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DEMOCRATIC BLIND SPOTS:
ORGANIZED LABOR AND THE PERSISTENCE OF SUBNATIONAL
AUTHORITARIANISM IN MEXICO

By

JOHN GRIFFIS

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John Griffis defended this dissertation on May 29, 2019.
The members of the supervisory committee were:

Chris Reenock
Professor Directing Dissertation

Andrew Frank
University Representative

Amanda Driscoll
Committee Member

Holger Kern
Committee Member

The Graduate School has verified and approved the above-named committee members, and certifies that the dissertation has been approved in accordance with university requirements.

I dedicate this to my parents John and Ramona Griffis, as their constant support made this dissertation possible.

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LIST OF ABBREVIATIONS

Acronym	English Translation
PRI	Institutional Revolutionary Party
PAN	National Action Party
PRD	Party of the Democratic Revolution
MORENA	National Regeneration Movement
PVEM	Ecological Green Party of Mexico
UyC	Uses and Customs
NAFTA	North American Free Trade Agreement
FDI	Foreign Direct Investment
PJ	Peronist Party
CGT	General Confederation of Labor
CTM	Confederation of Mexican Workers
CROC	Revolutionary Confederation of Workers and Peasants
CROM	Regional Confederation of Mexican Workers
El SNTE	National Teachers Union
LA CNTE	National Coordination of Teachers (Radical Wing)
CIDAC	Research Center for Development
INEGI	National Institute of Geography and Statistics
INAFED	National Institute for Federalism and Municipal Development
IMMEX	Federal Maquiladora Registry System
GDELT	Global Database of Events, Language, and Tone
DD	Difference in Difference
PRONASOL	National Solidarity Program
PROCAMPO	Farmers Direct Support Program
STPRM	Mexican Oil Workers Union
CCT	Conditional Cash Transfer
CAB	Labor Arbitration Board

ABSTRACT

Newly transitioned democracies frequently exhibit authoritarian traits at the subnational level. The literature on subnational authoritarianism tends to focus on how these enclaves interact with national governments, ignoring how they maintain support in their own regions. This dissertation seeks to explain authoritarian persistence in the case of Mexico. I propose subnational autocrats maintain their local coalitions from the previous autocratic regime. Where they are able to successfully maintain these coalitions through economic and political shocks they can persist indefinitely into a nationally democratic regime. My empirical analysis looks specifically at Mexico, where organized labor remained an important supporter of the Institutional Revolutionary Party well after the democratic transition. I use data on organized labor mobilization, PRI electoral support, and social spending to see if there is an electoral and social spending connection between organized labor and the PRI. I find no clear evidence that labor served as a critical player in local elections for the PRI.

CHAPTER 1

INTRODUCTION: THE SURVIVAL OF LOCAL AUTOCRATS

Subnational Authoritarianism

In 1989, Ernesto Ruffo Appel, the National Action Party (PAN) gubernatorial candidate in Baja California, became the first non-Institutional Revolutionary Party (PRI) candidate to win a major statewide election since the end of the Mexican Revolution in 1917. The PRI was arguably the most successful political party in the Western Hemisphere throughout the 20th century. From the 1920s through 2000 they won every presidential election while simultaneously dominating federal legislative elections, as well as state legislative and gubernatorial elections (Krauze, 1998; Camp, 2010; J. K. Langston, 2017). Ideologically, the PRI built a big tent in the center, using a president's ability to choose his successor to satisfy various factional interests within the party (Middlebrook, 1995; Krauze, 1998; J. K. Langston, 2017). Unlike many of their Latin American peers, the PRI successfully established civilian control over the military, preventing the cold war military coups that destabilized partisan politics throughout much of the region. The PRI also oversaw significant economic gains from the 1940s to the 1970s, providing much needed legitimacy to their single party rule. After human rights abuses came to light in the midst of the 1968 Mexico City Olympics¹, the PRI augmented electoral rules to allow opposition party representation. This early electoral change was largely cosmetic, as the primary party to take advantage of these changes, the PAN², still held an extreme minority of legislative seats until the 1990s.

It was not until after the election of Appel in 1989 that the PAN was able to genuinely compete at the state and local level. Opposition party candidates would continue to make inroads with voters throughout the 1990s, and the party apparatus of the PRI, which had long resorted to patronage

¹The most prominent of these abuses was the Tlatelolco massacre, occurring 10 days before the opening ceremonies in 1968. Thousands of student protesters were violently repressed by the police, with over 1,000 arrests and an unknown number of student deaths. International attention was already fixed on the city and country due to the Olympic Games, and the PRI received a litany of international and domestic criticism in the aftermath.

²The National Action Party formed as a center-right, largely Catholic oriented party in the 1930s to oppose the expanding power of the ruling Revolutionary Party. While a few large splits have occurred over the years, it has largely remained a center-right party, with significant support in the central Bajío region and certain northern states.

and vote buying, began to lose electoral support (Magaloni, 2006; Camp, 2013; J. K. Langston, 2017). Democratic gains were solidified in 1996 when the Federal Electoral Institute, the agency that runs national elections, was granted autonomy from the executive branch (Rosas, 2010). After this, the large majorities enjoyed by the PRI at every level of government began to wane. In 1997 the PRI lost their absolute majority in the National Assembly, and by 1999 nearly half of all governors represented non-PRI parties or coalitions. This liberalization famously culminated in 2000 when PAN presidential candidate Vicente Fox defeated the PRI's Francisco Labastida by over two million votes, ushering in an age of modern democracy in Mexico (Weiss, 2000; Klesner, 2001).

While Mexico joined its Latin American peers in its national transition toward democracy, state and local level outcomes were far more diverse. In Chihuahua, one of the first states where the PRI lost statewide elections, the state congress and the governor's office peacefully changed hands between the PRI and PAN several times between 1990 and 2016. In Veracruz, state government remained firmly in the hands of the PRI until 2016, and this only after the governor resigned and disappeared after a massive corruption scandal³. Some entrenched PRI governors put themselves in direct opposition to the incoming Fox administration after 2000. José Murat, governor of Oaxaca, went as far as orchestrating the kidnapping of two federal investigators researching how development funds were being allocated in the state. He reportedly declared to the hostages, "This is my state and I decide who meets with whom, and whether or not you hold meetings in Oaxaca" (Giraudy, 2009). After this, Murat refused to sign development treaties with the Fox administration, depriving millions of Oaxacans access to federal funds.

These variant outcomes show how fickle democratic norms and institutions can be at the local level, in spite of liberalizing transformations on the national stage. Although many states peacefully transition into national democracy, the vestiges of autocratic regimes can linger at the local level while clashing with federal governments, causing gridlock, fomenting corruption, and undermining democratic norms and institutions (Sidel, 2014; Mickey, 2015). This subnational authoritarianism can take different forms across different countries, using old party apparatuses, patronage systems, or parochial customs to remain in power. These governments are able to survive in a system where

³Javier Duarte de Ochoa of the PRI was elected governor of Veracruz in 2010. His tenure oversaw many scandals including the discovery of mass graves, the deaths of many prominent journalists, and alleged ties to organized crime. Judicial proceedings against him in regards to accusations of cartel associations began in 2016, at which point he quickly resigned and fled the state by helicopter. He was found and arrested 7 months later in Guatemala.

a federal democracy exists, often by beating back threats and challenges to legitimacy from the federal government itself.

The significance of autocratic outcomes within democracy should not go without notice. In these regions, voters are unable to keep their local representatives accountable through usual democratic means. The deterioration of this accountability linkage calls into question the very qualification of a state as democratic. While national leaders are still subject to evaluation at the ballot box, their toleration of subnational autocracy signals their complicity in the negative outcomes they produce. For example, subnational autocratic regions have been linked to extra judicial killings, kidnappings, and institutionalization of discrimination (Gibson, 2013; Mickey, 2015). While not all subnational autocracies result in human rights violations, most break the accountability linkage by either buying votes, rigging local elections, or engaging in corruption (Herrmann, 2010; Sidel, 2014; Mickey, 2015). Because they are not kept accountable through elections, subnational autocrats should produce worse policy outcomes than their democratic counterparts. A survey of the literature shows that these local autocrats typically establish themselves in the least developed, most marginalized regions of the country (Giraudy, 2009; Gibson, 2013; Mickey, 2015).

Studies of subnational authoritarianism typically focus on why democracies allow such regimes to occur locally. In order to stay in power, local autocrats must nullify democratizing pressures on three dimensions. First, they must nullify fiscal and partisan pressures from the national government (Gibson, 2013; Mickey, 2015). Second, they must forestall election pressures from below through electoral fraud, systems of patronage, or legitimate electoral victory (Giraudy, 2009; Gibson, 2013). Finally, subnational autocrats must keep their ruling coalition intact by stopping elite defections to competing parties (Gibson, 2013; Mickey, 2015; Kerevel, 2017). Despite incentives to transition to democracy, subnational transitions occur unevenly. Some occur through natural electoral change, others due to intervention, while some enclaves are able to resist these pressures entirely. This leads to the following research question: under what conditions are subnational autocracies able to resist these pressures?

Answering this requires grappling with two basic questions. What scenarios can be considered subnational authoritarianism, and what conditions lead to its persistence? Both Gibson (2013) and Mickey (2015) consider subnational autocrats to be any state or municipal government that

carry over from the previous autocratic regime⁴, and continue to exhibit authoritarian behaviors. While useful in identifying cases, this definition is incomplete; both authoritarian behaviors and their ties to the old regime are poorly defined. Gervasoni (2010) uses a multidimensional approach, considering contestation, inclusion, freedom of expression, institutional checks, and state repression as indicators of subnational autocracy. While it is useful to examine how these indicators differ among states, the results suggest that some institutions may occur rarely, or may not matter much in identifying subnational authoritarian governments.⁵ Finally, Giraudy (2009) provides the most minimal definition, considering contestation to be the most important democratic dimension. States are considered to be democratic when elections are contested, when elections are fair, and when there is electoral turnover.⁶

For the purposes of this project, I find the minimalist definition to be most useful. Minimalism is a frequent practice in studies of national regime type (Cheibub, Gandhi, & Vreeland, 2010). Defining terms minimally reduces subjectivity and allows for easy replicability across different subnational levels and across countries. Minimal definitions also lead to more conceptual clarity when drawing inference from empirical data as outcomes of these institutions play no defining role. These definitions are also widely applicable, allowing for great flexibility when applying theoretical concepts to the observed world. Of course a minimal definition wouldn't be without its own problems. Based off of Giraudy's approach, I apply the Democracy and Dictatorship measure at the subnational level (Giraudy, 2009; Cheibub et al., 2010). Subnational entities are considered democratic when they exhibit the following properties: fully contested elections for legislative and executive posts, clean and fair elections, and alternations in power (Giraudy, 2009).

