These officials noted that a “reasonable” time to set up all the regulations/agencies needed to put in effect the law was 6 to 12 months (at the most).

²⁵¹ It is important to note that, as of 2007, not all API laws stipulate the creation of an API agency (examples are: Baja California, Baja California Sur, Tamaulipas, and Tlaxcala).

they were allocated with state-level funds to guarantee their operation. (Source: *Estudio Comparativo de Leyes de Acceso a la Información Pública*. 2007. IFAI <http://www.ifai.org.mx/test/eym/edos.htm>, and various state API laws).

Calculation of API: All individual sub-indicators were standardized between a range of 0 and 1 to make their scales comparable. I then took the average of *i*, *ii*, and *iii* and obtained the **API** indicator.

3. Patronage

Size of public administration (SPA) (Argentina)

Measured as the number of inhabitants/1000 working in public administration. (Source: BASECIAP).

Calculation of SPA: this indicator was standardized between a range of 0 and 1. The scale was reversed to make higher values reflect lower levels of patronage. Scale reversion was done with the following formula: $1,000 - [\text{\# of public employees}/1,000 \text{ inhabitants}]$.

Size of public administration (SPA) (Mexico)

Measured as the number of public sector employees/1,000 inhabitants of the EAC (economically active population). Public sector employees = administrative personnel (teachers and doctors are not included). (Source: INEGI publication: *Sistema de Cuentas Nacionales de México. Gobiernos Estatales. Cuentas Corrientes y de Acumulación*, various editions).

Calculation of SPA: this indicator was standardized between a range of 0 and 1. The scale was reversed to make higher values reflect lower levels of patronage. Scale reversion

was done with the following formula: $1,000 - [\text{\# of public employees}/1,000 \text{ inhabitants of EAC}]$.

4. Rulers' fiscal discretion

Rules of fiscal allocation (RFA) Argentina

Measures the cumulative years of existence of a municipal coparticipation law (i.e., the law regulating the allocation of fiscal resources between the provincial government and the municipalities). (Source: Fundación CECE (1996, 1997), Ministerio de Economía, and various provincial laws).

Calculation of RFA: The indicator was standardized between a range of 0 and 1.

Appropriation of federal funds (APFF) (Mexico)

Allocation of Fondo General de Participaciones. Measured as the % of funds governors did not transfer to the municipalities.²⁵² (Source: INEGI publication: *Finanzas Públicas Estatales y Municipales de México, Anexo A*, various years).

Calculation of APFF: The indicator was standardized between a range of 0 and 1.

²⁵² Mexican states are obliged by law to pass on 20% of the transfers they receive from the Ley de Coordinación Fiscal to the municipalities.

METHODOLOGICAL APPENDIX II

Clean elections

Clean elections, and its negative pole, fraudulent elections can be measured in a variety of ways. One possible approach to measuring the existence of electoral fraud would be to review the number of electoral court complaints submitted by political parties after each election. In the context of Mexican politics, such a measurement strategy would produce misleading results. First, the ineffectiveness of formal electoral and judicial institutions during the 1980s and 1990s, which led candidates and party leaders to resort to other more informal institutions (such as *concertaciones*) to settle electoral disputes (see Eisenstadt 2004, 2006), would underestimate the actual magnitude of electoral fraud. Second, and conversely, the creation of more effective formal and judicial institutions during the 2000s, has led political candidates and party leaders to submit electoral court filings alleging fraudulent elections, regardless of whether elections were or not fraudulent. Hence, counting electoral court filings during the last 8 years would overestimate the actual magnitude of electoral fraud.

Another, much more sensitive measure to grasp how clean elections were, is to measure the occurrence *and* intensity of postelectoral conflicts. Postelectoral conflicts *as well as* their intensity reflect the extent to which official electoral results do not correspond to a reality sensed and witnessed by the opposition party or parties. I follow one of the leading experts on postelectoral conflict in Mexico, and assumed that postelectoral mobilizations were provoked by high perceptions of electoral fraud (Eisenstadt 2004:135-140). Thus, the *occurrence* of postelectoral conflicts is considered as a proxy of electoral fraud. The *intensity*

(i.e., duration and severity) of postelectoral conflicts, in turn, is considered as a proxy of how “damaging and detrimental” the rigging was for the “defeated” party.

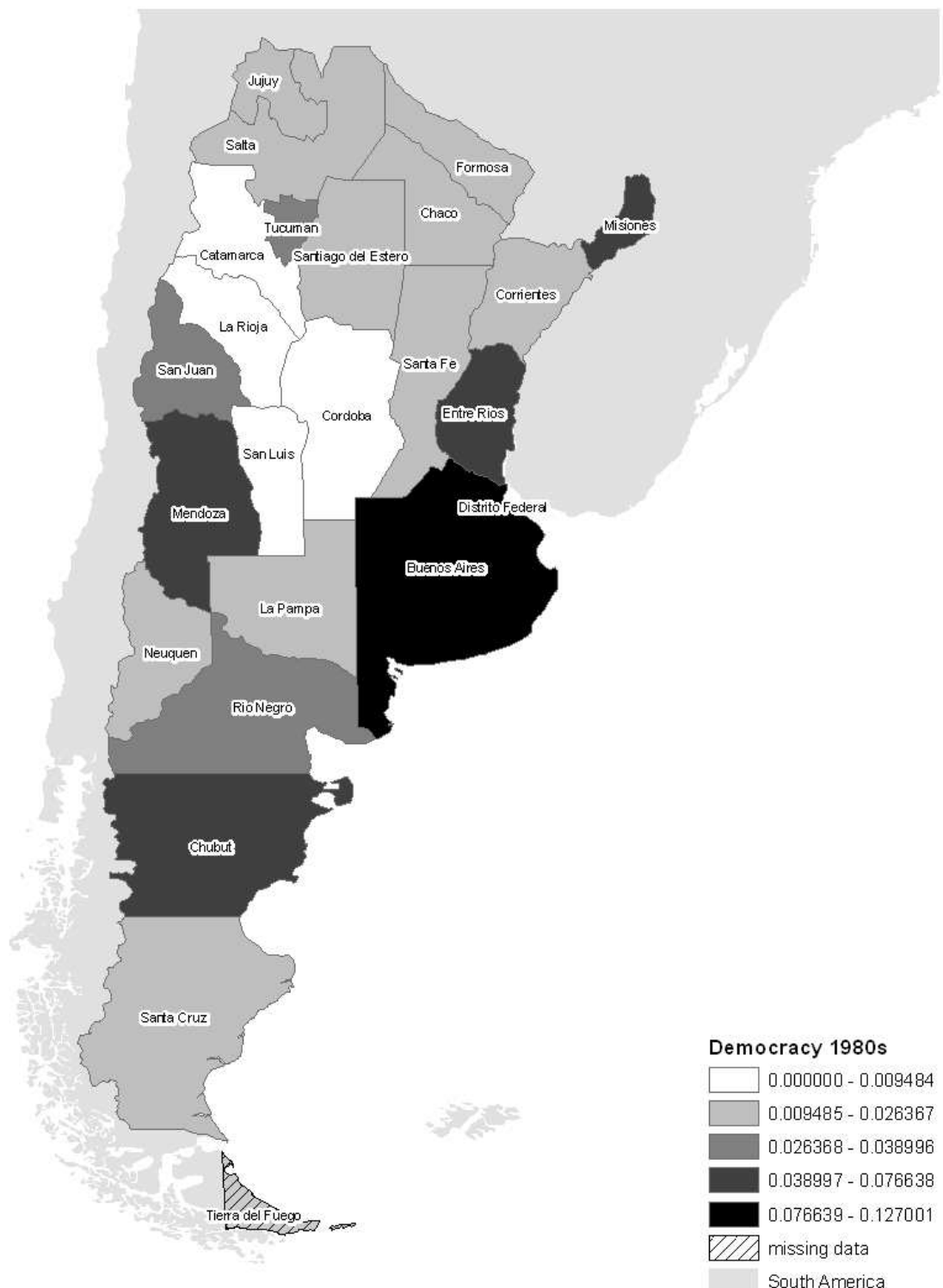
To code the existence and intensity of postelectoral conflicts in gubernatorial races, I reviewed state-level newspapers for a period of 4 consecutive weeks starting with the day the election was held. Postelectoral conflicts are defined as instances of social mobilization taking place after (gubernatorial) elections were held, in which protestors demanded the recounting of votes.²⁵³ The intensity of postelectoral conflicts was coded as follows: a score of 1 was given to states where there was no postelectoral conflict; a score of 2 was given to states where post-electoral conflict lasted less than a week (7 days), and where there were no dead and/or human/material casualties; a score of 3 was given to states where post-electoral conflict lasted more than one week (from 8 to 30 days), and/or where people were held in custody, and/or there were human/material casualties; a score of 4 was given to states where post-electoral conflict lasted more than one month and/or where there were deaths.

²⁵³ It should be noted that many gubernatorial elections in Mexico are held concurrently with legislative and presidential elections. Concurrent elections are difficult to code because it is not always easy to determine whether postelectoral conflicts were driven by fraud in (either or both) state-level and/or national elections. In the cases where concurrent elections were held and there was evidence of postelectoral conflict, the coding rule was to make sure that the postelectoral conflict revolved in fact around gubernatorial elections (regardless of whether it (also) affected legislative and/or presidential elections). To do so, I reviewed more than one state-level newspaper and a national newspaper. When it was not possible to discern whether postelectoral conflicts were driven by the occurrence of fraud in gubernatorial elections, the state was coded with 1.

Table II.1: List of state-level newspapers used to code instances of post electoral conflict

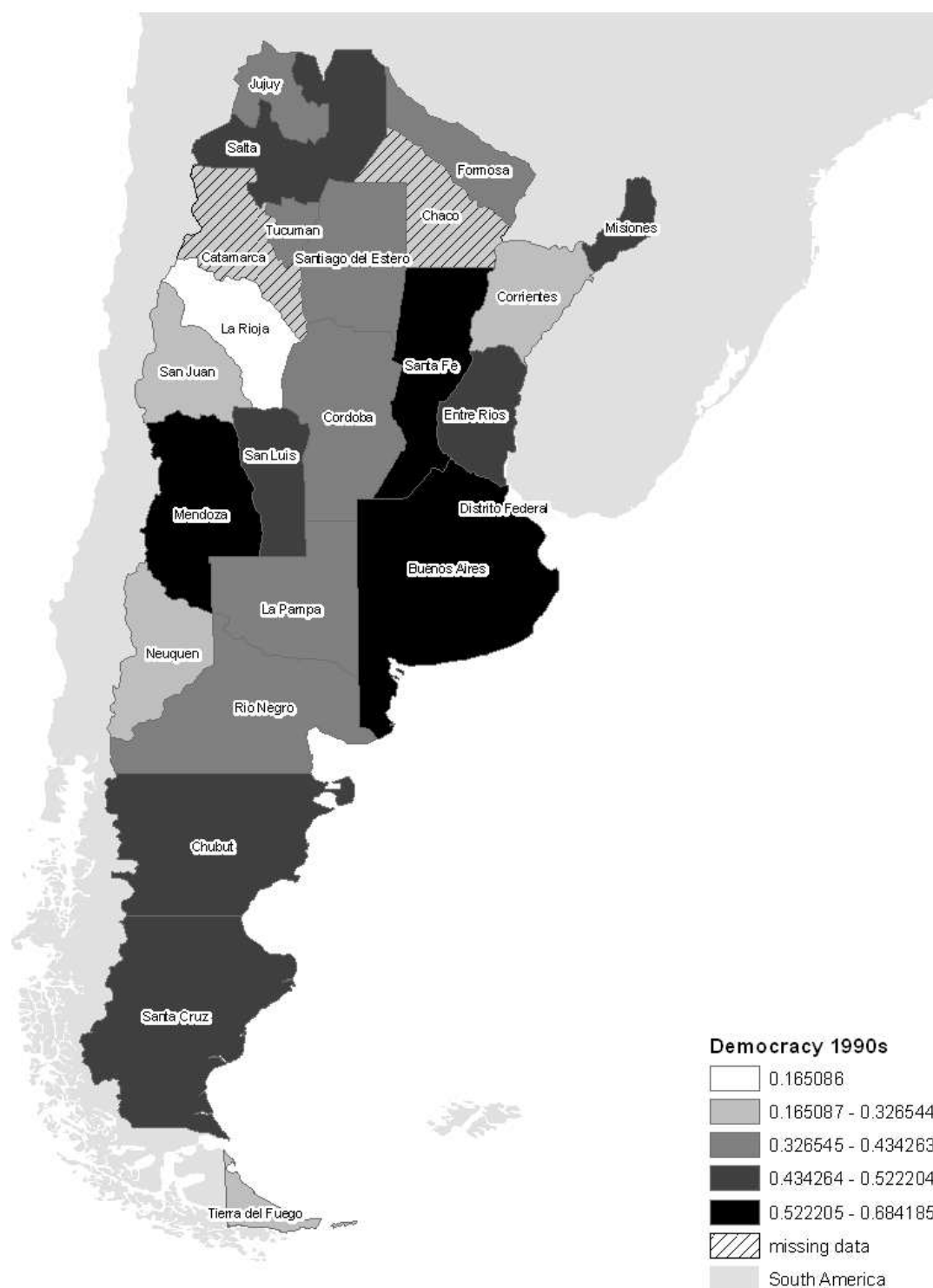
State	State-level newspaper
Aguascalientes	Hidrocálido
Baja California	Semanario Zeta
Baja California Sur	Sudcaliforniano
Campeche	Novedades de Campeche
Coahuila	El Sol del Norte
	El Siglo de Torreón
Colima	Diario de Colima
Chiapas	Cuarto Poder
Chihuahua	El Heraldo de Chihuahua
Distrito Federal	La Jornada
Durango	El Sol de Durango
Guanajuato	El Heraldo de León
	El Sol del Bajío
	El Universal
Guerrero	El Sol de Chilpancingo
	El Sol de Acapulco
Hidalgo	El Sol de Hidalgo
Jalisco	El Occidente
	Ocho Columnas
Estado de México	El Demócrata
	El Sol de Toluca
Michoacán	El Sol de Morelia
	El Diaro de Michoacán
Morelos	El Diario de Morelos
Nayarit	Meridiano de Nayarit
	El Heraldo de Nayarit
Nuevo León	El Norte
Oaxaca	El Imparcial
Puebla	El Sol de Puebla
	El Heraldo de Puebla
	Novedades de Puebla
Querétaro	Diario de Querétaro
Quintana Roo	Novedades de Quintana Roo
San Luis Potosí	El Sol de San Luis
Sinaloa	El Sol de Sinaloa
Sonora	Nuevo Día
	El Independiente
Tabasco	Avance
	Milenio Tabasco
	El Heraldo
Tamaulipas	El Sol de Tampico
Tlaxcala	El Sol de Tlaxcala
	ABC Noticias
Veracruz	El Sol de Veracruz
	El Liberal del Sur
Yucatán	Diario de Yucatán
	Diario del Sureste
	El Mundo al Día
Zacatecas	Novedades de Zacatecas