While this definition applies to the cases of interest, some distinctions should be made. As Gibson suggests, most subnational authoritarian regimes are simply electoral or competitive authoritarians that have persisted into democratic regimes (Levitsky & Way, 2010; Schedler, 2010; Gibson, 2013). Several places in the United States, like Utah or Chicago, have experienced little

⁴While this phenomenon is most common in states that experienced single party dictatorship, it can also occur naturally in democracies, where one party exhibits regional or cultural differences separate from the national party. The Jim Crow South and the case of Cebu in the Philippines both represent states where subnational authoritarianism did not carry over from a single party dictatorship.

⁵In this case, state repression occurs infrequently. In addition, the method of data collection leaves something to be desired. Gervasoni employs a survey of experts who classify states on these dimensions. It is not an index of the institutions themselves.

⁶Giraudy applies this primarily to governor's races, but it can be applied to legislative and municipal elections as well.

electoral turnover throughout their history. Thus Giraudy's definition cannot be applied to all cases, as it would lead to large amounts of type II error. To prevent this, the definition should only apply to subnational units coming out of an electoral authoritarian regime, or units that have long harbored some autocratic distinction from other regions in the country. Most eligible cases would likely come from large federal countries where regional autonomy allows for variation in levels of democracy.

Examples of Subnational Authoritarianism

Below I describe some prominent examples of subnational authoritarianism. This is not an exhaustive list of cases, but illustrates the diversity of autocratic behavior, support coalitions, and outcomes of subnational autocracy.

The Jim Crow South

One of the more blatant examples of subnational authoritarianism persisted in the United States until the late 1960s. Here the Democratic Party, which won large majorities in the region before the civil war, continued local rule by subverting democratic norms. During this period millions of black voters were systematically disenfranchised through Jim Crow laws. Corrupt local officials manipulated electoral rules and legal institutions to keep political reform and transition at bay. Through this system, Democrats were able to maintain power at all levels where the south was represented. Southern municipalities, state governments, and federal representatives were overwhelmingly Democratic and could affect policy both locally and nationally⁷. While the dismantling of Jim Crow began in the 1950s, in some areas it lasted well into the late 20th century.

The political makeup of southern Democrats was notably different from Northern Democrats. In most policy arenas, southern democrats held more conservative positions than their northern counterparts. On some others, most notably during the great depression, southern Democrats allied strongly with the Democratic coalition built by FDR. The national Democratic party was dependent on southern Democrats to maintain national power, thus regressive views on race and exclusion were tolerated among national partisans well into the 1960s. Throughout their time in power, southern Democrats were staunchly opposed to any civil rights legislation which would have

⁷Mickey describes these enclaves as 'Party-States' (Mickey, 2015)

challenged their single party rule in the South, with many going so far as to form a third party during the presidency of Harry Truman⁸ (Riker, 1982). Undemocratic rule by southern Democrats would ultimately come to an end due to the passage of the Civil Rights Act and to broader desegregation throughout the region. Defeated on the one issue that bound them together, southern Democrats and their voters began to migrate toward the Republican party in the latter half of the 20th century (Gibson, 2013; Mickey, 2015).

The Philippines

In the nationally democratic Philippines, local bosses in some states have benefited from old systems of clientelism that pre-date American involvement in the region⁹. While some states have moved back toward democracy through electoral turnover, some local leaders have been able to entrench themselves for decades by fixing the vote, taking advantage of states resources, and intimidating opposition voters. Local bosses, as defined by Sidel, “refer to local brokers who enjoy an enduring monopolistic position over coercive and economic resources” within their districts (Sidel, 2005). This can include mayors, congressman, or governors who build political machines and businesses that can span within and across states. Unlike many other subnational authoritarians, Philippine bosses don’t always rely on patron-client networks or large personal landholdings to coerce electoral support. Bosses rely on a diverse set of strategies to remain in power including controlling state contracts, use of the police to intimidate voters, control over election procedures, and familial business ties to generate wealth.

Unlike authoritarian counterparts in the United States, Argentina, and Mexico, bosses in the Philippines operate in a diverse set of economic climates. Subnational autocrats are not just relegated to economically peripheral regions like Sulu or Palawan, but operate in developed and fast growing regions like Cebu and Cevite. Local bosses even control parts of highly urbanized Manila (Sidel, 2005). These regions also experience economic growth roughly on par with more democratic regions of the country, suggesting that subnational authoritarianism, at least in the Philippines, may not be a detriment to local economies. Moreover, these local bosses act with some

⁸The short lived ‘Dixiecrat’ party was formed partly in response to Truman’s desegregation of the military and the formation of the President’s Council on Civil Rights

⁹This involvement begins in the 1890s when the U.S seized the Philippines from Spain during the Spanish American War.

independence from national parties. Allegiance to local ‘clans’ defines subnational autocracy, not loyalty to a large national party (Sidel, 2005).

Indonesia

Subnational autocrats in Indonesia have the benefit of drawing from strong political machines created during the Suharto regime (Sidel, 2005). While local democratic assemblies did exist under Suharto, most were structured in a way to benefit the ruling party (Gandhi, 2008). Moreover, executives were imposed on provinces and municipalities by the central government, and given powers that clipped the authority of elected legislatures. Under Suharto, these local executives were rotated and ultimately depended on the central government for support (Sidel, 2005). Ironically this meant that leaders did not have the opportunity to build up support locally, subverting lasting local authoritarianism during the period of national autocracy.

Things began to change after Suharto was ousted from power in 1998. Decentralization policy passed in 1999 led to the strengthening of local institutions, making local executive and legislative posts a coveted commodity. In many provinces this led to wealthy elites capturing office and keeping these offices in the hands of trusted networks. In Aceh, for example, the ‘timber mafia’ has captured a considerable amount of municipal offices to ensure that local politicians do not disrupt business operations (Sidel, 2005). In more urban settings, gangs and religious groups have inherited patronage systems from the previous regime. For example, the youth wing and civilian militia of Nahdlatul Ulama (NU), a traditionalist Sunni Islamic movement, is notorious for using violence and vote-buying to influence elections in Java.

Post-Soviet Russia

While Russia is widely considered nationally autocratic today, for a brief period after the fall of the Soviet Union, its government was institutionally and nominally recognized as a democracy. Subnationally, however, many Soviet authorities continued to hold power, playing by the tactics and rules of the old regime. These entities clashed with the new government of the Russian federation, and in the political and economic turmoil of the 1990s, carved out their own autonomous roles in a pre-Putin government. McMann and Petrov conducted a survey of Russian experts, asking them to rank regions and oblasts by their affinity for, or aversion to, democratic norms (McMann & Petrov, 2000). The results of their survey suggest several correlates with local authoritarianism. The first

is a slight diffusion of democratic norms around urban areas. Wealthy cities like Moscow and St. Petersburg and their immediate hinterlands achieve higher scores of democracy on the survey likely as a result of a general urban/rural cultural divide. Second, greater levels of economic reform tend to be associated with subnational Russian democracy. This result may stem from the rapid marketization of the post-Soviet economy, which tended to hit cities harder than peripheral rural districts (McMann & Petrov, 2000). Finally, democratic states tend to be associated with votes for Boris Yeltsin, an advocate of the diffusion of democratic norms and institutions throughout the new Russian state, following the fall of Communism in 1989. The democratic period of Russian states did not last more than 15 years, as nationally Russia descended back into autocracy in the mid-2000s.

Comparing the Russian federation to other post Soviet states has also yielded some insight into post-communist authoritarian enclaves in Central Asia. In Kyrgyzstan for example, local economic structures can determine how successful democratic transitions change state and local politics. Regions where citizens earn a more autonomous living are more receptive to democracy, while regions that give local officials more control over the lives of citizens are less likely to fully transition (Driscoll, 2015; Behrend & Whitehead, 2016).

Argentina

Subnational authoritarianism in Argentina has largely been associated with one party: the Peronists. From its early days as a political ally of the labor movement¹⁰, the Justicialist Party, commonly known as the Peronist party¹¹, has used patronage systems to buy votes and maintain support. This behavior was more widespread before periods of military rule from 1954-1983, but persists today in certain states. After 1983, when many old guard Peronist leaders retook control of state governments, some states diverged from the federal government and became more authoritarian. Styles of rule varied greatly from governor to governor, with some Peronists falling in lockstep with the national administrations of Carlos Menem and Nestor Kirchner, and others carving out relatively autonomous fiefdoms by challenging the federal government.

¹⁰Juan Perón entered national Politics as the minister of Labor. As a labor friendly minister, he was first elected to the presidency on the ticket of the Labor party, which was quickly absorbed into his new Justicialist Party. The expansion of suffrage to women, and the popularity of the women's wing of the party, led and organized by Eva Perón, solidified Perón's grasp on power and domination of the labor movement. Peronist policies were very labor friendly, following the Import Substitution Industrialization strategy that increased wages and reduced unemployment.

¹¹The party was founded by Juan and Eva Perón and both dominated its early politics.

Two divergent cases occur in the states of San Luis and Santiago del Estero. San Luis was ruled for nearly 18 years by the Peronist governor Adolfo Rodríguez-Saá. Rodríguez-Saá and his brothers in the Senate formed a state financially independent from the national government by operating on sound fiscal policy and using surpluses to develop the region. They maintained popularity by throwing government surpluses into patronage systems, and spending heavily on popular public works projects (Calvo & Murillo, 2005). Over their eighteen year rule, their popularity nullified any opposition candidates from running against them, and allowed the Rodríguez-Saá's an ability to challenge the federal government.

In Santiago del Estero, governor Carlos Arturo Juárez lead a more oppressive local regime. Juárez adopted many of the tactics used by his predecessors in the period of military rule. Surveillance of citizens was common, particularly for those involved in opposition parties (Gibson, 2013). In some cases, the governor resorted to 'disappearances' and state violence. A statewide cult of personality was created by the Juarez family, with the intent to solidify their rule into the future. Their rule would ultimately end against their will when in 2004 the Juárez family was implicated in an unsolved murder case. Using emergency powers, president Nestor Kirchner removed them from office and unilaterally installed a temporary replacement.

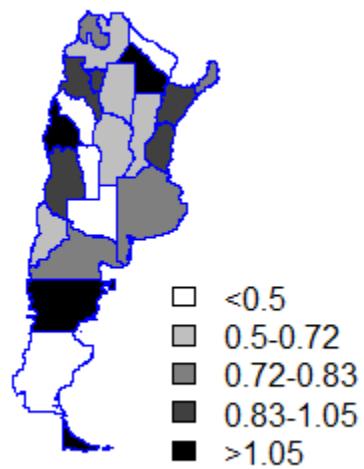


Figure 1.1: Subnational Authoritarianism in Argentina

Figure 1 uses an authoritarian measure created by Augustina Giraudy and maps it onto different Argentine states. The measure consists of an index combining turnover and contestation for state executive and legislative posts averaged over time. Lower democracy scores are denoted with lighter colors. It's clear in Argentina that less democratic states are both rural and far physically from Buenos Aires.

Brazil

Much like Argentina, a return to national democracy in Brazil saw the simultaneous return of old style autocrats. These actors resurrected client networks and rebuilt political machines that operated independent from national parties until the mid-2000s. Some state and local leaders, particularly in Brazil's poorer northern states, undermined opposition parties by buying votes, fixing elections, and curbing civil liberties. A wave of decentralization in the mid 1980s allowed regional leaders to hold on to power for decades without the oversight of the federal government. This hold was particularly strong in the large state of Bahia, where the Liberal Front Party held firm control over the executive and legislative branches for over 20 years (Behrend & Whitehead, 2016).

Unlike Argentina or Mexico, authoritarian enclaves in Brazil did not have a large hegemonic party on which to lean for resources or national campaigns. Thus autocrats in Brazil were not necessarily from the same party, and balkanized in their strategies to remain in power. When wave elections started to see the leftist PT rise to prominence, local leaders could not coordinate with other autocrats or easily share resources. By 2006, the PT had wiped out most subnational autocrats in Brazil. For example, the party machine that had been firmly in control of Bahia (PFL/DEM) has yet regain control of most offices in the state. Subnational authoritarianism, while present in Brazil, has declined substantially thanks to wave elections and coordination problems among local autocrats (Borges, 2007).

Mexico

Much like Argentina, subnational authoritarianism in Mexico has historically been linked to one party. The PRI's electoral domination of the country came to an end in 2000, but many states still remained under governors who were groomed and elected in an undemocratic system. Before the 1990s, the PRIs power came from a broad coalition of white collar elites, rural agricultural

workers, and industrial unions. This coalition remained intact until the PRI began losing elections eight years after their response to the Latin American debt crisis. In several states, these coalitions remained in tact, and authoritarian governors and municipal leaders continue to rely on their support and the patronage systems they control to stay in power. To illustrate this point, I draw from three examples.

The state of Veracruz remained firmly in the control of the PRI until 2016. Even after 2000, PRI operatives in Veracruz initially relied on old tactics and patronage systems. As time went on, some governors began to ally with local criminal leaders in exchange for monetary support. According to Reporters without Borders, by 2010 Veracruz had become one of the most dangerous places in the world for journalists. Mass graves were uncovered during the administration of Javier Duarte, who did little to investigate the crime. Eventually Duarte was brought down in an embezzlement scandal where he resigned and disappeared from the country. He was found hiding in Guatemala in 2017, and extradited back to Mexico in the same year to face trial.

Tabasco's authoritarian heritage is steeped in local union activity. Tabasco contains much of Mexico's gulf oil infrastructure, and the oil union of PEMEX has long been an ally of the PRI. At the same time that Mexico was celebrating a new era of democracy in 2000, Tabasco's state elections were being overturned due to evidence of fraud by the PRI¹². Andres Granier Melo, governor from 2006-2012, rode to office on a wave of corporatist union support. During his tenure he primarily used his secure office to enrich himself and his political allies. Granier, a lifetime bureaucrat, once held a conversation where he boasted that he had "300 suits, 400 pairs of pants, 1,000 shirts, and 400 pairs of shoes. [I] shopped Beverly Hills, Rodeo Drive, the best of Los Angeles (Fausset & Sanchez, 2013)." He was eventually arrested on charges of corruption in 2013.

PRI leaders in Puebla took a more long term approach to political strategy. Unlike governors in Veracruz and Tabasco, who used state offices to rob taxpayers blind and reinforce patronage systems, leaders in Puebla made concessions to the federal government during the contentious Fox administration. Governor Melquiádes Morales (1998-2004) made an unofficial deal with the Fox administration not to interfere with local elections in PAN strongholds. In exchange, Fox would turn a blind eye to many of the authoritarian practices still occurring in Puebla (Giraudy, 2009). His successor Mario Marín Torres (2004-2010) more or less continued this system while simultaneously

¹²The PRI would go on to win the second election handily. This election was verified as fair by the Federal Electoral Institute

curtailing civil liberties across the state. Marín used the governor's office to shut down opposition newspapers and increased unlawful detentions and violent action against protesters in PRI districts. In 2006 he was forced to moderate most of his authoritarian positions after a scandal broke where he was found aiding the accused leader of a ring of pedophiles (Giraudy, 2009).

Figure 2 shows Giraudy's measure of subnational democracy mapped across Mexican states. Unlike in Argentina, a diversity of states score low on her Democracy measure. Old PRI mainstays like Puebla, Oaxaca, and Tabasco are expected during the time period, but Baja California, where the PRI first began to lose elections, scores nearly as low.



Figure 1.2: Subnational Authoritarianism in Mexico

Why does Subnational Authoritarianism Persist?

There are several arguments that explain the persistence of subnational autocrats. The most prominent theories focus on how subnational autocrats retain autonomy from the federal government. Gibson (2011), Mickey (2015), and Giraudy (2009), all construct theories centered on how local leaders remain autonomous from either the national government, the national party, or both. Others suggest that subnational autocrats may be a fluke of fiscal federalism. States that

receive more fiscal transfers from the national government than receive from local tax revenue appear to have worse democratic outcomes (Gervasoni, 2010). Some scholars advocate for a bottom up approach, suggesting that local electoral rules can reinforce local patronage systems (Benton, 2012).

The first major theory considers the relationship between the national and subnational government and the strategic environments that make national intervention more likely. The argument follows that subnational autocrats attempt to limit their linkages with the national government. By monopolizing linkages, local autocrats minimize the chance that the national government intervenes in local politics (Gibson, 2013). These linkages can take multiple forms. Control or leverage over local delegates, congressional delegations, investigators, and even national party actors give subnational autocrats a bargaining chip against national opposition party leaders. In others, newly democratic national governments are too distracted, or have too little political capital to reign in these state governments and their cadres of support. In this argument, the institutional persistence of autocracy is solely the responsibility of the national government; where linkages aren't monopolized, they can intervene (Gibson, 2013).

Mickey (2015) derives a similar explanation, suggesting that states that establish autonomy from the national government can better maintain authoritarian power. In Mickey's case, national parties allow subnational authoritarianism to persist because they depend on the state level parties for national success. To survive at the state level, local autocrats must achieve autonomy from the national party. Mickey's main evidence for the importance of partisan autonomy is the Jim Crow south, where conservative southern democrats remained an important wing of the democratic party until the 1960s, despite the rest of the party being quite liberal. Controlling partisan linkages such as nominational procedures, gives local autocrats veto power over potentially threatening policy (Mickey, 2015).

The third explanation expands on the first, suggesting states can come to different equilibria with the national government despite not having a monopoly on linkages (Cornelius, Hindley, et al., 1999; Giraudy, 2009). Some states maintain local control through elimination of linkages and 'self-reproduction' through coercion and embezzlement of state resources (As described by Gibson 2005)). Others, however, create a pact with the national government, creating vertical coalitions that protect the interests of both parties. Giraudy describes these relationships as a quid pro quo;

subnational actors do not interfere in the electoral process and national actors do not intervene locally. Unlike Gibson, Giraudy describes two methods of national control. The first represents more traditional fiscal ties the national government has over the governor. The second, and perhaps most common, is when local municipal party ties are engaged to undermine state leaders. Whereas Gibson sees linkage control as the only path to subnational autocracy, Giraudy sees multiple paths requiring opposite strategies; either closing all linkages, or opening all linkages and forming an alliance. This new ‘reproduction from above’ is noted in the Mexican state of Puebla, where PRI governors maintained power through a collegial relationship with the federal government (Giraudy, 2009).

Fourth, rentierism among states can restrict democratizing pressures by forgoing local taxation. This rentierism is not resource or geographically based, but rather couched in fiscal federalism. Economically small states often receive a larger proportion of fiscal transfers than they generate in tax revenue. This allows for an increased amount of public spending without having to raise tax burdens on local populations. Voters become more likely to turn a blind eye to restricted democracy when public benefits under subnational autocracy exceed potential taxes paid under democracy (Calvo & Murillo, 2005). Local leaders can also use these large transfers to sustain or expand clientelist networks, allowing subnational authoritarianism to persist (Gervasoni, 2010).

Finally, subnational autocrats may survive due to legal rules that promote autonomy above competition or fairness. This is discussed in the literature as a mostly bottom-up chain, where local municipalities or indigenous communities are granted some autonomy from the federal government. This autonomy is then exploited by local political elites. The most widely cited cases are the laws surrounding *Usos y Costumbres* (UyC) in Mexico. Municipalities that are granted use of UyC¹³ make political decisions through local councils. Council memberships vary widely among UyC municipalities. Some offer broad voting rights, while others restrict membership by age, sex, or social status. Research on these systems finds low participation rates and high margins of victory for parties that capture UyC municipalities, suggesting restriction of voting in these communities may have a pronounced electoral effect (Benton, 2012). Because UyC municipalities occur with frequency in traditional PRI strongholds, the ability of UyCs to deliver votes may sustain local clientelism (Magaloni, Diaz-Cayeros, & Estévez, 2007). Figure 3 shows a map and population

¹³Usually indigenous or highly rural and remote communities.

cartogram of UyC laws in the Oaxaca, the state where they are most prevalent owing to the high concentration of indigenous voters. Note that most municipalities that utilize these customs are sparsely populated. While over 400 municipalities use UyC in the state, combined they make up less than 50 % of the state population.