Map II.1: Subnational democracy (Argentina, 1980s)*



*The data are presented as decade averages

Map II.2: Subnational democracy (Argentina, 1990s)



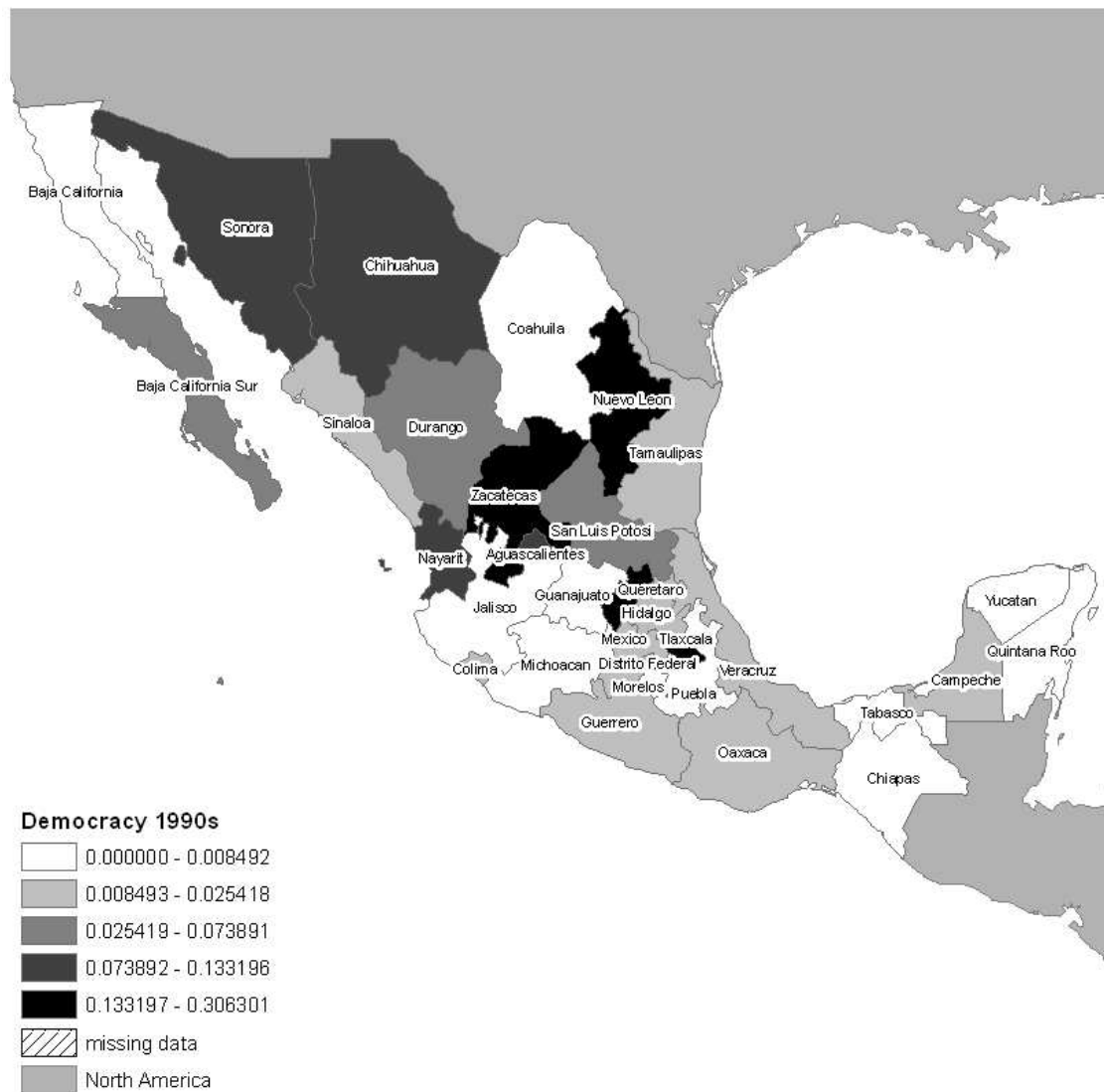
*The data are presented as decade averages

Map II.3: Subnational democracy (Argentina, 2000s)*



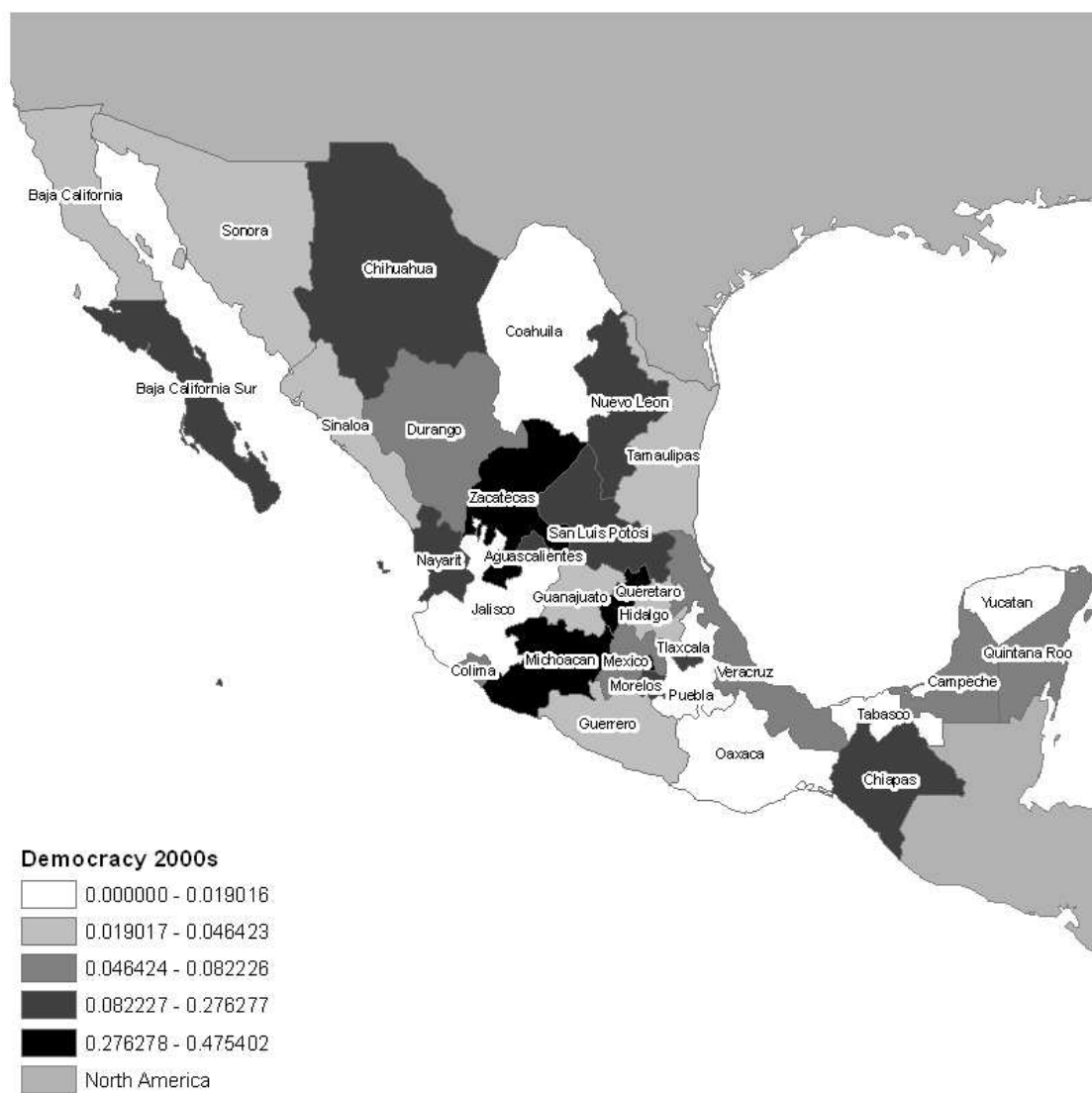
*The data are presented as decade averages

Map II.4: Subnational democracy (Mexico, 1990s)*



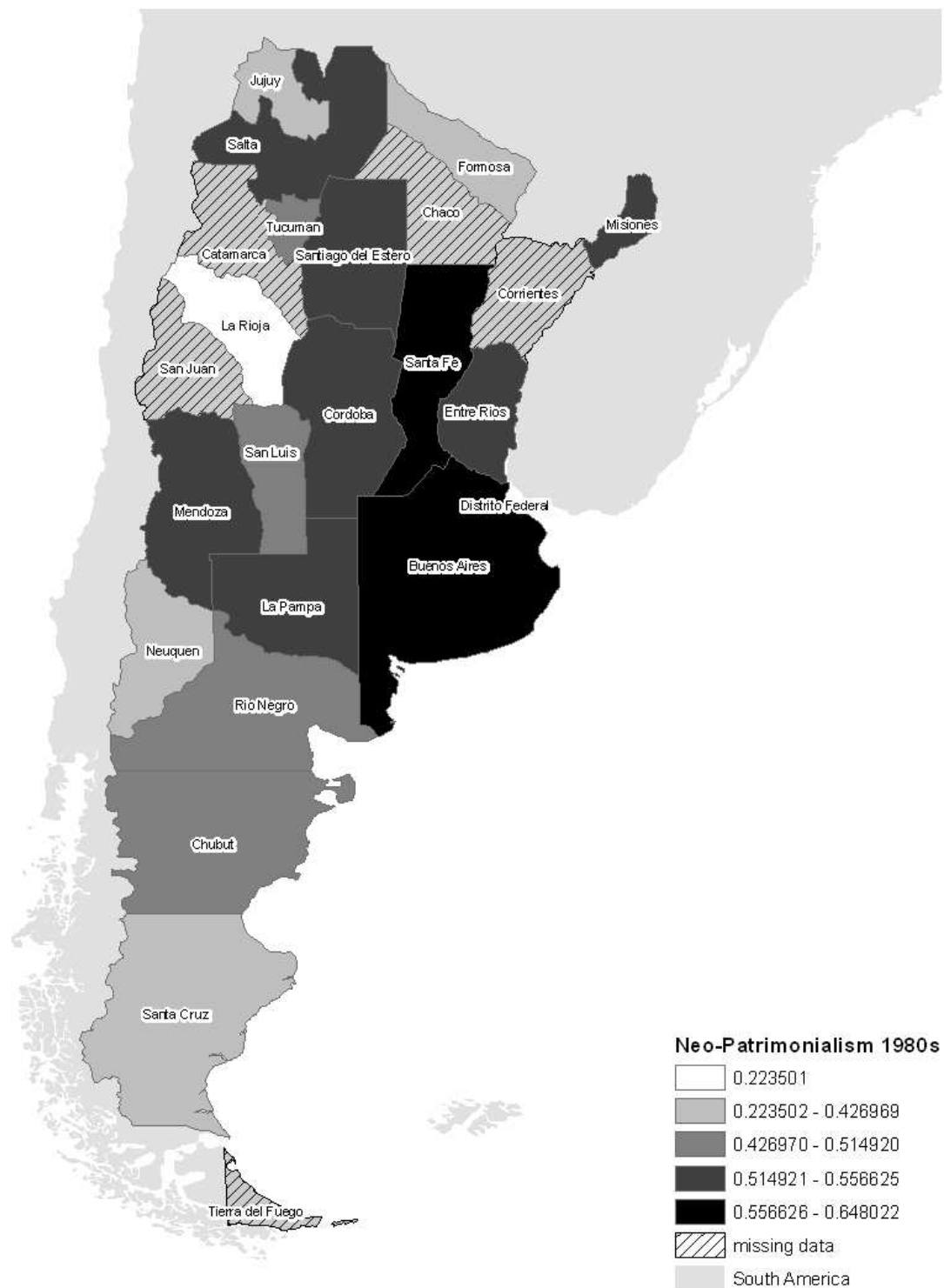
*The data are presented as decade averages