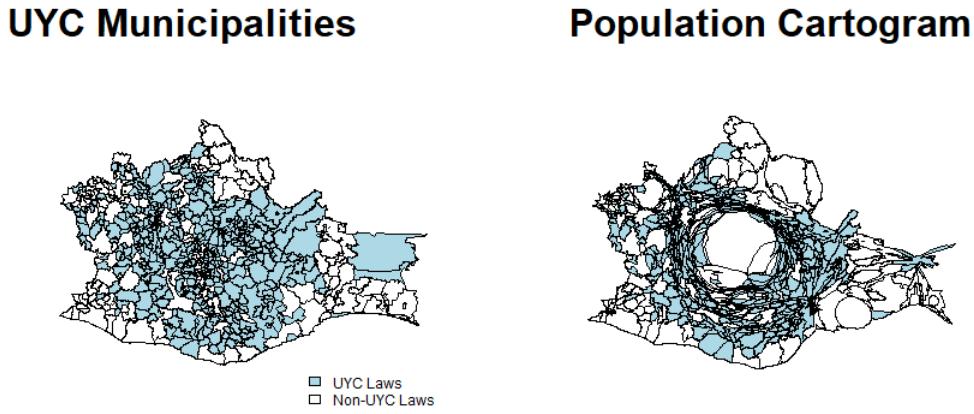


Figure 1.3: UYC Laws in Oaxaca

While these explanations provide a useful framework for studying how subnational autocrats resist democratic pressures, none effectively deals with how local leaders maintain their support. In both Gibson and Giraudy's theories, outcomes are determined by a complex interaction between all levels of government. Local level conditions don't drive outcomes nearly as much as national conditions. Where national governments have the capital to do so, they will challenge local autocrats. This is in contradiction to other scholars who suggest that local economic conditions or the state of local political networks can drive authoritarian enclaves (Migdal, 1988; O'Donnell, 1993; Sidel, 2014). Where these enclaves have the support of the local population, they can thwart the national government and protect their local boundaries. For their theories to work, local parties must maintain constant party cohesion and support of the masses, otherwise national governments can more easily cross boundaries. Neither Gibson, Giraudy, or Gervasoni explain how autonomous local autocrats maintain this support. Party cohesion and organization, for instance, is determined in part by societal organizations and institutions (Buehler & Muhtada, 2016). These institutions

can vary subnationally, and may determine the strength of a party's bargaining position relative to the national government.

In the same vein, only one explanation deals with how autonomous local autocrats maintain local public support, and while the UyC argument does show how client networks can sustain local autocrats, the UyC's legal architecture is geographically concentrated, and so cannot explain local authoritarianism in a broad cross section of cases. Other cases of subnational authoritarianism (as in Puebla) show that UyCs are unnecessary to maintain mass support. Gibson, Giraudy, and Gervasoni suggest that existing patrimonial systems may be at play, though these structures are often influenced by socioeconomic factors. In addition, Argentina and Mexico both exhibit subnational authoritarianism in regions with patrimonial and non-patrimonial systems, suggesting they may provide benefit to local leaders but are not necessary for survival. Unlike mere institutional explanations, local conditions, like socioeconomic factors, can go a long way in explaining the level of political competition, clientelism, party cohesion, and political capital in a region. By only looking at the relationship between national and local leaders, we miss the reason local autocrats can negotiate with national governments in the first place; public support.

Authoritarian Coalitions

If the power of PRI in Mexico was declining throughout the 1990s, how were some local party leaders able to keep enough power to dominate linkages? Similarly, what allowed southern Democrats to survive in a party whose majority often held views opposed to segregation? The answer is that both were able to build coalitions that did not follow national trends. In Mexican states like Puebla and Oaxaca, local leaders held on to traditional PRI voters, even as nationally similar voters began to switch parties. Southern Democrats controlled a distinctive racially based coalition within the Democratic party until the 1960s, at which point the coalition began to switch to the Republican party¹⁴. In situations where subnational autocrats are part of a national party, any uneven change in party coalition may allow them autonomy. The survival of subnational autocrats ultimately depends on the strength and persistence of the original coalition.

There is a broad literature examining how national autocratic leaders rely on the support of ruling coalitions. When ruling coalitions are small enough, autocrats can maintain power by

¹⁴This was owing to shifts in the Democratic party on issues of race and racial equality.

distributing private benefits or rents to coalition members (De Mesquita, 2005). However, sharing power with these coalitions can be volatile, and rulers often face a violent end when challenged by coalition members (Svolik, 2012). One solution to this problem is institutionalization. Institutions like regime sanctioned parties or legislatures can allow for more stable ruling coalitions and peaceful transfers of power (Svolik, 2012). These institutions reduce information asymmetries between coalition members and the ruler, and serve to diffuse destabilizing conflicts between the two (Boix & Svolik, 2013). These institutions may also be used to bring once antagonistic opposition groups into the winning coalition (Gandhi, 2008). For coalition members, remaining in the coalition and participating in institutions allows for an efficient way to receive benefits (Blaydes, 2010).

Coalition membership can take many forms. In a military dictatorship it may be a collection of wealthy elites along with different heads of separate military branches. In a Communist dictatorship, high ranking party officials can represent different segments of society like the military, agricultural, or industrial sectors. In Egypt and Kuwait, coalition members who participated in the legislature were primarily influential family heads and business elites (Gandhi, 2008; Blaydes, 2010). In Taiwan, the Kuomintang retained a wide range of support from different groups like business elites, labor, the military, Mainlander descendants, and Taiwanese aboriginal groups (Schedler, 2006). Ethnic and religious background was prominent in Saddam Hussein's coalition, with minority Shia and Christian groups present in the coalition at the exclusion of Sunni and Kurdish groups (Heger & Salehyan, 2007). Even in weak institutional settings like the Republic of the Congo, power sharing occurs amongst business elites, the military, and the family members of president Denis Sassou Nguesso (Carter, 2012).

Autocratic coalitions are not static. Not only is their make up varied across countries, but political events can change a coalition over time. Just as autocratic instability can come from members of the coalition rising up against a dictator, so too can coalition members fall in and out of favor in service to the regime. In this case change in the coalition is driven endogenously. Stalin, for example, engaged in regular purges to his coalition in order to foster stability and loyalty (Svolik, 2012). As his coalition changed over the decades, several different groups had the opportunity to affect policy. Other, more exogenous factors may also affect the size and makeup of an autocratic coalition. International conflict, economic change, or large scale natural disasters may shape who remains in a coalition, and what kinds of power they share with an autocrat.

While the endogenous and exogenous change in coalitions has received much scholarly attention, less understood is how these coalitions operate and change at the subnational level. It's clear that some subnational autocrats seem to maintain coalitions that are mirror images of previous hegemonic parties, while others, even within the same country, can strike out and build sustainable support from new sources. Carlos Juarez lead something of a personalist regime in Santiago del Estero, maintaining a small close knit group of allies, developing a cult of personality enhanced through propaganda, and monitoring opposition through mass surveillance (Gibson, 2013). While his coalition of support mirrored old style Peronists (relying on both industrial and agricultural labor unions and elite holdovers from the military regime), it differed significantly from the more left leaning Peronists of the Kirchner era. The nearby state of La Rioja was far more dependent on the central government for funds, and thus far more willing to adopt new coalitions to reflect that of the Peronists in power. Long time governor Angel Maza's coalition changed over time, at first favoring business to reflect Menem's policies in the 1990s, and then embracing more left wing advocacy groups to reflect a similar coalition to the Kirchners. Maza himself eventually turned against his mentor (and Kirchner foe) Carlos Menem in a statewide election for an open senate seat.

Subnational coalitions and ruling styles also see variation in Mexico. Jose Murat and Ulises Ruiz ruled Oaxaca in the traditional style of PRI strongmen. Using voter intimidation, and extensive patronage systems among the majority peasant and indigenous communities, these governors ruled nearly unopposed from 1998-2010. Their coalitions remained nearly identical to those of the old PRI, relying on government workers like teachers, industrial and agricultural unions, and indigenous caciques for support (Giraudy, 2009). In Puebla, however, leaders could rely less on agricultural and indigenous leaders, particularly after the debt crisis. The PRI in Puebla maintained power by making certain concessions to non-traditional PRI backers like business elites (Giraudy, 2009). While the strategy wasn't successful everywhere in the state (the PRI lost Puebla city municipal elections in the 1990s), it contributed to the party holding the office of governor until 2011.

Unfortunately, the modern decline of the PRI may have also lead to governors seeking coalition partners through nefarious channels. Whereas PRI governors used to rely on groups like unions, business elites, landholders, and educated professionals, the broad defection of voters to the other parties has left many PRIistas in search of stable support. One option may have been to ally

with cartel leaders, who often have significant authority and governing capacity at the local level. One can imagine a quid pro quo where cartel leaders provide funds, take care of pesky journalists and protesters, and intimidate voters and opposition groups in exchange for political influence and protection. Indeed many governors now embroiled in scandal have been connected with powerful regional cartels. Javier Duarte of Veracruz, Tomás Yarrington of Tamaulipas, and Humberto Moreira of Coahuila have all been associated with various drug cartels during their tenure in office. Local mayors are probably most susceptible to working with criminal organizations to boost their wealth and support, though this may not be as clearly partisan as with state governments. For example, the PRD mayor of Iguala was implicated in the famous Iguala/Ayotzinapa kidnappings. This proved to be enough of a scandal to force party founder Cuauhtémoc Cárdenas to resign.

Even in the United States, local leaders during the Jim Crow era had various strategies to build and keep local support. Huey Long's coalition was in part built on the spoils system where opponents were swept out of the Louisiana bureaucracy to be replaced by political allies. These allies were expected to pay Long a portion of their salary during the next election cycle. Long's progressive politics alienated many of the business elites allied with democrats in other parts of the south. However, the massive public spending during his tenure endeared Long to other groups. He greatly raised his support among poor communities, and unlike other southern Democratic governors, Long had significant support among the poor black community (Mickey, 2015).

Whereas Long placed himself to the left of Franklin Roosevelt, longtime Georgia governor Eugene Talmadge placed himself to the right. Talmadge came to power by taking advantage of Georgia's unique primary system. Acting like a microcosm of the electoral college, Georgia's county unit vote system allowed politicians to rack up points in rural counties that could overcome deficits in the overall vote. Talmadge appealed primarily to rural interests, rejecting New Deal spending programs, promising a reduction in government regulation of agriculture, doubling down on Jim Crow and advocating for states rights. This won Talmadge the wide support of farmers and the necessary proportion of the rural vote to be elected on three separate occasions (despite losing the vote total at least once) (Mickey, 2015).

This dissertation focuses on how one coalition partner, organized labor, can be affected by exogenous factors subnationally. As a political player, organized labor is particularly strong in Latin America, playing a critical role in establishing and sustaining national autocratic parties

(Valenzuela, 1989; R. B. Collier & Collier, 2002; R. B. Collier, 1992; Middlebrook, 1995). As a member of the ruling coalition in places like Mexico, Argentina, and Venezuela, organized labor successfully extracted policy concessions from party leaders. Similarly, they were incorporated into institutions like parties and legislatures that were used to facilitate power sharing (Murillo, 2000). While highlighting the importance of national organized labor groups, past works have ignored how their fate can vary subnationally, thus current explanations miss the critical mechanism that allows local autocrats to survive. Further, forces driving changes in the organized labor movement can be exogenous, and can give leaders the capital to attempt the different strategies described by Giraudy (2015). By exploring exogenous factors affecting unions, we can arrive at a more complete picture.

In the 1980s and 1990s, Latin America was going through rapid economic and political change.¹⁵ Some political changes were the natural growing pains of new democracies and allowed for the weak political capital of national leaders (Gibson, 2013). New democratic leaders, like Vicente Fox in Mexico or Raúl Alfonsín in Argentina, did not have the public or legislative support to challenge subnational autocrats. Economic shocks altered the structure of the political system leading to the decline of unions as a political force. Following Collier & Collier (2002), this period may represent a new ‘critical juncture’ in political development; where rapid change can outline a new equilibrium between actors (R. B. Collier & Collier, 2002; Hilgers, 2005). I argue that in systems where organized labor is a traditional member of the ruling coalition, economic shocks can lead to a restructuring of how labor unions interact with the political system. Where these shocks lead to a decline in the power of unions, subnational authoritarianism is undermined; where this power continues, subnational authoritarianism persists.

This research will contribute to the broader literature in several ways. First, it expands on previous work on subnational authoritarianism, showing how local conditions drive mass support and party cohesion. Most previous research focuses on the dynamic between national and state governments. But how state party leaders retain their local support amidst national declines is not well understood. This dissertation expands on the work of Gibson, Giraudy, and Gervasoni and

¹⁵In the cases described Argentina had yet to fully recover from the early 2000s economic crisis. This crisis led to significant political upheaval, as skyrocketing unemployment and national insolvency pushed the resignation of a president and a party realignment for the Peronists. Mexico was attracting massive FDI from the US and Canada after signing NAFTA.

suggests that the ability of states to negotiate with the national government is due to an ability to maintain local support and legitimacy.

Second, this work appeals to previous research on autocratic regimes and their coalitions. Previous work on autocratic regimes suggests that coalitions are necessary to maintain support over time (De Mesquita, 2005; Svolik, 2012). How these regimes solve problems of power sharing and distribution of benefits to these coalitions are frequently studied questions. Less understood is how coalition members maintain influence with the regime, and how autocrats respond to unexpected declines in the influence of coalition members. Coalitions members must maintain some level of influence in order to be valuable to the ruler. If some event causes them to lose this influence, it may have reverberating effects throughout the entire regime. My theory suggests that when members of the winning coalition decline in influence, this can have disastrous results for an autocrat. Autocrats respond by trying to perpetuate power through other means. In the case of Mexico I expect this to be through targeted social programs, but one can imagine autocrats engaging in new violence, repression, or economic policy once a coalition member declines.

Finally, this project contributes to previous work on the quality of democracy and consolidation in new democracies. Despite efforts to study the topic systematically, democratic consolidation remains a complex topic of study (Svolik, 2008). The process described in this work suggests that transitions to democracy can happen gradually, even after national transition. Concepts of consolidation should consider how subnational variation plays a role in preventing longterm democratic consolidation and survival. The theory also speaks to a number of works on the benefits of robust democratic institutions. These institutions are typically associated with beneficial economic and human development outcomes (Stasavage, 2005; Rudra & Haggard, 2005). I expect subnational variation of these factors to be, in part, driven by subnational variation in democracy. The evidence presented in the Mexican case study is also consistent with many theories on modernization, where development and investment are associated with democratic outcomes at a local level (Lipset, 1959).

CHAPTER 2

COALITIONS AND SUBNATIONAL AUTHORITARIAN PERSISTENCE

Knowing what leads to subnational autocratic persistence requires examining characteristics shared by both national and subnational coalitions. First, we must examine who belongs to these groups, as each member may be able to influence, extract resources from, or be punished by autocratic leaders. Second, we must explore the incentives driving their behavior. Third, we must determine how and why coalitions change, and how that change leads to autocratic persistence or vulnerability. Finally, we must explore how autocrats respond to this change and how their decisions interact with the choices of other actors.

In this chapter, I will first discuss the theoretical concepts behind coalitions and authoritarian subnational persistence. I will then highlight organized labor as a coalition member for the PRI and present the historical case as it relates to Mexico. Studying organized labor as a coalition member is advantageous for several reasons. First, unlike many potential coalition partners, organized labor is subject to clear exogenous forces. Economic and policy change can affect membership, and thus the resources labor groups can muster in support of a local autocrat. Second, organized labor has a clear hierarchical organization. This means that when studying subnational coalitions, local labor leaders will be important coalition partners, just as national labor leaders would be to national politicians. This kind of organization is infrequent among coalitions and benefits subnational study. Third, labor is a constant political presence across countries. Organized labor groups are found in nearly every political and economic environment, and while not always partners in a winning coalition, their ubiquity allows for potential extensions of this work. Finally, organized labor groups can be represented using quantifiable data like strike counts, dues, and presence in a factory or community. With some coalition partners, such as business elites or large landholders for example, their size and influence does not easily translate to an observable quantity.

A Theory of Coalitions and Subnational Authoritarian Persistence

This section examines the relationship between three key players; a local authoritarian leader, the coalition that keeps them in power, and a national democratic government. These players have various strategic incentives that drive their behavior. I assume that local leaders wish to perpetuate their tenure. In order to do so, they provide benefits to coalition members. In exchange for these benefits, coalition members provide expertise or resources in support of local leaders. These resources are used by local leaders to stay in power. National democratic governments seek to democratize local leaders, but only when it benefits them electorally. If challenging a local leader jeopardizes a nationally elected leader, then the national government will not intervene in local politics (Riker, 1982; Mickey, 2015). Previous explanations of subnational authoritarian persistence have ignored the role of subnational coalitions. I argue that variation in how exogenous change affects these coalitions can explain this persistence.

Local Leaders

The first actor I propose in a subnational authoritarian regime is the local leader. Local leaders are typically individuals like governors or mayors who hold executive authority in a subnational unit. I assume these actors wish to stay in power. Because these leaders are in national democracies, most are kept in power through a manipulation of the local electoral system, or through patronage benefits provided by national allies¹ (Giraudy, 2009; Gibson, 2013; Kerevel, 2015). This requires leaders to win elections through vote buying, fraud, intimidation, or secure a legitimate victory. Each of these requires significant resources on behalf of the local leader. Vote buying requires not only material resources in order to pay for votes, but also local information about who will buy, what they will accept, and whether or not their circumstances change between elections (Schaffer, 2007; Stokes, Dunning, Nazareno, & Brusco, 2013). Electoral fraud requires planning and personnel, and comes with great risk of punishment, criticism, or inciting unrest (Simpser, 2013). Intimidation necessitates the use or threat of force, which requires allegiances with the police or private security groups. Legitimate victory incurs the usual campaign costs (K. F. Greene, 2007; P. Collier & Vicente, 2012).

¹This is especially true in Mexico, where governors and mayors have rigid single term limits. Ambitious politicians spend their time in office securing a position either outside politics or further up the political chain. This is one area where Mexican politics might soon deviate, as term limits were lifted from national legislative elections in 2018.

Accessing resources, then is critical to the survival of subnational autocrats. I assume they attain these resources by bargaining with coalitions. Local coalitions provide leaders with the information or material resources they need to win in exchange for benefits. Most benefits will be in the form of accessible private goods like state rents, political appointments, or executive favors (R. B. Collier, 1992; De Mesquita, 2005; Blaydes, 2010). Other benefits may take the form of public goods like favorable public policy (R. B. Collier, 1992; Bensusán & Middlebrook, 2012). Benefits may be attained and distributed through legitimate or illegitimate means. The size and type of benefit will vary based on the preferences of the coalition.

Local Coalitions

Ruling coalitions consist of a set of individuals and organizations that support a local leader and jointly hold enough power to keep that leader in office (Magaloni, 2008; Svolik, 2012; Geddes, Wright, & Frantz, 2014). In national autocracies, these coalitions consist of prominent power brokers and frequently engage in power sharing arrangements with the dictator. At the local level, coalitions can mirror national coalitions in their makeup, or remain independent from nationally relevant actors or organizations. In Mexico, many state coalitions supporting the PRI had close ties to national organizations supporting the PRI, such that the local coalitions largely reflected the coalitions at the national level. Unions, landholders, white collar workers, and peasant groups all had active hierarchical organizations that supported the party at the national and the state level² (R. B. Collier, 1992). Coalitions that exist at the state *and* local level can take advantage of large national networks, providing an organizational and resource advantage over independent coalitions. Independent coalitions, however, may be better tailored to local preferences, thus they may be more resilient in responding to national trends toward democratization.

While coalitions are made up of a diverse array of societal actors, I assume they all desire the benefits a local leader can provide. I assume these benefits are not easily attainable elsewhere, setting up a profitable political exchange. Material resources or information may be a small price to pay for the utility that state rents, favors, or political appointments can provide. The resources coalitions provide can vary depending on the makeup of the coalition. Large organizations, like unions, are best at providing bodies at crowds or rallies, feet in the voting booth, and institutional

²In Indonesia, however, leaders in Aceh province built local coalitions independent from national trends (Sidel, 2014). Leaders relied on landholders and business elites involved in resource extraction; a model that was not replicated nationally and served to keep only provincial leaders in power.

knowledge about how to run a campaign (R. B. Collier, 1992; Bensusán & Middlebrook, 2012). Organizations with significant penetration into different segments of society, like organized labor, can also provide local information about the habits and needs of unaffiliated voters (Stokes et al., 2013). Large organizations and wealthier coalition members can provide information, fund campaigns, or buy votes. Firm owners or union leaders, for example, may compel employees to vote a particular way and provide more sophisticated voter monitoring than political parties (Frye, Reuter, & Szakonyi, 2014). Allies in police or national guard units may be able to provide a leader with local information, or may offer security services like crowd control (Franzia, 2006).