Map II.5: Subnational democracy (Mexico, 2000s)*



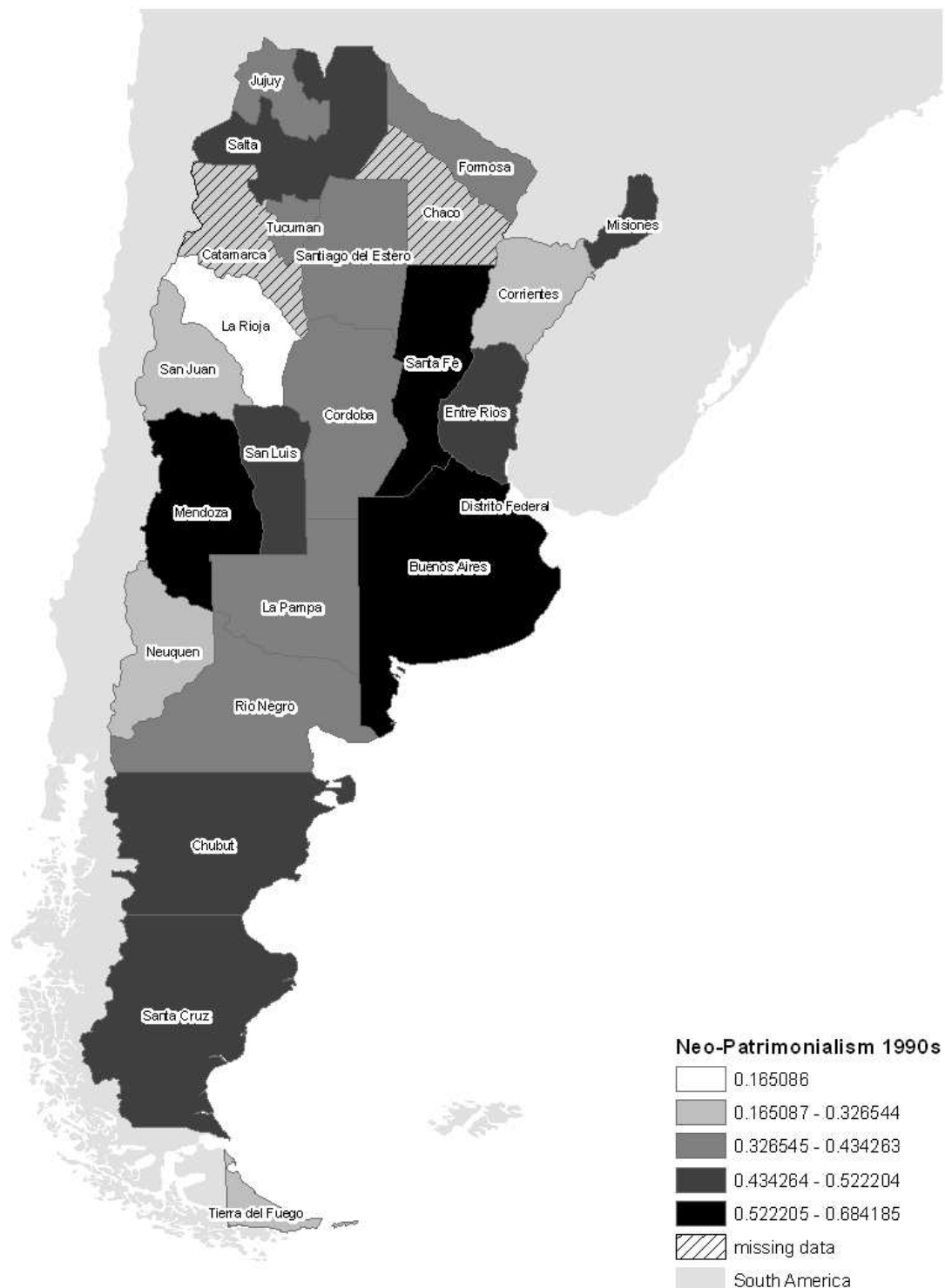
*The data are presented as decade averages

Map II.6: Subnational neopatrimonialism (Argentina, 1980s)*



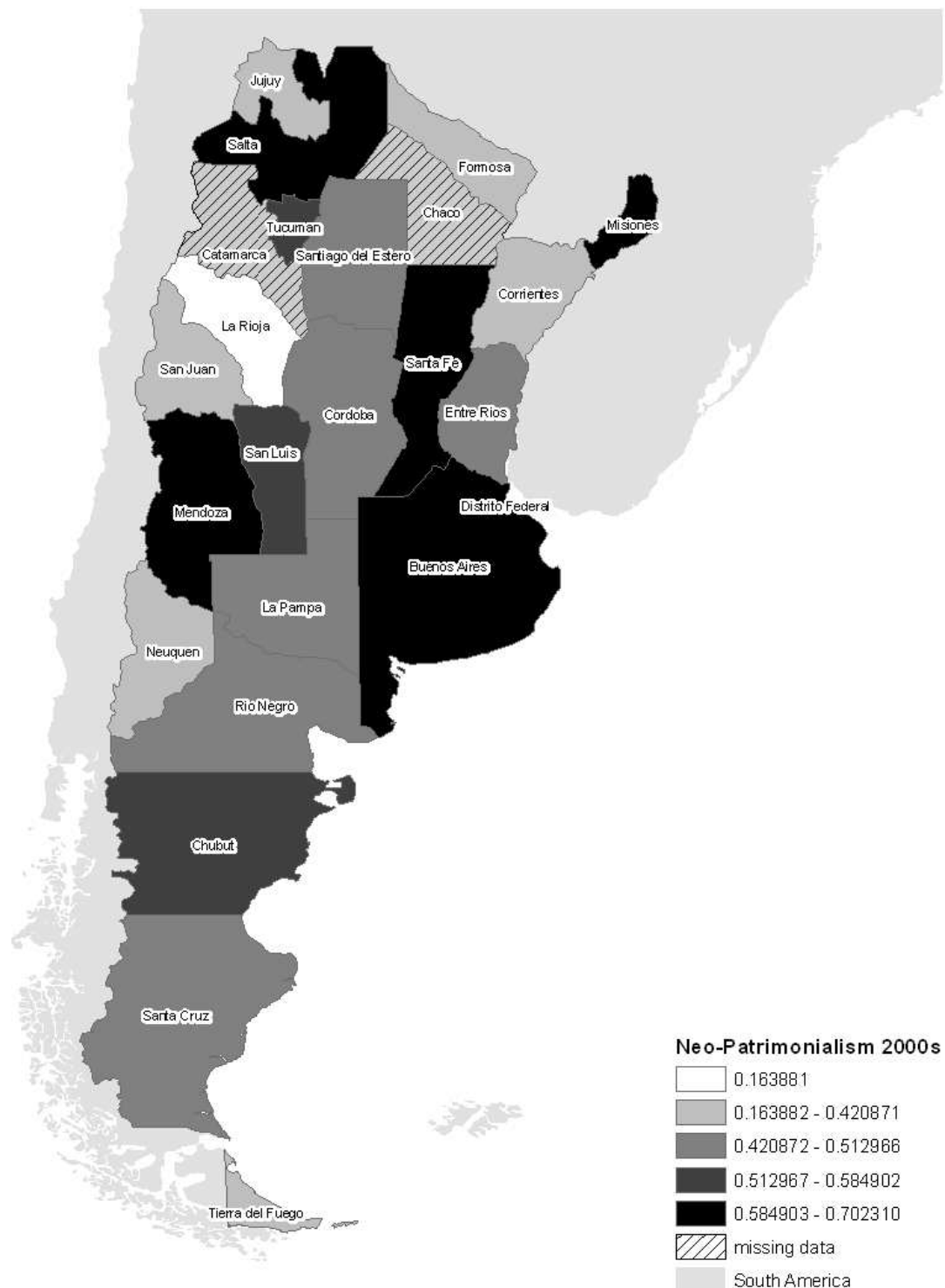
*The data are presented as decade averages

Map II.7: Subnational neopatrimonialism (Argentina, 1990s)*



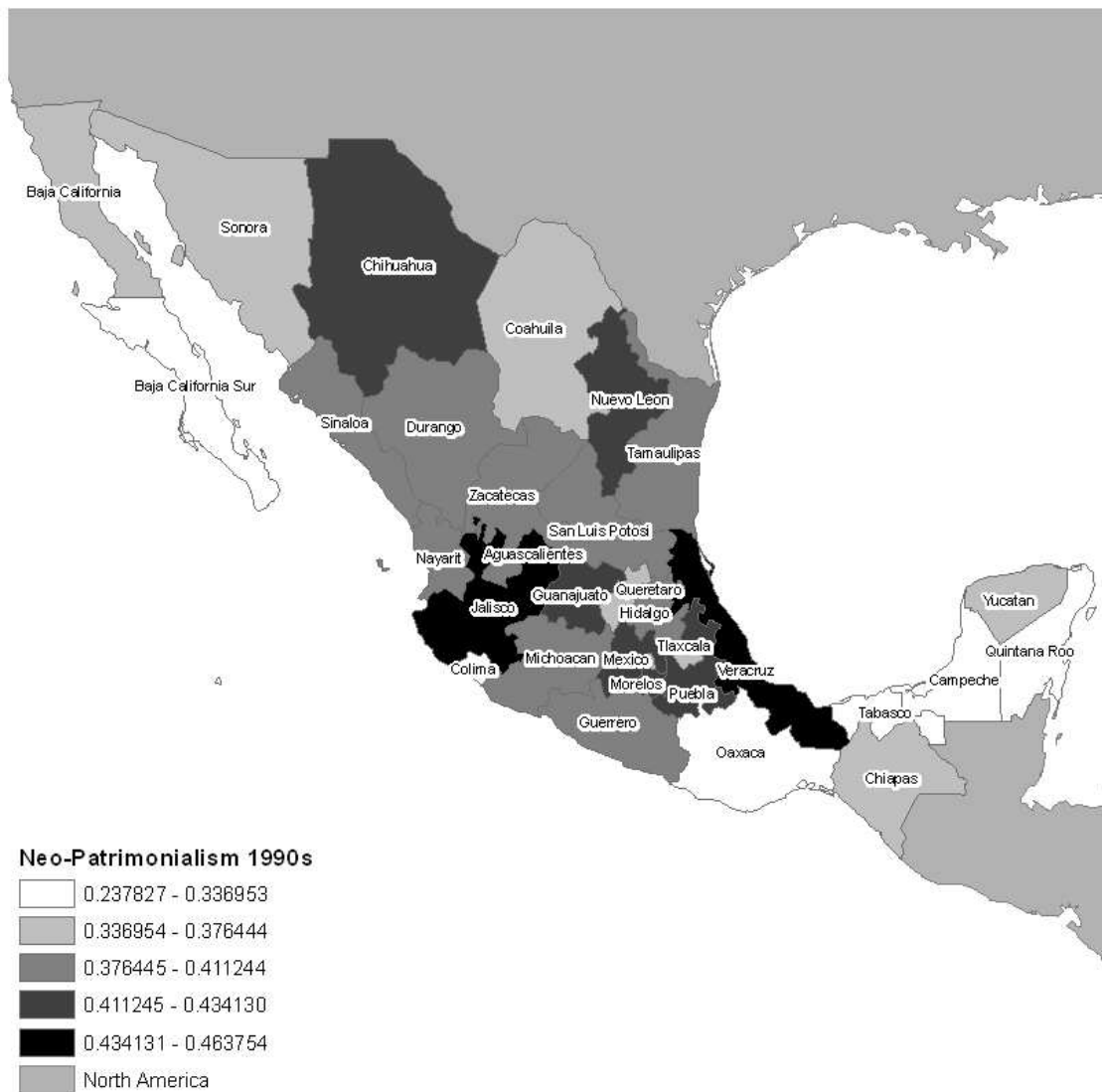
*The data are presented as decade averages

Map II.8: Subnational neopatrimonialism (Argentina, 2000s)*



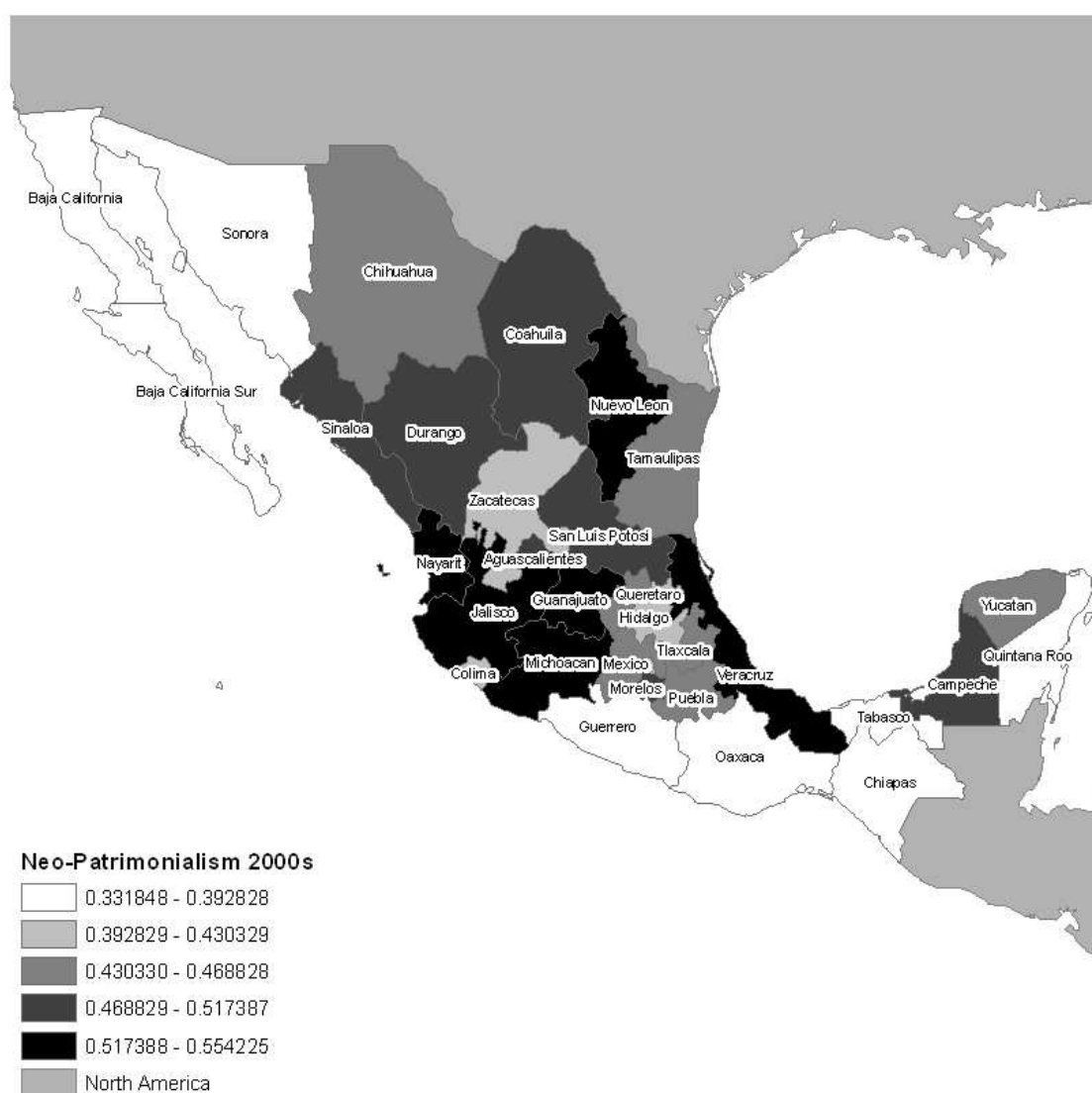
*The data are presented as decade averages

Map II.9: Subnational neopatrimonialism (Mexico, 1990s)*



*The data are presented as decade averages

Map II.10: Subnational neopatrimonialism (Mexico, 2000s)*



*The data are presented as decade averages

REFERENCES

- Achen, Christopher H. 2000. "Why Lagged Dependent Variables Can Suppress the Explanatory Power of Other Independent Variables." In *Paper prepared for the Annual Meeting of the Political Methodology Section of the American Political Science Association*. UCLA.
- Adcock, Robert and David Collier. 2001. "Measurement validity: a shared standard for quantitative and qualitative research." *American Political Science Review* 95 (3):529-46.
- Alvarez, Michael, Cheibub, José Antonio, Limongi, Fernando, and Przeworski, Adam. 1996. "Classifying political regimes." *Studies in Comparative International Development* 31 (2):1-37.
- Amnesty, International. 2007. "Mexico. Oaxaca -Clamour for Justice." *AMR* 41/031/2007.
- Andy, Tow. "Atlas Electoral de Andy Tow."
- Bailón, Jaime. 1995. "Municipios, Opposition Mayorships, and Public Expenditure in Oaxaca." In *Opposition Government in Mexico*, ed. V. R. a. P. Ward. Albuquerque, NM: University of New Mexico Press.
- . 1999. *Pueblos indios, élites y territorio*. México, D.F.: El Colegio de México.
- BASECIAP. "Base de Datos Provinciales del Centro de Investigaciones en Administración Pública."
- Bautista, Eduardo. 2007. "Procesos locales de dominación y resistencia en el régimen político mexicano. Una interpretación de rupturas, ajustes y discontinuidades del poder político en las ciudades de Juchitán y Oaxaca." *UAM-Xochimilco. Doctoral dissertation*.
- Beck, Nathaniel and Jonathan Katz. 1995. "What to Do (and Not to Do) with Time-Series Cross-Section Data." *American Political Science Review* 89 (3):634-47.
- Beer, Caroline. 2003. *Electoral Competition and Institutional Change in Mexico*. Notre Dame, Indiana: University of Notre Dame Press.
- Behrend, Jacqueline. 2008. "Democratic Argentina and the 'Closed Game' of Provincial Politics: Protest and Persistence", DPhil thesis, University of Oxford.
- Benton, Allyson. forthcoming. "Bottom-Up Challenges to National Democracy: Latin America's (Legal) Subnational Authoritarian Enclaves, the Case of Mexico." *Comparative Politics*.

- . n.d. "What Makes Strong Federalism Seem Weak? Fiscal Resources and Presidential-Provincial Relations in Argentina." Centro de Investigación y Docencia Económicas, A.C.
- Bill Chavez, Rebecca 2004. "The Rule of Law in Nascent Democracies. Judicial Politics in Argentina." Stanford, California: Stanford University Press.
- Bonvecchi, Alejandro. 2005. "Political Processes in Argentine Economic Federalism: Fiscal Federal Negotiations." Paper delivered at LACEA, Paris.
- Bonvecchi, Alejandro and Agustina Giraudy. 2007. "Argentina. Crecimiento Económico y Concentración del Poder Institucional " *Revista de Ciencia Política* 27 (EE):29-42.
- . 2008. "Argentina: victoria presidencial oficialista y tensiones en el esquema macroeconómico." *Revista de Ciencia Política* 1 (28):35-59.
- Bonvecchi, Alejandro and Germán Lodola. 2008. "The dual Logic of Intergovernmental Transfers. Territorial Coalition-Building in Argentina." In *Paper delivered at the Conference Federalismo y Política Subnacional: Argentina en Perspectiva Comparada*. Universidad Torcuato Di Tella. Buenos Aires.
- Boone, Catherine. 2003. *Political Topographies of the African State. Territorial Authority and Institutional Choice*. Cambridge: Cambridge University Press.
- Bowman, Kirk, Fabrice Lehoucq, and James Mahoney. 2005. "Measuring political democracy: case expertise, data adequacy, and Central America." *Comparative Political Studies* 8:939-70.
- Brady, Henry and David Collier. 2004. *Rethinking social inquiry: diverse tools, shared standards*. Lanham, MD: Rowman & Littlefield.
- Bratton, Michael and Nicolas van de Walle. 1997. *Democratic Experiments in Africa. Regime Transitions in Comparative Perspective*. Cambridge and New York: Cambridge University Press.
- Calvo, Ernesto, and María Victoria Murillo. 2005. "A New Iron Law of Argentine Politics? Partisanship, Clientelism, and Governability in Contemporary Argentina." In *Argentine Democracy. The Politics of Institutional Weakness*, ed. S. L. a. V. Murillo. University Park, Pennsylvania: The Pennsylvania State University Press.
- Calvo, Ernesto and Juan Pablo Micozzi. 2005. "The Governor's Backyard: A Seat-Vote model of electoral reform for multiparty races." *Journal of Politics* 67 (4):1050-74.
- Calvo, Ernesto and Marcelo Escolar. 2005. *La nueva política de partidos en la Argentina. Crisis política, realineamientos partidarios y reforma electoral*. Buenos Aires: Prometeo Libros/PENT.

- Calvo, Ernesto and María Victoria Murillo. 2004. "Who Delivers? Partisan Clients in the Argentine Electoral Market." *American Journal of Political Science* 48 (4):742-57.
- Caramani, Daniele. 2004. *The Nationalization of Politics. The formation of national electorates and party systems in Western Europe*. Cambridge, UK: Cambridge University Press.
- CECE, Centro de Estudios para el Cambio Estructural. 1995. *El conflicto en torno a las relaciones financieras entre la Nación y las provincias. Primera parte: antecedentes de la ley 23548*. Buenos Aires: Argentina.
- . 1996. *El conflicto en torno a las relaciones financieras entre la Nación y las provincias. Segunda parte: desde la ley 23548 hasta la actualidad*. Buenos Aires: Argentina.
- . 1997. *Aportes del Tesoro Nacional. Discrecionalidad en la relación financiera entre la Nación y las provincias*. Serie Estudios 21.
- CEFP. 2007. *Política Fiscal. Tendencias del sistema tributario mexicano*. México D.F.: Cámara de Diputados, Congreso de la Unión
- Centeno, Miguel Ángel. 2002b. *Blood and Debt: War and the Nation-State in Latin America*. University Park, PA: Pennsylvania State University Press.
- . 2002a. "The Center Did Not Hold: War in Latin America and the Monopolization of Violence." In *Studies in the formation of the nation state in Latin America*, ed. J. Dunkerley. London: Institute of Latin American Studies: University of London.
- Centro de Documentación, Información, y Análisis –Honorable Cámara de Diputados 2006. "Compilación hemorográfica: Caso Marín. Desarrollo cronológico de su tratamiento."
- Centro de Investigación para el Desarrollo en México, CIDAC. "Base de Datos de Elecciones Locales 1980-2008."
- Cetrángolo, Oscar, Juan Pablo Jiménez, Florencia Devoto, and Daniel Vega. 2002. *Las finanzas públicas provinciales: situación actual y perspectivas*. Vol. Vol. CEPAL/ILPES: Serie Estudios y perspectival # 12. Santiago de Chile: CEPAL/ILPES.
- Cetrángolo, Oscar and Juan Pablo Jiménez. 1997. *Aportes del Tesoro Nacional. Discrecionalidad en la relación financiera entre la Nación y las Provincias*. Vol. Serie Estudios CECE # 21. Buenos Aires: Fundación CECE.
- Cetrángolo, Oscar and Juan Pablo Jiménez. 2004. *Las relaciones entre niveles de gobierno en Argentina. Raíces históricas, instituciones y conflictos persistentes*. Vol.