Coalitions are diverse groups across and within countries. Critical coalition members in one country may not exist in another. Thus for this dissertation, I make a simplifying assumption for the Mexican case: I assume the major political axis from the 1980s through the early 2000s pitted organized labor against capital (R. B. Collier, 1992; Murillo, 2000; Burgess, 2004; Bensusán & Middlebrook, 2012). The only organized political opposition the PRI faced before 1988 was from the center-right, business oriented PAN. In addition, internal battle lines within the PRI prior to 1988 were largely drawn between neoliberal reformists, like Harvard educated minister of planning Carlos Salinas and businessman Carlos Slim, and traditional labor oriented populists like Cuauhtémoc Cárdenas. Throughout the administration of Miguel de la Madrid from 1982-1988, these forces would clash in contentious and often public ways. In 1984, for example, as de la Madrid pressed on with IMF orthodoxy to devalue the peso (and slash real wages as a result), the Confederation of Mexican Workers (CTM) organized 3,000 strikes across the country in protest(R. B. Collier, 1992). Both wings of the party softened their stances around the election of 1988 in order to make sure the hegemonic party won, but battle lines within the party had been drawn. Despite these often acrimonious conflicts within the party, the PRI was continuously backed by most major labor confederations at the national and local level. Between 1979 and 1988, 21 to 25% of all Federal Deputies were labor leaders largely from the CTM (Camp, 2013). Without the support of organized labor, national and state PRI operatives would have been in a far more vulnerable position electorally. I assume that organized labor is the critical coalition partner in each state during the period of political and economic change Mexico experiences after the Latin American debt crisis³. I make this simplifying assumption for two reasons. First, I can study the

³The Latin American debt crisis was a regional economic crisis in the late 1970s and early 1980s. The crisis left many countries unable to pay steep debt service payments and began a decade of high unemployment and high

role of labor in state politics without the complicating factor of other coalition members. While coalitions do change across Mexican states, organized labor is a critical player in most if not all of them (R. B. Collier, 1992; Bensusán & Middlebrook, 2012). Second, I can ignore the cross-state variation of labor's significance in each state coalition. Organized labor's power is overrepresented in states with a heavy industrial or peasant workforce (like Veracruz). Within the coalition, labor would be weaker by comparison in states with a large white collar or service based economy (like Aguascalientes). While I lose potential variation in labor's cross-state strength by making this assumption, it becomes much easier to make inferences about how exogenous change like NAFTA affects the coalition. Moreover, union density never dips below 15% of any Mexican region between 1984 and 1998 (Fairris & Levine, 2004). In every state organized labor remained a critical supporter of the PRI.

National Governments

The third actor in this relationship is the national government. National governments consist of national leaders, appointed bureaucrats, and federal investigators who can supersede local authority. I assume national governments can apply democratizing pressures on local leaders. In reality, however, this pressure is rarely used. While national governments have this ability, I assume their primary goal is to stay in office and to complete national policy objectives. Interfering in local affairs can jeopardize one or both of these objectives. For example, Vicente Fox⁴ staged a campaign promising to deal with corrupt PRI politicians at all levels of government. Challenging local PRI politicians would have drawn the ire of the national PRI, whose support he needed to proceed with his policy agenda⁵. While the PRI lost the presidency in 2000, they still remained a potent political force. Moreover, ideologically in the center, the PRI could use perceived slights to co-opt PAN positions in future midterm elections, damaging Fox's ability to pass legislation. Fox ultimately chose to pursue his national agenda, and ignored most state level politicians, despite

interest rates. The inability to pay these loans back was in part, and especially in oil rich states, a function of collapsing commodities prices in the early 1980s. States that took out loans with the purpose of developing an energy sector were unable to pay debt service or keep up with rising interest on new loans. Many states briefly or nearly defaulted, and the emergency bridge loans (and conditions) organized through organizations like the IMF served to influence regional economic policy for the next two decades. The crisis served to challenge the economic policies and legitimacy of incumbent governments throughout the region.

⁴In addition to other recent presidents like Calderón, Peña Nieto, and López Obrador.

⁵While Fox's PAN lead Alliance for Change won a small plurality in the Chamber of Deputies, the PRI still held enough seats to stall most of Fox's agenda. In order for Fox to pursue his national agenda, he could not expend precious political capital on challenging PRI governors.

egregious challenges from leaders in Oaxaca and Tabasco (Herrmann, 2010; Gibson, 2013). When two different parties control national and state governments, as in Mexico, national governments only intervene when they have overwhelming support to do so. When they or their policies are jeopardized by the opposition, they will not apply democratizing pressure. When the same party controls the national and state government, national leaders have an incentive to keep local autocrats in place. They will only apply democratizing pressure when local leaders jeopardize national electoral interests. For example, Nestor Kirchner only removed his fellow Peronist, Carlos Juarez, from power in Santiago del Estero after he had been implicated in killings and human rights violations. In setting up his removal, he had overwhelming support in the Argentine Congress from both Peronists and non-Peronists (Giraudy, 2009; Gibson, 2013). While national governments can intervene in politics, applying pressure and removing local leaders from office is exceedingly rare and can only occur when it is politically advantageous. Subnational authoritarian persistence, then, is less about pleasing or out maneuvering national governments, and more about striking a balance with local coalitions and surviving upheavals during periods of exogenous change.

Exogenous Shocks and the Decline of Coalitions

The major threat to the balance between local leaders and their coalitions are exogenous shocks. Exogenous trends like economic shocks can have drastic effects on the resources coalitions can muster. Other types of exogenous shocks like international intervention, national policy change, or the death of a powerful individual may shake up the status quo between a coalition and local leader. However, these types of change are not always comparable across countries and years. Studying economic shocks allows me to study a common and measurable force that occurs throughout the world. Unions, landholders, peasants, and business elites may be particularly susceptible to downward trends in the economy, especially compared to economically insulated coalition members like technocrats or the military. In periods of economic downturn or decline, these groups will be able to marshal fewer resources to support the local autocrat. When one group can no longer provide resources to keep a local autocrat in power, it puts both the leader and the member's position within the coalition at risk. Independent coalitions may be tailored to survive this kind of economic change, with leaders building diverse coalitions from multiple sectors. For hierarchical coalitions, diversifying their base may not be so simple; national organization approval or strategy may be required. Despite this, economic forces don't always occur evenly throughout a country. What

affects urban and developed regions might not penetrate into rural or developing states. Thus, even in countries with hierarchical coalitions, economic shocks might affect different subnational coalitions in a variety of ways.

When economic change causes a coalition member to decline in power or influence, this upsets the balance earlier established between local autocrat and coalition. Suddenly coalitions cannot provide sufficient support to keep a leader in power. Of course, the impact of economic change to a coalition will vary by coalition partner and the degree to which they are exposed to decline. Economically hampered elites may not be able to provide campaign funds to a leader, while declining unions will be less able to mobilize the rank and file to organize mass protests or turnout to the polls. In Mexico, economic shocks like the debt crisis and NAFTA⁶ greatly reduced the organizational capacity of unions. The reduction in the resources of labor lead to the political vulnerability of many local autocrats. Local leaders were only vulnerable in regions where economic change affected these coalitions. The PRI began to lose early statewide races in states exposed to the economic shock of NAFTA, with export oriented states like Baja California and Aguascalientes flipping to majority PAN states in the 1990s. Veracruz, however, experienced little change as its major industry, oil, remained high demand throughout the 1990s. This shielded workers from upheavals in their job prospects, and the oil workers union remained supportive of the PRI.

Economic decline does not occur in a vacuum. Local autocrats can foresee and respond to events that they anticipate will negatively affect them. Thus, it's unlikely that they sit idle while their coalitions decline in power and influence. Leaders can still marshal the resources of unaffected coalition members. They may also try to seduce new individuals or organizations to support them, or they may adopt new strategies to hold on to power. When leaders get desperate however,

⁶The North American Free Trade Agreement (NAFTA) is a trilateral agreement between Canada, Mexico, and the United States that went into effect on January 1, 1994. NAFTA resulted in the nearly total elimination of trade barriers between the bloc, and, as a result had significant economic effects for various segments of society. Prior to NAFTA, most duty free maquiladoras along the US border were Mexican owned and operated. After NAFTA, American and Canadian firms (and their subsidiaries) began to open a large number of new maquiladora plants along the U.S. border and in major cities with export infrastructure, taking advantage of Mexico's cheaper labor. Mexico gained thousands of new jobs as a result in these regions, but most, due to anti-union practices of employers, were low paying and left employees vulnerable to management. Traditional industries in rural areas, such as agriculture, were also left vulnerable to Canadian and U.S. imports, leading to high unemployment in certain states and economic immigration and displacement. The Zapatista uprising, a largely non-violent indigenous led anti-government movement in Chiapas, was founded and mobilized the day NAFTA went into effect. One of the core goals of the Zapatistas is to dismantle NAFTA, as they contend that it forces small scale Mexican farmers to compete against cheaper industrialized farms in the U.S.. Thus NAFTA was consequential for industrial unions as well as peasant unions.

they tend to rely on tried and true methods. In the highly contested election of 1988, the PRI engaged in widespread national electoral fraud for the first time (Castañeda, 2000; Thompson, 2004; Magaloni, 2006; J. K. Langston, 2017). When the result was close enough to be uncertain about victory, the computer system counting and controlling the votes went off line. When it came back on, the PRI was leading by a comfortable margin, and Miguel de la Madrid eventually declared his chosen successor, Carlos Salinas, as the victor (Castañeda, 2000; Thompson, 2004). Salinas would eventually destroy all paper ballots from the election during his presidency. Similarly, at the national level, the PRI used state development funds throughout the 1990s to target marginally supportive districts (Magaloni, 2006). This would lead to their landslide victory in the presidential election of 1994 (Magaloni, 2006). While leaders may seek out new coalition members, it's more likely that they pursue stop gap measures until economic downturns have righted.