- CEPAL/ILPES: Serie Gestión Pública #47. Santiago de Chile: CEPAL/ILPES.
- Cívica, Alianza. 2006. *Observación del Proceso Electoral Federal 2006*. Mexico: Alianza Cívica.
- CNDH. 2007. "Informe Especial sobre los hechos ocurridos en la ciudad de Oaxaca del 2 de junio de 2006 al 31 de enero de 2007."
- Collier, David and J. Mahon. 1993. "Conceptual "stretching" revisited: Adapting categories in comparative analysis." *American Political Science Review* 87:845-55.
- Collier, David and Steven Levitsky. 1997. "Democracy with Adjectives: Conceptual Innovation in Comparative Analysis." *World Politics* 49:430-51.
- Cornelius, Wayne, Todd Eisenstadt, and Jane Hindley, ed. 1999. *Subnational Politics and Democratization in Mexico*. La Jolla, CA: Center for US-Mexican Studies, University of California, San Diego.
- Cornelius, Wayne. 1999. "Subnational Politics and Democratization: Tensions between Center and Periphery in the Mexican Political System." In *Subnational Politics and Democratization in Mexico*, ed. T. E. Cornelius Wayne, and Jane Hindley. La Jolla, CA: Center for US-Mexican Studies, University of California, San Diego.
- Courchene, Thomas and Alberto Díaz-Cayeros. 2000. "Transfers and the Nature of the Mexican Federation." In *Achievements and Challenges of Decentralization: Lessons from Mexico*, ed. M. G. a. S. Webb. Washington DC: World Bank.
- Cué, Gabino. n.d. *Oaxaca. Transición Democrática o Regresión Autoritaria. Lucha contra el fraude y la elección de Estado en el sur de México*.
- Dahl, Robert. 1971. *Poliarchy: Participation and Opposition*. New Haven: Yale University Press.
- del Collado, Fernando. "Murat, retrato de un cacique. Entrevista a José Murat." *Periódico Reforma* October 19, 2003.
- Diamond, Larry, Jonathan Hartlyn, Juan Linz and Seymour Martin Lipset, ed. 1999. *Democracy in Developing Countries: Latin America*. Boulder Colorado: Lynne Rienner.
- Díaz-Cayeros, Alberto. 2004. "Dependencia fiscal y estrategias de coalición en el federalismo mexicano." *Política y Gobierno* XI (2):229-62.
- . 2004. "Do Federal Institutions Matter? Rules and Political Practices in Regional Resource Allocation in Mexico." In *Federalism and Democracy in Latin America*, ed. E. L. Gibson. Baltimore: John Hopkins University Press.

- . 2006. *Federalism, Fiscal Authority, and Centralization in Latin America*. Cambridge: Cambridge University Press.
- Díaz-Cayeros, Alberto, Beatriz Magaloni & Federico Estévez. n.d. "Strategies of Vote Buying: Poverty, Democracy and Social Transfers in Mexico." Manuscript.
- DPEyC-San Luis, Dirección Provincial de Estadística y Censos de San Luis. . Various years. *Indicadores de la Actividad Industrial*.
- DPEyC-San Luis, Dirección Provincial de Estadística y Censos de San Luis Various years. *Indicadores de población*.
- Dresser, Denise. 1991. "Neopopulist Solutions to Neoliberal Problems: Mexico's National Solidarity Program." In *Current Issues Brief*: University of California, San Diego.
- Eaton, Kent. 2001. "The logic of congressional delegation: Explaining Argentine economic reform." *Latin American Research Review* 3 (2):97-117.
- . 2004. *Politics Beyond The Capital. The Design of Subnational Institutions in South America*. Stanford, California: Stanford University Press.
- . 2005. "Menem and the Governors: Intergovernmental Relations in the 1990s." In *The Politics of Institutional Weakness. Argentine Democracy*, ed. V. M. a. S. Levitsky. University Park, Pennsylvania: The Pennsylvania University Press.
- Eisenstadt, Todd. 1999. "Electoral Federalism or Abdication of Presidential Authority? Gubernatorial Elections in Tabasco." In *Subnational Politics and Democratization in Mexico*, ed. W. C. T. E. J. Hindley. La Jolla, CA: Center for US-Mexican Studies, University of California San Diego
- . 2003. "Thinking outside the (ballot) box: informal electoral institutions and Mexico's political opening." *Latin American Politics and Society* 45 (1):25-54.
- . 2004. *Courting Democracy in Mexico. Party Strategies and Electoral Institutions*. Cambridge: Cambridge University Press.
- . 2006. "Mexico's Postelectoral Concertaciones. The Rise and Demise of a Substitutive Informal Institution." In *Informal Institutions & Democracy. Lessons from Latin America*, ed. G. H. a. S. Levitsky. Baltimore: The Johns Hopkins University Press.
- . 2007. "Usos y Costumbres and Postelectoral Conflicts in Oaxaca, Mexico, 1995-2004. An Empirical and Normative Assessment." *Latin American Research Review* 42 (1):52-77.
- Ertman, Thomas. 1997. *Birth of the Leviathan: building states and regimes in medieval and*

- early modern Europe*. Cambridge, New York, Melbourne: Cambridge University Press.
- Falletti, Tulia. forthcoming. *Decentralization and Subnational Politics in Latin America*. Cambridge: Cambridge University Press.
- . 2003. *Governing Governors: Coalitions and Sequences of Decentralization in Argentina, Colombia, and Mexico*, Northwestern University, Evanston, IL.
- . 2005. "A Sequential Theory of Decentralization: Latin American Cases in Comparative Perspective." *American Political Science Review* 99 (3).
- Figuerola Neri, Aimée, ed. 2005. *Cuenta Pública en México. Evaluando el laberinto legal de la fiscalización superior*. Guadalajara, Jalisco, México: Universidad de Guadalajara.
- Fox, Jonathan. 1994. "The difficult transition from Clientelism to Citizenship: Lessons from Mexico." *World Politics* 46 (2).
- . 1994. "The Difficult Transition from Clientelism to Citizenship: Lessons from Mexico." *World Politics* 46 (2):151-84.
- . 2007. *Accountability Politics: Power and Voice in Rural Mexico*. Oxford: Oxford University Press.
- Fox, Jonathan and Josefina Aranda. 1996. *Decentralization & Rural Development in Mexico. Community Participation in Oaxaca's Municipal Funds Program*. San Diego, California: Center for U.S.-Mexican Studies, University of California.
- Fundación Centro de Estudios para el Cambio Estructural, CECE. . 1996. *Regímenes de coparticipación de impuestos entre provincias y municipios*. Serie Documentos- Noviembre ed. Buenos Aires.
- Fundación Centro de Estudios para el Cambio Estructural, CECE. 1997. *Regímenes de coparticipación de impuestos entre provincias y municipios. Segunda Parte*. Serie Documentos-Marzo ed. Buenos Aires.
- . 1997. *Regímenes de coparticipación de impuestos entre provincias y municipios. Tercera Parte*. Serie Documentos-Julio ed. Buenos Aires.
- FUNDAR. 2006. *Ingresos Petroleros y Gasto Público. La dependencia continúa*. México D.F.: Fundar, Centro de Análisis e Investigación, A. C.
- FUNIF. 1999. *Mapa Productivo Provincial. Caracterización Productiva de la Provincia de San Luis. Tomo I*. San Luis: Talleres Gráficos Payne.
- . 1999. *Mapa Productivo Provincial. Antecedentes, Infraestructura Económica-Social*

- y *Aspectos Legales. Tomo II*. San Luis: Talleres Gráficos Payne.
- Garman, Christopher, Stephan Haggard, and Eliza Willis. 2001. "Fiscal Decentralization. A Political Theory with Latin American Cases." *World Politics* 53 (January):205-36.
- George, Alexander and Andrew Bennett. 2005. *Case studies and theory development in the social sciences*. Cambridge, MA: MIT Press.
- Gerring, John. 2007. *Case Study Research. Principles and Practices*. Cambridge: Cambridge University Press.
- Gervasoni, Carlos. 2006. "A Rentier Theory of Subnational Authoritarian Enclaves: The Politically Regressive Effects of Progressive Federal Revenue Distribution." In *Paper delivered at the 2006 Annual Meeting of APSA*. Philadelphia.
- . 2008. "Conceptualizing and Measuring Subnational Regimes: An Expert-based Operationalization of Democracy in the Argentine Provinces." In *Federalismo y Política Subnacional: Argentina en Perspectiva Comparada* Universidad Torcuato Di Tella.
- . 2009. "Measuring Variance in Subnational Regimes: Results from an Expert-based Operationalization of Democracy in the Argentine Provinces." In *Prepared for delivery at the 2009 Meeting of the Latin American Studies Association, Rio de Janeiro, Brazil, June 11-14, 2009*.
- Gibson, Edward. 1997. "The Populist Road to Market Reform. Policy and Electoral Coalitions in Mexico and Argentina." *World Politics* 49 (April).
- Gibson, Edward, Ernesto Calvo and Tulia Falleti. 2004. "Reallocation Federalism: Legislative Overrepresentation and Public Spending in the Western Hemisphere." In *Federalism and Democracy in Latin America*, ed. E. L. Gibson. Baltimore: John Hopkins University Press.
- Gibson, Edward. 2005. "Boundary Control. Subnational Authoritarianism in Democratic Countries." *World Politics* 58 (October).
- . 2008. "Subnational Authoritarianism and Territorial Politics: Charting the Theoretical Landscape." In *Paper delivered at the American Political Science Association Annual Congress, August 30, 2008*. Boston, MA.
- Gibson, Edward and Ernesto Calvo. 2000. "Federalism and Low Maintenance Constituencies: Territorial Dimensions of Economic Reform in Argentina." *Studies in Comparative International Development* 35 (3):32-55.
- Gibson, Edward and Julieta Suárez-Cao. 2008. "Competition and Power in Federalized Party Systems." In *Program in Comparative Historical Social Sciences (CHSS)*:

Northwestern University.

- Gibson, Edward L., and Ernesto Calvo. 2000. "Federalism and Low-maintenance Constituencies: Territorial Dimensions of Economic Reform in Argentina." *Studies in Comparative International Development* 35 (3):32-55.
- Giraudy, Agustina. 2007. "The distributive politics of emergency employment programs in Argentina (1993-2002)." *Latin American Research Review* 42 (2).
- . 2007. "Institutional origins and institutional development in Argentina. The case of the 1994 constitutional reform." In *"Prepared for delivery at the XXVII International Congress of the Latin American Studies Association, September 5-8, 2007."* Montreal, Canada.
- Giraudy, Agustina, Marcelo Leiras and Guadalupe Tuñón. 2009. "Who wants an independent Court? Political competition and judicial autonomy in the Argentine provinces." Manuscript.
- Giraudy, Agustina and Germán Lodola. 2008. "Base de Legislaturas Provinciales en Argentina: 1983-2008."
- Giraudy, Agustina and Guadalupe Tuñón. 2008. "Base de Tribunales Superiores de Justicia Provinciales."
- Giraudy, Eugenia. 2006. La racionalidad política en la distribución de los fondos federales para obras públicas: los gobiernos de Menem y De la Rúa, Universidad Torcuato Di Tella, Ciudad de Buenos Aires.
- Goertz, Gary. 2006. *Social Science Concepts. A User's Guide*. Princeton and Oxford: Princeton University Press.
- González-Oropeza, Manuel. 1983. *La Intervención Federal en la Desaparición de Poderes*. Mexico City: UNAM.
- Guiñazú, María Clelia. 2003. The subnational politics of structural adjustment in Argentina: the case of San Luis, MIT, Cambridge, MA.
- Hartlyn, Jonathan. 1998a. "Political Continuities, Missed Opportunities and Institutional Rigidities: Another Look at Democratic Transitions in Latin America." In *Politics, Society and Democracy: Latin America, Essays in Honor of Juan J. Linz*, ed. S. P. M. a. A. Valenzuela. Boulder, CO Westview Press.
- . 1998b. *The Struggle for Democratic Politics in the Dominican Republic*. Chapel Hill: The University of North Carolina Press.
- Helmke, Gretchen. 2005. *Courts Under Constraints: Judges, Generals, and Presidents in*

- Argentina*. New York: Cambridge University Press.
- Hernández Rodríguez, Rogelio. 2003. "Cambio Político y Renovación Institucional. Las Gubernaturas en México." *Foro Internacional* XLIII (4 (Oct-Dic)):789-821.
- Hernández Trillo, Fausto, Alberto Diaz-Cayeros, and Rafael Gamboa González. 2002. "Fiscal Decentralization in Mexico: The Bailout Problem." *InterAmerican Development Bank, Washington DC Research Working Paper # R-447*.
- Hicks, Alexander, Joya Misra and Tang Nah Ng. 1995. "The programmatic emergence of the social security state." *American Sociological Review* 60:329-49.
- Huber, Evelynne, and John Stephen. 2001. *Development and Crisis of the Welfare State. Parties and Policies in Global Market*. Chicago: Chicago University Press.
- Huber, Evelynne, François Nielsen, Jennifer Pribble, and John D. Stephens 2006. "Politics and Inequality in Latin America and the Caribbean " *American Sociological Review* 71 (December):943-63.
- HWR. "Mexico: Probe Charges of Police Brutality in Oaxaca." In *Press Release*.
- Iaryczower, Matias, Pablo T. Spiller, and Mariano Tommasi. 2002. "Judicial Independence in Unstable Environments, Argentina 1935-1998." *American Journal of Political Science* 46 (4):699-716.
- IFAI, Instituto Federal de Acceso a la Información. 2007. "Estudio Comparativo de Leyes de Acceso a la Información Pública." IFAI, México DF.
- INEGI. Various years. *Finanzas Públicas Estatales y Municipales de México [Anexo A]*. Mexico City.
- . Various years. *Sistema de Cuentas Nacionales de México. Gobiernos Estatales. Cuentas Corrientes y de Acumulación*. México City.
- Jones, Mark, Pablo Sanguinetti and Mariano Tommasi. 2000. "Politics, Institutions, and Public Sector Spending in the Argentine Provinces." *Journal of Development Economics* 61:305-33.
- Jones, Mark P. and Scott Mainwaring. 2003. "The Nationalization of Parties and Party Systems." *Party Politics* 9 (2):139-66.
- Jones, Mark P. and Wonjae Hwang. 2005. "Provincial Party Bosses: Keystone of the Argentine Congress." In *Argentine Democracy. The Politics of Institutional Weakness*, ed. S. L. a. M. V. Murillo. University Park, Pennsylvania: The Pennsylvania State University Press.

- Karl, Terry Lynn. 1995. "The Hybrid Regimes of Central America." *Journal of Democracy* 6/3 (July):72-87.
- Keating, Michael. 1998. *The New Regionalism in Western Europe*. Cheltenham, UK Northampton, MA: Edward Elgar.
- King, Gary, Robert Keohane, and Sidney Verba. 1994. *Designing Social Inquiry. Scientific Inference in Qualitative Research*. Princeton, New Jersey: Princeton University Press.
- Laakso, Markku and Rein Taagepera. 1979. "Effective Number of Parties: A Measure with Application to Western Europe." *Comparative Political Studies* 12:3-27.
- Lakin, Jason M. 2008. The Possibilities and Limitations of Insurgent Technocratic Reform: Mexico's Popular Health Insurance Program, 2001-2006, Harvard University, Cambridge, Massachusetts.
- Langston, Joy and Alberto Díaz-Cayeros. N.D. "False Federalism? Mexican Governors under Hegemony, 1960-1995." *Unpublished paper*.
- Laoeza, Soledad 2003. "The National Action Party (PAN): From the Fringes of the Political System to the Heart of Change." In *Christian Democracy in Latin America*, ed. S. M. a. T. Scully. Stanford: Stanford University Press.
- LASA. 2007. "Violations Against Freedoms of Inquiry and Expression in Oaxaca de Juárez." *Report by the Fact-Finding Delegation of the Latin American Studies Association on the Impact of the 2006 Social Conflict*.
- Leiras, Marcelo. 2006. Parties, Provinces, and Electoral Coordination: A Study on the Determinants of Party and Party System Aggregation in Argentina, 1983-2005, University of Notre Dame.
- . 2007. *Todos los caballos del rey. La integración de los partidos políticos y el gobierno democrático de la Argentina, 1995-2003*. Ciudad de Buenos Aires: Pent / Prometeo libros.
- Levitsky, Steven. 2003. *Transforming Labor-based Parties in Latin America. Argentine Peronism in Comparative Perspective*. Cambridge: Cambridge University Press.
- Levitsky, Steven and Lucan Way. forthcoming. *Competitive Authoritarianism: The Origins and Evolution of Hybrid Regimes in the Post-Cold War Era* New York Cambridge University Press.
- . 2002. "Elections Without Democracy: The Rise of Competitive Authoritarianism." *Journal of Democracy* 13/2 (April):51-65.

- Levitsky, Steven and María Victoria Murillo, ed. 2005. *The Politics of Institutional Weakness. Argentine Democracy*. University Park, Pennsylvania: The Pennsylvania State University Press.
- Ley, Sandra. n.d. "For the Design of Mexico: Continuing Politicization of Welfare Programs." Working Paper.
- Lieberman, Evan. 2002. "Taxation data as indicators of state-society relations: possibilities and pitfalls in cross-national research." *Studies in Comparative International Development* 36 (4):89-115.
- Lipset, Seymour Martin. 1960. *Political man: The social bases of politics*. New York: Doubleday.
- Locke, Richard and Kathleen Thelen. 1995. "Apples and Oranges Revisited: Contextualized Comparisons and the Study of Comparative Labor Politics." *Politics and Society* 23 (3 (September)):337-67.
- Long, J. Scott, and Laurie H. Ervin. 2000. "Using Heteroskedasticity Consistent Standard Errors in Linear Regression Model." *The American Statistician* 54 (3):217-24.
- Lujambio, Alonso. 2000. *El poder compartido. Un ensayo sobre la democratización mexicana*. México D.F.: Editorial Océano de México, S.A. de C.V.
- Magaloni, Beatriz. 2005. "The Demise of Mexico's One-Party Dominant Regime: Elite Choices and the Masses in the Establishment of Democracy." In *The third wave of democratization in Latin America. Advances and setbacks.*, ed. F. H. a. S. Mainwaring. Cambridge: Cambridge University Press.
- Magaloni, Beatriz, Alberto Díaz-Cayeros, and Federico Estévez. 2006. "Clientelism and Portfolio Diversification: A Model of Electoral Investment with Applications to Mexico." In *Patrons, Clients, and Policies: Patterns of Democratic Accountability and Political Competition*, ed. H. K. a. S. Wilkinson. Cambridge: Cambridge University Press.
- Magaloni, Beatriz. 2006. *Voting for Autocracy. Hegemonic Party Survival and its Demise in Mexico*. Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, São Paulo: Cambridge University Press.
- Mahoney, James and Gary Goertz. 2006. "A Tale of Two Cultures: Contrasting Quantitative and Qualitative Research." *Political Analysis* 14:227-59.
- Mainwaring, Scott. 1999. *Rethinking Party Systems in the Third Wave of Democratization: The Case of Brazil*. Stanford: Stanford University Press.
- Mainwaring, Scott, Daniel Brinks and Aníbal Pérez-Liñán. 2001. "Classifying Political

- Regimes in Latin America, 1945-1999." *Studies in Comparative International Development* 36:37-65.
- Mainwaring, Scott, Daniel Brinks, and Aníbal Pérez-Liñán. 2007. "Classifying Political Regimes in Latin America, 1945-2004." In *Regimes and Democracy in Latin America: Theories and Methods*, ed. G. L. Munck. Oxford, New York: Oxford University Press.
- Martínez Vásquez, Víctor Raúl. 2007. *Autoritarismo, Movimiento Popular y Crisis Política: Oaxaca 2006*. Oaxaca: IISUABJO.
- Mazzuca, Sebastián. 1998. "¿Qué es y qué no es la democratización?" *Estudios Políticos* 19 (Septiembre-Diciembre):73-121.
- Mazzuca, Sebastián 2004. "Democratic Quality: Costs and Benefits of the Concept." In *The Quality of Democracy. Theory and Applications*, ed. G. O'Donnell, Jorge Vargas Cullell, and Osvaldo M. Iazzetta. Notre Dame, Indiana: University of Notre Dame Press.
- Mazzuca, Sebastián. 2007. "Reconceptualizing Democratization: Access to Power Versus Exercise of Power." In *Regimes and Democracy in Latin America: Theory and Methods*, ed. G. Munck. Oxford: Oxford University Press.
- McGuire, James W. 1997. *Peronism without Perón. Unions, Parties, and Democracy in Argentina*. Stanford, California: Stanford University Press.
- McMann, Kelly. 2006. *Economic Autonomy and Democracy. Hybrid Regimes in Russia and Kyrgyzstan*. Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, São Paulo: Cambridge University Press.
- Micozzi, Juan Pablo. 2009. The Electoral Connection in Multilevel Systems with Non-Static Ambition: Linking Political Careers and Legislative Performance in Argentina, Rice University, Houston, TX.
- Ministerio de Economía, República Argentina. Various years. "Boletín Fiscal 1993-2007."
 ———. "Boletín Fiscal 1993-2007."
 ———. Various years. "Cuenta de Inversión 1993-2007."
- Ministerio de Economía, Secretaría de Programación Económica y Regional. 1999. "10 Años en la relación fiscal Nación, Provincias y Municipios." Buenos Aires.
- Mizrahi, Yemile. 2003. *From Martyrdom to Power. The Partido de Acción Nacional in Mexico*. Notre Dame, Indiana: University of Notre Dame Press.

- Montero, Alfred. 2007. "Uneven Democracy? Subnational Authoritarianism in Democratic Brazil." In *Latin American Studies Association Annual Meeting*. Montreal, Quebec, Canada.
- Montero, Alfred and David Samuels, ed. 2004. *Decentralization and Democracy in Latin America*. Notre Dame, Indiana: University of Notre Dame Press.
- Morduchowicz, Alejandro. 1988. "La cuestión financiera en Argentina entre el estado nacional y las provincias (El caso de la coparticipación federal impuestos entre 1985 y 1987)." *Cuadernos Latinoamericanos CECFIL* 4 (Abril).
- Munck, Gerardo. 1998. "Canons of Research Design in Qualitative Analysis." *Studies in Comparative International Development* 33 (3):18-45.
- . 2001. "The Regime Question: Theory Building in Democracy Studies." *World Politics* 54 (October):119-44.
- . 2004. "Democratic Politics in Latin America: New Debates and Research Frontiers." *Annual Review of Political Science* 7:437-62.
- . 2004. "Tools for Qualitative Research." In *Rethinking Social Inquiry. Diverse Tools, Shared Standards*, ed. H. B. a. D. Collier. Oxford: Rowman & Littlefield.
- Munck, Gerardo and Jay Verkuilen. 2002. "Conceptualizing and Measuring Democracy." *Comparative Political Studies* 35 (1 (February)):5-34.
- Novaro, Marcos. 1994. *Pilotos de tormentas: Crisis de Representación y Personalización de la Política Argentina*. Buenos Aires: Ediciones Buena Letra.
- O'Donnell, Guillermo. 1979. *Modernization and Bureaucratic-Authoritarianism. Studies in South American Politics*. Berkeley: Institute of International Studies: University of California Berkeley.
- . 1993. "On the State, Democratization and Some Conceptual Conceptual Problems: A Latin American View with Glances at Some Postcommunist Countries." *World Development* 21:1355-69.
- . 2001. "Democracy, Law, and Comparative Politics." *Studies in Comparative International Development* (Spring):7-36.
- OAS. 2003. "Press Release: El Relator Especial por la Libertad de Expresión condena la detención de un periodista en juicio por difamación y calumnias en Oaxaca, México."
- Obinger, Herbert, Stephan Leibfried, and Francis Castles, ed. 2005. *Federalism and the Welfare State. New World and European Experiences*. Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, São Paulo: Cambridge University Press.

- Ochoa-Reza, Enrique. 2004. "Multiple Arenas of Struggle: Federalism and Mexico's Transition to Democracy." In *Federalism and Democracy in Latin America*, ed. E. L. Gibson. Baltimore: John Hopkins University Press.
- Olmeda, Juan Cruz. 2008. "Relaciones intergubernamentales, dinámicas de interacción y pactos fiscales en Argentina desde los 90s." *Paper delivered at the Conference Federalismo y Política Subnacional: Argentina en Perspectiva Comparada*. Universidad Torcuato Di Tella
- . 2009. "Federalismo revitalizado, pluralismo político y acción legislativa. Las relaciones entre los gobernadores mexicanos y el Congreso de la Unión durante la última década." Manuscript.
- Olmeda, Juan Cruz and Julieta Suárez-Cao. n.d. "The Federal Connection: organization strategies and the development of conservative parties in Mexico and Argentina." In *Unpublished paper*.
- Ortega, Jorge. 2004. *Diagnóstico Jurídico y Presupuestario del Ramo 33: Una etapa del federalismo en México*. Ciudad de México: CIDE.
- Peruzzotti, Enrique and Catalina Smulovitz. 2000. "Societal Accountability in Latin America." *Journal of Democracy* 11 (4 (October)).
- . 2002. *Controlando la Política. Ciudadanos y Medios en las nuevas democracias latinoamericanas*. Buenos Aires: Editorial Temas.
- Plümper, Thomas, Philip Manow, and Vera Troeger. 2005 "Panel Data Analysis in the Comparative Politics: Linking Method to Theory." *European Journal of Political Research* 44:327-54.
- Porto, Alberto and Pablo Sanguinetti. 1993. "Decentralización fiscal en América latina: el caso argentino." *Serie Política Fiscal, CEPAL* 45.
- . 2001. "Political Determinants of Intergovernmental Grants: Evidence From Argentina." *Economics and Politics* 13 (3).
- Przeworski, Adam. 1991. *Democracy and the Market*. Cambridge, New York, Melbourne: Cambridge University Press.
- Przeworski, Adam, Michael E. Alvarez, José Antonio Cheibub and Fernando Limongi. 2000. *Democracy and Development. Political Institutions and Well-Being in the World, 1950-1990*. Cambridge: Cambridge University Press.
- Przeworski, Adam and Henry Teune. 1970. *The logic of comparative social inquiry*. New York: John Wiley and Sons.