Competing Explanations

Previous theories dealing with the survival of subnational autocrats ignore the local conditions, like coalitions, that make their persistence possible. In some, outcomes are framed as a result of clashes between the national government and state government. Local autocratic leaders survive democratic transitions by dominating linkages between levels of government, or by negotiating local spheres of influence with national leaders (Gibson, 2013; Giraudy, 2009; Gervasoni, 2010). This story ignores the local conditions that make these negotiations possible. The linkages described by Gibson and Giraudy are maintained by members of the coalition. Not only do coalitions ensure the survival of local leaders, but the political spoils of office like party delegations, bureaucratic posts, and advisory positions often go exclusively to actors within the coalition. These posts are key to dominating those linkages. State leaders can't take on the federal government without sufficient allies in the national bureaucracy and without superior information, all of which can be provided by the coalition. If a coalition member declines, they may no longer be able to personally or organizationally support a local leader. Knowing which coalitions are stable - and which are vulnerable to potential decline - will tell us which states are able to dominate linkages with the national government.

By ignoring the fate of local coalitions, these theories miss exactly how and why variation in linkage domination occurs in the first place. Moreover, they ignore local factors that other scholars suggest will lead to authoritarian enclaves (Migdal, 1988; O'Donnell, 1993; Sidel, 2014).

For example, Giraudy suggests that the PRI in Puebla was able to negotiate a truce with the national government, where the Poblano PRI would continue to be vote buy and intimidate the media, but wouldn't interfere in Congressional elections where the PAN was likely to win. Giraudy ignores the fact that the bargaining position of the party was determined by the *cohesion* of the coalition. The PRI in Puebla relied on a coalition that was more ideologically fractured than in Oaxaca or Veracruz, states where governors continued to dominate linkages unimpeded by the national government. How states control linkages and which linkages are targeted are determined by the strength and membership of local coalitions. Variation we see in autocratic persistence is not just about controlling linkages, but the local coalitions that enable subnational autocrats to negotiate with national government in the first place.

Other prominent explanations do not offer the broad application of subnational coalitions. Some suggest that undemocratic municipal institutions, like UyC laws, may perpetuate state level autocrats (Benton, 2012). Others posit that fiscal rentierism in disadvantaged states can lead to entrenched autocracies and lower tax burdens (Gervasoni, 2010). Exceptions to both of these explanations can easily be found. In Mexico, the undemocratic UyC laws are unique to Oaxaca, so they do not explain the persistence of subnational authoritarians in other states like Puebla or Tabasco, and don't easily translate to countries like Argentina. Similarly, while some states reap a larger fiscal share than they contribute nationally (like Oaxaca and Guerrero), other states like Veracruz or Estado de México exhibit enclaves of electoral authoritarianism while making net contributions to national coffers. Other states considered net beneficiaries of tax dollars, like Chiapas or Tlaxcala, are not considered autocratic, suggesting variation in local regime type cannot be determined by fiscal rentierism alone. A missing piece to these various accounts is the resilience of local coalitions.

The Role of Organized Labor in Political Coalitions

Organized labor occupies a central role among political actors. It has the ability to bring the economy to a halt through work stoppages, and thus can damage state actors dependent on the economic system (Valenzuela, 1989; R. B. Collier & Collier, 2002). Because of this role, social and political groups cannot afford to ignore the preferences of organized labor without economic or electoral consequences. Even in states with weak organized labor sectors, political lines and parties

can be divided along the labor front (R. B. Collier & Collier, 2002). Thus in many countries, organized labor has carved out a prominent position within democratic and autocratic winning coalitions. Labor groups themselves are not monolithic in viewpoint, nor are their leaders wholly representative of workers' interests. However this has not kept politicians from seeking labor's support owing to organized labor's connection with a broad cross-section of potential voters, and their ability to mobilize for (or against) political incumbents. In the case of Latin America, several autocrats were able to institutionalize labor as an informal ally or a direct wing of the national party (R. B. Collier, 1992; R. B. Collier & Collier, 2002; Levitsky, 2003). In the cases of Argentina and Mexico, this involved incorporating labor groups into the broader clientelist system (Calvo & Murillo, 2005, 2013). Throughout the region, labor remained an important source of power before and after democratic transition (Hilgers, 2005).

In both Mexico and Argentina, ruling parties exploited labor groups to win elections. State affiliated unions generally presented a cohesive coalition of interests and were organized enough to use this power electorally. In exchange for state contracts and favorable policy⁷, unions could provide an army of voters⁸, campaign experts⁹, and information (R. B. Collier, 1992). Union loyalty also allowed autocrats to avoid a dangerous source of collective dissent. While independent unions continued to engage in small protests and anti-incumbent demonstrations, much larger state affiliated unions stayed loyal to regimes and parties. Given their natural location in cities, reducing the urban labor protest threat added stability to parties and governments that allied with unions (Wallace, 2013).

In post-revolutionary Mexico, labor was courted by several administrations until finally brought into the broad PRI coalition built by president Lázaro Cárdenas. From the 1930s until the 1990s the largest labor unions remained state affiliated. Independent unions existed, but they faced severe disadvantages; often being left out of state contracts, or contracts of state friendly companies (R. B. Collier & Collier, 2002). State affiliated unions had a monopoly on state contracts during

⁷Including higher wages, and subsidies for health, gas, food, etc. (J. A. Teichman, 1996).

⁸This would be felt distinctly in 2006, when El SNTE the largest union in Latin America defected from the PRI. Elba Esther Gordillo, the longtime leader of the Mexican teachers union became dissatisfied with PRI education policy, and shifted resources, expertise, and voters to Alianza, El SNTE's new political party. In 2006 she backed Felipe Calderón, a maneuver that proved decisive as Calderón just barely edged out Andrés Manuel López Obrador. The PRI, now without El SNTE's votes, expertise, and information, came in a distant 3rd with only 22 % of the vote (Camp, 2013).

⁹CTM leaders and operatives like Fidel Velázquez Sánchez often worked directly on PRI presidential campaigns (R. B. Collier, 1992).

the long period of protectionism and state-capitalism. In return for institutional perks like positions of power and policy influence, these unions provided electoral support, sending armies of workers to the polls in favor of PRI candidates. This reliable well of voters helped the PRI dominate elections for most of the 20th century (Murillo, 2000; Camp, 2013).¹⁰ After the debt crisis of the 1980s, the Mexican government engaged in sweeping neoliberal reforms which stood to most affect low wage and middle class workers. Peso devaluations in the 1980s and 1990s led to reduced wages for organized workers, leading some union leaders to denounce government policy (R. B. Collier, 1992). Privatization of national industry saw thousands of workers either laid off, or taken off stable government workers contracts, reducing their ability to mobilize in favor of the PRI (J. A. Teichman, 1996). Tariff reductions and trade liberalization led to higher unemployment in a variety of sectors that had previously been supported by the PRI's ISI¹¹ strategies (R. B. Collier, 1992; R. B. Collier & Collier, 2002; Camp, 2013). NAFTA, the largest and most sweeping reform of the Salinas era, saw new industries along the border undermine traditionally powerful unions in the region (Murillo, 2000). Still, state affiliated unions refused to withdraw their support of the PRI. Instead state union leaders frequently supported policies which undermined their base of support, but preserved their political power (J. A. Teichman, 1996; Murillo, 2000). Over time, especially after the signing of NAFTA, membership and political clout declined. These reforms brought international competition and foreign direct investment and both political and labor leaders largely turned a blind eye to anti-union practices. The power of labor within the PRI declined until the PRI finally lost the presidential election in 2000 (Murillo, 2000; Camp, 2013).

Similar events occurred in Argentina, where unions had a long history of affiliation with the Peronist Party. The Justicialist Party (PJ) was founded on Juan Perón's labor populism, and survived in one form or another through the exile, return, and death of Perón himself in the 1970s (R. B. Collier & Collier, 2002; Patroni, 2001). Throughout this early period, labor served as the central policy core of the Peronists and very little formal separation existed between the state's largest union, the General Confederation of Labor (CGT), and the PJ. Much like in Mexico, policy and contracts were exchanged for guaranteed votes and legitimate support (R. B. Collier &

¹⁰While vote buying certainly occurred, the PRI didn't engage in national election fraud until the 1980s (Magaloni, 2006).

¹¹Import Substitution Industrialization, or ISI, was a host of economic policies popular in Latin America throughout the 20th century. ISI strategies typically involve developing domestic markets and industries by incubating them from international competition. ISI policies include high tariff barriers, subsidies, and state investment in infrastructure and strategic industries like railroads, telecommunications, and oil.

Collier, 2002; Patroni, 2001). While state affiliated labor unions experienced political exile through the military dictatorship, the 1983 return to democracy thrust powerful unions into an uncertain period (the CGT in particular). Neoliberal reforms in response to the debt crisis and restructuring of the labor laws by the Radical Union party undermined the political clout of state labor unions. Powerless to stop the political change, the most influential unions split, and political power was lost (Patroni, 2001).¹²

Exogenous Shocks in Latin America

In both of these cases, unions, once a critical coalition member, declined in response to changing economic and political conditions. While much research has reviewed how these conditions lead to declines in power for labor and party autocrats, very little has focused on how this change is distributed subnationally. The economic trends seen driving national outcomes are not distributed evenly *within* countries. I argue that this variation can lead to the survival of autocrats at the local level. The argument proceeds as follows: first, uneven change allows unions to remain critical coalition members in pockets of a country while trending toward obsolescence nationally. Second, within these pockets, local autocrats continue to draw on these unions as bases of electoral legitimacy. Because of this, coalition persistence allows local autocrats to survive well into periods of political change and democratic transition.

In Argentina and Mexico, national union decline was precipitated by rapid economic change. This change, better characterized as a shock, was quick enough that coalition members like organized labor could not rapidly or easily respond. The Latin American debt crisis of the 1980s destroyed much of the economic growth of the previous decade and sent wages plummeting to new lows (Hilgers, 2005). In Mexico, for example, Miguel de la Madrid's presidency was the first since the revolution to show no growth in six years, government spending was cut by a third, and the purchasing power of the minimum wage was cut in half (R. B. Collier, 1992). The political response to this was swift and jarring. The PRI and the PJ, both coming from state capitalist and protectionist backgrounds, were forced by exigency to support the implementation of neoliberal reforms¹³. The effects of these reforms disproportionately affected the working class base of the unions. Suddenly, reductions in tariffs and lowered subsidies threatened once heavily protected industries. Economic

¹²The Radical Union party was the traditional left-leaning adversary of the Peronists.