- Ragin, Charles. 1987. *The Comparative Method. Moving Beyond Qualitative and Quantitative Strategies*. Berkeley, Los Angeles, London: University of California Press.
- . 2000. *Fuzzy-set social science*. Chicago: University of Chicago Press.
- . 2008. *Redesigning Social Inquiry: Set Relations in Social Research*. Chicago: University of Chicago Press.
- Raphael, Ricardo. 2007. *Los Socios de Elba Esther*. Ciudad de México: Planeta.
- Remmer, Karen and Erik Wibbels. 2000. "The subnational politics of economic adjustment. Provincial politics and fiscal performance in Argentina." *Comparative Political Studies* 33 (4):419-51.
- Rocha Menocal, Alina. 2001. "Do Old Habits Die Hard? A Statistical Exploration of the Politicisation of Progresa, Mexico's Latest Federal Poverty-Alleviation Programme, under the Zedillo Administration." *Journal of Latin American Studies* 33:513-38.
- Rodden, Jonathan. 2003. "Breaking the Golden Rule: Fiscal Behavior with Rational Bailout Expectations in the German States." *Unpublished paper, MIT*.
- . 2006. *Hamilton's Paradox. The Promise and Peril of Fiscal Federalism*. Cambridge: Cambridge University Press.
- Rodríguez, Victoria and Peter Ward, ed. 1995. *Opposition Government in Mexico*. Albuquerque: University of New Mexico Press.
- Rodríguez, Victoria E. 1997. *Decentralization in Mexico. From Reforma Municipal to Solidaridad to Nuevo Federalismo*. Boulder, CO: Westview Press.
- Rokkan, Stein. 1970. *Citizens, Elections, Parties*. Oslo and New York: Universitetsforlaget-McKay.
- Rokkan, Stein and Derek Urwin. 1982. *The Politics of Territorial Identity*. London, Beverly Hills, New Delhi: Sage Publications.
- . 1983. *Economy, Territory, Identity. Politics of the West European Peripheries*. London, Beverly Hills, New Delhi: Sage Publications.
- Rueschemeyer, Dietrich, Evelyn H. Stephens, and John D. Stephens. 1992. *Capitalist Development and Democracy*. Chicago: University of Chicago Press.
- Sack, Robert. 1986. *Human Territoriality: In Theory and History*. Cambridge: Cambridge University Press.

- Saiegh, Sebastian, and Mariano Tommasi. 1998. "Argentina's Federal Fiscal Institutions: A Case Study in the Transaction-Cost Theory of Politics." Buenos Aires: Universidad Torcuato Di Tella.
- Samper, José. 2006. *San Luis. Entre el atraso y el autoritarismo*. Buenos Aires: Editorial Dunken.
- Samuels, David. 2000. "The Gubernatorial Coattails Effect: Federalism and Congressional Elections in Brazil." *Journal of Politics* 62 (1):240-53.
- . 2003. *Ambassadors of the States: Political Ambition, Federalism, and Congressional Politics in Brazil*. New York: Cambridge University Press.
- Sanguinetti, Juan. 1999. "Restricción de presupuesto blanda en los niveles subnacionales de gobierno: el caso de los salvatajes en el caso argentino." In *Secretaría de Programación Económica y Regional, Ministerio de Economía, Argentina*.
- Sartori, Giovanni. 1970. "Concept Misformation in Comparative Politics." *The American Political Science Review* 64 (4):1033-53.
- . 1976. *Parties and Party Systems: A Framework for Analysis*. New York: Cambridge University Press.
- SHCP. 2007. *Diagnóstico Integral de la Situación Actual de las Haciendas Públicas Estatales y Municipales*. Ciudad de México: Secretaría de Hacienda y Crédito Público.
- . 2008. "El federalismo fiscal en México: Situación actual y retos hacia el futuro."
- Shirk, David. 2005. *Mexico's New Politics. The PAN and Democratic Change*. Boulder, CO: Lynne Rienner Publishers.
- Snyder, Richard. 1999. "After the States Withdraws: Neoliberalism and Subnational Authoritarian Regimes in Mexico." In *Subnational Politics and Democratization in Mexico*, ed. T. E. Cornelius Wayne, and Jane Hindley. La Jolla, CA: Center for US-Mexican Studies, University of California, San Diego.
- . 1992. "Explaining Transitions from Neopatrimonial Dictatorships." *Comparative Politics* 24 (4):379-99.
- . 2001a. *Politics after Neoliberalism. Reregulation in Mexico*. Cambridge: Cambridge University Press.
- . 2001b. "Scaling Down: The Subnational Comparative Method." *Studies in Comparative International Development* 36 (1):93-110.

- Soifer, Hillel. 2008. "State Infrastructural Power: Approaches to Conceptualization and Measurement." *Studies in Comparative International Development* 3-4 (43):231-251.
- Soifer, Hillel and Matthias vom Hau. 2008. "Unpacking the *Strength* of the State: The Utility of State Infrastructure Power." *Studies in Comparative International Development* 3-4 (43):219-30.
- Solt, Frederick. 2003. Explaining the Quality of New Democracies: Actors, Institutions, and Socioeconomic Structure in Mexico's States, Political Science, University of North Carolina at Chapel Hill, Chapel Hill.
- Sorroza, Carlos. 2006. "Oaxaca: ¿Conflicto Político o Crisis de Sistema?" In *Educación, Sindicalismo y Governabilidad en Oaxaca*, ed. J. V. Cortés. México City, Mexico: SNTE.
- Sour, Laura, Irma Ortega and Sergio San Sebastián. 2003. "Política Presupuestaria durante la Transición a la Democracia en México: 1997-2003." *DTAP-CIDE*.
- Spiller, Pablo and Mariano Tommasi. 2007. *The Institutional Foundations of Public Policy in Argentina*. Cambridge: Cambridge University Press.
- Stepan, Alfred. 2000. "Russian Federalism in Comparative Perspective." *Post-Soviet Affairs* 16:133-76.
- . 2004. "A New Comparative Politics of Federalism, Multinationalism, and Democracy." In *Federalism and Democracy in Latin America*, ed. E. Gibson.
- Suárez Godoy, Enrique Helio. 2004. *San Luis, una política social diferente. Plan de Inclusión Social*. San Luis: Talleres Gráficos Payne.
- Suárez-Cao, Julieta. 2001. "Innovaciones constitucionales provinciales: arquitectura institucional del Legislativo. Los casos de las provincias de San Luis y Tucumán." In *Paper delivered at the XXIII International Congress of the Latin American Studies Association*. Washington DC, September 6-8.
- Takahashi, Yuriko. 2005. "Dynamic Theory of Electoral Competition and Redistribution: Evidence from Mexico." In *Paper prepared for the Comparative Political Economy Workshop, Harvard University*.
- Tarrow, Sidney. 1977. *Between Center and Periphery. Grassroots Politicians in Italy and France*. New Haven and London: Yale University Press.
- . 1978. "Introduction." In *Territorial Politics in Industrial Nations*, ed. P. K. L. G. Tarrow. New York and London: Praeger Publishers.
- Tilly, Charles. 1990. *Coercion, Capital and the European States, A.D. 990-1990*. Cambridge

- MA & Oxford UK: Blackwell.
- Tow, Andy. "Atlas Electoral de Andy Tow."
- Van Evera, Stephen. 1997. *Guide to Methods for Students of Political Science*. Ithaca: Cornell University Press.
- Ward, Peter and Victoria Rodríguez. 1999. *New Federalism and State Government in Mexico: Bringing the States Back In*. U.S.-Mexican Policy Report No.9. Austin, TX: The University of Texas at Austin.
- Weber, Max. 1976 [1925]. *Wirtschaft und Gesellschaft. Grundriss der verstehenden Soziologie*. 5. Aufl. ed. Tübingen: J. C. B. Mohr.
- Wibbels, Erik. 2005. *Federalism and the Market. Intergovernmental Conflict and Economic Reform in the Developing World*. Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, São Paulo: Cambridge University Press.
- Zelditch, Morris Jr. 1971. "Intelligible Comparisons." In *Comparative Methods in Sociology: Essays on Trends and Applications*, ed. I. Vallier. Berkeley: University of California Press.
- Ziblatt, Daniel. 2008. "Why Some Cities Provide More Public Goods than Others: A Subnational Comparison of the Provision of Public Goods in German Cities in 1912." *Studies in Comparative International Development* 3-4 (43):273-89.

LIST OF INTERVIEWS

The following list of interviews provides the names of all interviewees that explicitly agreed to disclose their names and positions. The interviewees who did not consent to have their names and positions disclosed are listed with numbers.

Acevedo, Sergio. Governor of Santa Cruz (2003-2006). Ciudad de Buenos Aires, April 11, 2008.

———. Governor of Santa Cruz (2003-2006). Ciudad de Buenos Aires, May 22, 2008.

Aguilar Coronado, Humberto. Undersecretary of Legislative Coordination, Ministry of Interior (2003-2005). Mexico City, July 10, 2007.

Agúndez, Miriam. General Secretary, Municipality of San Luis (1999-2003). San Luis City, June 6, 2008.

———. General Secretary, Municipality of San Luis (1999-2003). Ciudad de Buenos Aires, June 15, 2008.

Alcántara, Jaime. Adjunct Secretary to the Presidency of the National PRI (2007). Mexico City, September 25, 2007.

Aldaz, Huberto. PAN federal deputy (Oaxaca) (2003-2006). Oaxaca City, July 18, 2007.

Allende, Eduardo. General Attorney, Province of San Luis (2007-). San Luis City, June 3, 2008.

Altamirano. PAN mayor of Matías Romero, Oaxaca. Oaxaca City, July 17, 2007.

Bailón, Jaime. State Auditor (Oaxaca) (1992-1995). Oaxaca City, July 19, 2007.

Barrionuevo, Chingolo. PJ provincial deputy (La Rioja). La Rioja City, May 7, 2008.

Bengolea, Jorge. Minister of Production, La Rioja province. La Rioja City, May 30, 2008.

Brodersohn, Mario. Secretary of the Treasury (1985-1987). Ciudad de Buenos Aires, April 8, 2008.

Bruno, Alberto. High official from the Electoral Federal Court of La Rioja. La Rioja City, May 8, 2008.

Cafiero, Juan Pablo. Former PJ deputy --Grupo de los Ocho (1989-1991). Ciudad de Buenos Aires, April 10, 2008.

Cao, Horacio. Member of Federal Intervention Delegation in Santiago del Estero (2004-2005). Ciudad de Buenos Aires, February 21, 2008.

Carrasco, Diódoro. PAN federal deputy (Oaxaca) (2006-2009). Mexico City, June 8, 2007.

Cetrángolo, Oscar. Secretary of Provincial Relations, Ministry of Economy (1999-2000) Ciudad de Buenos Aires, March 27, 2008.

———. Secretary of Provincial Relations , Ministry of Economy (1999-2000) Ciudad de Buenos Aires, 23 April, 2008.

Cevallos, Walter. Secretary of Provinces, Ministry of Interior (1999-2001). Ciudad de Buenos Aires, June 11, 2008.

Chamía, Oscar. Secretary of Government, La Rioja (2003-2006). La Rioja City, May 29, 2008.

Coeto, Contreras. PAN federal deputy (Puebla) (2006-2009). Mexico City, September 20, 2007.

Colmenares, David. Coordinator of the Fiscal Coordination Unit with the States (Ministry of Economy) (2000-2006). Mexico City.

Corach, Carlos. Ministry of Interior (1995-1999). Ciudad de Buenos Aires, April 14, 2008.

Cué, Gabino. Mayor of Oaxaca City (2001-2004). Mexico City, June 12, 2007.

Dávila, Humberto. Former Secretary General of SNTE (Teacher's Union). Mexico City, September 20, 2007.

De Leonardi, Juan José. Secretary of Infrastructure and Public Works, La Rioja city. La Rioja City, May 29, 2008.

De los Santos, Joaquín. PRD federal deputy (Oaxaca) (2006-2009). Mexico City, June 5, 2007.

Díaz Arnaudo, Graciela. High official, La Rioja Supreme Court. La Rioja City, 2008, May 31, 2008.

Díaz Pimentel, Juan. PRI President of the Oaxacan Legislature (1998-2000). Oaxaca City, July 16, 2007.

Douglas, Guillermo. UCR deputy of La Rioja (1983-1987). La Rioja City, May 7, 2008.

Durán Sabas, Héctor. General Advisor to the Governor of La Rioja. La Rioja City, May 27, 2008.

Ehlinger, Jorge. President of the PAN in the state of Puebla. Puebla City, October 1, 2007.

Escobedo, Salvador. Mayor of Atlixco, Puebla (1996-1999), Mexico City, October 12, 2007.

Esteva, Gabriel. Federal Delegate, Corett, Oaxaca. Oaxaca City, July 17, 2007.

Esteva, Luis Andrés. President of the PAN in the state of Oaxaca (2000-2003). Oaxaca City, July 18, 2007.

Frigeri, Rodolfo. Secretary of the Treasury (1991). Ciudad de Buenos Aires, May 12, 2008.

Frigerio, Rogelio. Secretary of Economic and Regional Planning, Ministry of Economy (1996-1999). Ciudad de Buenos Aires, April 18, 2008.

Galván, Raúl. UCR Senator of La Rioja (1995-2001). La Rioja City, May 9, 2008.

Garat, Pablo María. Advisor to the Federal Taxing Commission (Comisión Federal de Impuestos). Ciudad de Buenos Aires, April 23, 2008.

Germán. Leader of the Popular Organization of Sombrero Rojo, Canoa (state of Puebla). Puebla City, October 3, 2007.

Gómez Nucamendi, Ericel. Director of Noticias Newspaper (Oaxaca). Oaxaca City, July 16, 2007.

González González, Felipe. PAN Governor of Aguascalientes (1998-2004). Mexico City, April 11, 2007.

Guadagni, Alieto Minister of Public Works, province of Buenos Aires (1987-1991). Ciudad de Buenos Aires, May 13, 2008.

Guerrero, Juan Pablo. Commissioner to the Instituto Federal de Acceso a la Información. Mexico City, March 29, 2007.

Guidotti, Pablo. Secretary of the Treasury, Ministry of Economy (1996-1999). Ciudad de Buenos Aires, April 14, 2008.

Hernández, Fausto. Undersecretary of Expenditures (1996-1998). Mexico City, March 23, 2007.

Hernández y Génis, Antonio. Technical secretary to the PRI (Puebla). Puebla City, October 3, 2007.

Hinojosa, Gabriel. Mayor of Puebla City (1996-1998). Puebla City, October 2, 2007.

Ibáñez, Carlos. Advisor to the Undersecretary of Legislative Coordination, Ministry of Interior (2003-2005) Puebla City, October 3, 2007.

Interview 1. Top rank politician of La Rioja's opposition. La Rioja city, Argentina, May 30,

2008.

Interview 2. Advisor to Governor Maza of La Rioja. Ciudad de Buenos Aires, Argentina, May 5, 2008.

Interview 3. Advisor to Governor Maza of La Rioja. Ciudad de Buenos Aires, Argentina, May 14, 2008.

Interview 4. Advisor to Ricardo Quintela (mayor of La Rioja city 2003-2007). La Rioja city, Argentina, May 26, 2008.

Interview 5. Top rank official of La Rioja's Judiciary. La Rioja city, Argentina, May 27, 2008.

Interview 6. Member of the PJ Youth during the 3rd administration of Adolfo Rodríguez Saá. San Luis city, Argentina, June 2, 2008.

Interview 7. Advisor to Governor Maza. Ciudad de Buenos Aires, May 14, 2008.

Interview 8. Member of the PJ Youth during the 3rd administration of Adolfo Rodríguez Saá. San Luis City, June 3, 2008.

Interview 9. Top rank official of San Luis City municipality. San Luis City, June 5, 2008.

Interview 10. Top rank PRI politician Mexico City, April 4, 2007.

Interview 11. Minister during Fox's administration (2000-2006). Mexico City, July 27, 2007.

Interview 12. PRD federal deputy of Oaxaca (2006-2009). Mexico City, 26 June, 2007.

Interview 13. Top rank PRI politician. Mexico city, 9 July, 2007

Interview 14. Top rank PRI politician. Mexico City, 22 June, 2007

Interview 15. PRD federal deputy of Oaxaca (2006-2009). Mexico City, 29 June, 2007.

Interview 16. Top rank official at the Ministry of Interior. Mexico City, 21 June, 2007.

Interview 17. Top rank official at the Ministry of Interior. Mexico City, April 18, 2007.

Interview 18. Top rank PRI politician and adviser to Roberto Madrazo Mexico City, June 26, 2007.

Interview 19. Coordinator of advisers, Undersecretary of Legislative Coordination, Ministry of Interior (2005-2006). Mexico City, June 27, 2007.

Interview 20. Top rank PRI politician. Mexico City, July 4, 2007.

Interview 21. Top rank PAN official. Mexico City, July 5, 2007.

Interview 22. Top rank Oaxacan politician. Mexico City, July 23, 2007.

Interview 23. Advisor to Santiago Creel (Minister of Interior) (2000-2005). Mexico City, September 24, 2007.

Interview 24. Journalist. Puebla City, October 2, 2007.

Interview 25. Local top rank PAN politician. Puebla City, October 1, 2007.

Interview 26. Top rank official of La Rioja's Supreme Court. La Rioja City, May 31, 2008.

Jiménez, Miguel Ángel. Coordinator of the PANAL federal congressional delegation (2006-2009). Mexico City, September 18, 2007.

———. Coordinator of the PANAL federal congressional delegation (2006-2009). Mexico City, October 9, 2007.

Juárez, Horacio. General Secretary, Judiciary Employees Association of La Rioja. La Rioja City, May 9, 2008.

Kohan, Alberto. General Secretary of the Presidency (1996-1999). Ciudad de Buenos Aires, April 16, 2008.

Laborda, Juan José. Provincial deputy Frente Juntos por San Luis. San Luis City, June 2, 2008.

———. Provincial deputy Frente Juntos por San Luis. San Luis City, June 3, 2008.

Lanzilotto, Karim. Journalist (La Rioja). La Rioja City, May 7, 2008.

Lepine, Enrique. Coordinator of Advisers (Ministry of Social Development) (2006-). Mexico City, June 29, 2007.

Leyva, Marcos. NGO Director (Oaxaca). Oaxaca City July 17, 2007.

López Lena, Humberto. Convergencia federal deputy (Oaxaca) (2006-2009). Mexico City, June 8, 2007.

Luna Corso, José. Justice, La Rioja Supreme Court. La Rioja City, May 30, 2008.

Marín, Hugo. Ministry of Economy and Public Works, San Luis province (1991-1995). San Luis City, June 3, 2008.

———. Ministry of Economy and Public Works, San Luis province (1991-1995). Ciudad de Buenos Aires, June 11, 2008.

Martínez, Roberto. PRD federal deputy (Oaxaca) (2006-2009). Mexico City, June 12, 2007.

Maza, Ada. Federal Senator of La Rioja. La Rioja City, May 8, 2008.

Maza, E. Ángel. Governor of La Rioja (1995-2003). La Rioja City, May 8, 2008.

Mejía, Mario Alberto. Journalist of Quinta Columna (Puebla). Puebla City, October 2, 2007.

Menem, Carlos. President of Argentina (1989-1999). La Rioja City, May 9, 2008.

Mercado Luna, Gastón. UCR deputy of La Rioja (1995-1999). La Rioja City, May 6, 2008.

———. UCR deputy of La Rioja (1995-1999). La Rioja City, May 10, 2008.

Montero, Oscar. Secretary of Municipal Affairs, Government of San Luis (2007-). San Luis City, June 6, 2008.

———. Secretary of Municipal Affairs, Government of San Luis (2007-). Ciudad de Buenos Aires, June 19, 2008.

Morales, Melquíades. Governor of Puebla (1998-2004). Mexico City, October 8, 2007.

Moreno Tello, Miguel Ángel. PRI federal deputy (Oaxaca) (2000-2003). Mexico City, July 30, 2007.

Moreno Valle, Rafael. 2007. Secretary of the Treasury of Puebla (1999-2003). Mexico City, September 27, 2007.

Murat, José. Governor of Oaxaca (1998-2004). Mexico City, October 11, 2007.

Murdochowicz, Alejandro. Official from the Secretary of the Treasury, Ministry of Economy (Alfonsín's administration). Ciudad de Buenos Aires, April 7, 2008.

Murillo Karam, Jesús. PRI senator (Hidalgo) (2006-2012). Mexico City, June 20, 2007.

Nosiglia, Enrique. Ministry of Interior (1987-1989). Ciudad de Buenos Aires, April 9, 2008.

Núñez Jiménez, Arturo. PRD federal senator (Tabasco) (2006-2012). Mexico City, April 16, 2007.

Ortiz, Claudia. Secretary of Economy, Treasury, and Finances of La Rioja city. La Rioja City, May 28, 2008.

———. Secretary of Economy, Treasury, and Finances of La Rioja city. La Rioja City, May 29, 2008.

Ortiz, Julieta. Vice-minister of Economy, San Luis Province 2007-). San Luis City, June 5, 2008.

Otero, Mario. Journalist of San Luis province. San Luis City, June 4, 2008.

Palacios Alcócer, Mariano. President of the national PRI. Mexico City, July 12, 2007.

Pérez Audelo, Juan. Journalist of El Imparcial (Oaxaca). Oaxaca City, July 19, 2007.

Pessino, Carola. Advisor to Roque Fernández, Ministry of Economy (1996-1999). Ciudad de Buenos Aires, 21 April, 2008.

Poggi, Claudio. Minister of Economy of San Luis Province. San Luis City, June 2, 2008.

Poiré, Alejandro. Advisor to President Calderón. Mexico City, July 11, 2007.

Porrás, Analía. Legal advisor to the legislature of La Rioja. La Rioja City, 26 May, 2008.

Quintela, Ricardo. Mayor of La Rioja city (2003-). La Rioja city, May 29, 2008.

Rivera Domínguez, Noe. Top advisor to Elba Esther Gordillo. Mexico City, September 19, 2007.

Rodríguez, Jesús. Ministry of Economy (1989). Ciudad de Buenos Aires, April 8, 2008.

Rodríguez Prats, Juan José. PAN federal deputy (Tabasco) (2006-2009). Mexico City, April 16, 2007.

Rodríguez Uresti, Enrique. PANAL federal deputy (San Luis Potosí) (2006-2009). Mexico City, September 19, 2007.

Rueda, Arturo. Journalist La Quinta Columna (Puebla). Puebla City, October 2, 2007.

Salinas, Bulmaro Rito. PRI federal deputy (Oaxaca) (2000-2003). Oaxaca City, July 19, 2007.

Samper, José. Former General Attorney, San Luis government. San Luis City, June 3, 2008.

———. Former General Attorney, San Luis government. San Luis City, June 4, 2008.

Solís Barrera, Alejandro. Direction of Coordination with States and Municipalities, Instituto Federal de Acceso a la Información Mexico City, April 18, 2007.

Souto, Oscar. Chief of Staff, Secretary of Assistance to the Reform of Provincial Economies, Ministry of Interior (Menem's first administration). Ciudad de Buenos Aires, March 27, 2008.

———. Chief of Staff, Secretary of Assistance to the Reform of Provincial Economies, Ministry of Interior (Menem's first administration). Ciudad de Buenos Aires, April 4, 2008.

Szterenlicht, Edmundo. High official from the Consejo Federal de Inversiones. Ciudad de Buenos Aires, April 15, 2008.

Taurant, Elías. Supreme Court Justice (1994-1996). San Luis City, June 4, 2008.

Trejo, Abel. PRI federal deputy (Oaxaca) (2003-2006). Oaxaca City, July 19, 2007.

Vacchiano, Rodolfo. Secretary of Provinces, Ministry of Interior (1997-1999). Ciudad de Buenos Aires, Argentina, May 15, 2008.

Varela Laguna, José Luis. Convergencia federal deputy (Oaxaca) (2006-2009). Mexico City, June 19, 2007.

Velázquez, Felipe. Mayor of Atlixco (Puebla) (2002-2005). Mexico City, September 28, 2007.

Vernet, José María. Governor of Santa Fe (1983-1987). Ciudad de Buenos Aires, March 29, 2008.