¹³In Mexico, the earliest reforms could be tied to conditionalities placed on emergency funds granted by the IMF (R. B. Collier, 1992).

change undermined union membership, as subsidized industries shuttered due to competition and privatization. Local leaders also turned a blind eye to the anti-union practices of maquiladoras¹⁴, special export processing factories, and the government (J. A. Teichman, 1996; Hilgers, 2005). PRI governors encouraged the growth of factories and foreign business operations in their states despite their practice of forcing employees to join 'ghost unions', plant controlled unions that could not easily organize. While the debt crisis affected all regions, FDI inflows concentrated in cities and states best able to produce and export goods. States with infrastructure, labor, and capital began to see rapid economic and political change, while rural, less developed states were largely unaffected. Thus, unions and their party affiliates faced a precipitous decline in regions with significant economic change but remained a political force in less developed regions.

In regions where unions remained powerful, local autocrats continued to rely on their support. Governors, legislators, and mayors still had the ability to ally with and favor state affiliated unions. This was aided by the fact that national unions kept up old party alliances, despite the threat to the working class. In Oaxaca, for example, the Revolutionary Confederation of Workers and Peasants (CROC) remained tied to the PRI alone; reigning in votes, engaging in strikes orchestrated by the governor, and undermining opposition newspapers¹⁵ (Denham, 2008). In the economically isolated Argentine state of Santiago del Estero, over 80% of the economically active population continued to be employed by the government, or state contractors using CGT workers (Gibson, 2013). These allegiances helped the autocratic regime persist at the subnational level (Calvo & Murillo, 2005).

Paths of Union Decline in Mexico

Here, I should also make a distinction between different types of unions. In the Mexican case, unions are not monolithic in their motivations or incentives. Even amongst state affiliated unions, there exists a good deal of variation. Unions in Mexico represent different industries or public spheres. Unions organize themselves into workers confederations, which act politically on behalf of the union. Historically, the most powerful workers confederations have supported the PRI. Competing confederations such as the industrial leaning CTM, the agricultural CROC, to

¹⁴Maquiladoras were created by the Mexican government in the 1960s. They act as special economic zones at the firm level, and are allowed to assemble and export foreign products with few tariff barriers. They were limited in scope until the 1980s, When the Mexican government made more firms eligible.

¹⁵The governor of Oaxaca attempted to close the main newspaper of Oaxaca de Juárez using police forces (Denham, 2008).

the more left leaning CROM, all vie for privileged positions within the party. The PRI has also enjoyed support from large public sector unions, including the national teachers union (El SNTE), the largest union in Latin America¹⁶. I do not expect economic change to affect all of these unions equally. Privatization, for example, will have an outsized effect on industrial unions. Going forward, when I mention state affiliated unions and labor decline, I am referring to the industrial and agricultural unions and workers confederations that are susceptible to economic and policy shocks.

While economic change may lead to union decline in some states, the causal process is not uniform. The process by which labor unions demobilize can take many forms (Hertel-Fernandez, 2018) By exploring the steps that lead from economic change to a decline in union influence, I better explain the variation between states. Ultimately, I expect economic change to spur two processes which lead to absolute and relative declines in union influence.

Privatization

The first process worth exploring involves neoliberal responses to the Latin American debt crisis. Throughout the 1980s, Mexican presidents followed strategies of privatization. By 1993, over 1000 state owned firms, which had employed a large percentage of the unionized workforce before the crisis, were sold to private firms. These firms then canceled union contracts or drastically cut the unionized workforce (LaBotz & Alexander, 2005). While the largest unions protested this action, they were unsuccessful in halting privatization (J. A. Teichman, 1996). Further, unsatisfied with the lukewarm response to privatization, some unions broke from the CTM to become independent. Other workers, who had been laid off from state owned mining and banking facilities, broke with the PRI altogether by engaging in demonstrations and burning PRI memberships cards. The head of the mining union even referred to President Salinas as “the number one enemy of the workers” (J. A. Teichman, 1996).

At the time, the PRI took advantage of this situation to reduce the role of labor within the party, taking advantage of a divide and rule strategy (J. A. Teichman, 1996; Murillo, 2000). The power of state affiliated unions that criticized privatization was limited, while the power of more loyal organizations was elevated. For example, after leaders within the CTM criticized state policy,

¹⁶At least during the period of interest. El SNTE would found its own party in 2005. Its current membership is around 1.5 million. It was a part of the CTM prior to the founding of its own party

the Mexican secretary of labor praised the rival CROC, describing CROC as “the vanguard of the proletariat in Mexico” (J. A. Teichman, 1996). Similarly, economic proposals delivered by the president of the CTM, a former ally of the PRI, were ignored entirely after 1983 (Burgess, 2004). Figures 1 and 2 show national privatization throughout the 1990s in terms of asset value. If privatization is occurring at the theorized pace, large numbers of assets should be privatized throughout the period of interest across a number of unionized sectors. The trend exists in both of these figures with large scale privatization reaching its peak in the early 1990s across a diverse set of heavily unionized industries like infrastructure, manufacturing, and mining.

The absolute declines in union membership and political influence did not occur evenly. In areas that experience widespread layoffs and union closures, demonstrations against the PRI increased. In Monterrey, a city which saw over 50,000 layoffs after the state sold a publicly owned steel company, strikes and demonstrations signaled unions starting to break from the PRI coalition.

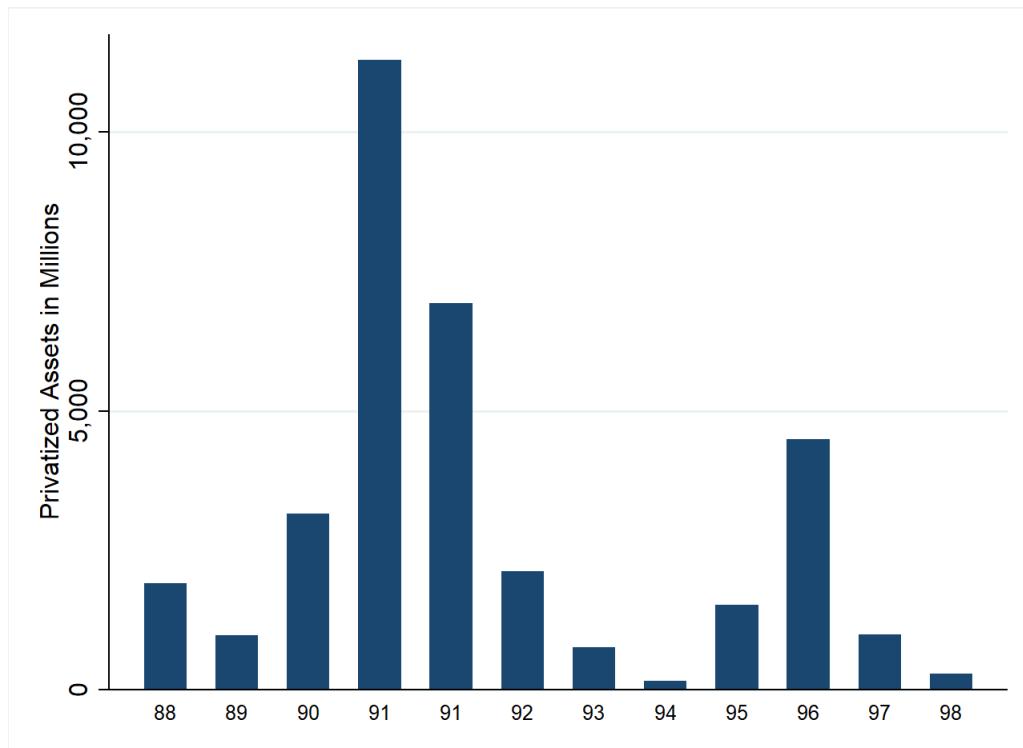


Figure 2.1: Asset Privatization in Mexico

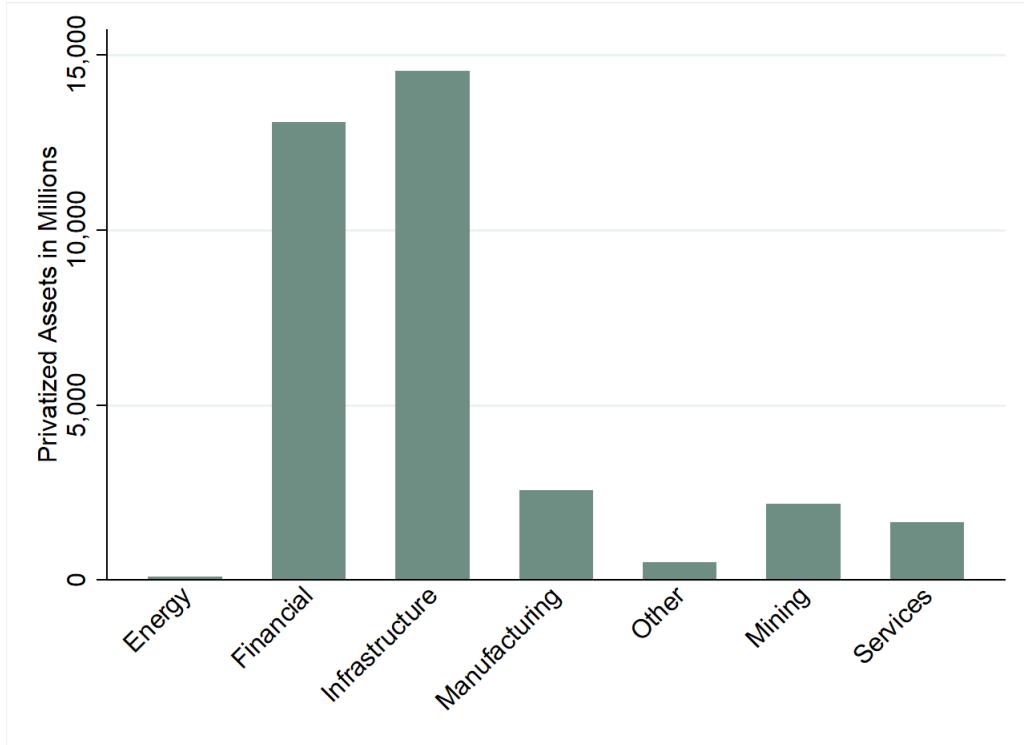


Figure 2.2: Asset Privatization By Sector in Mexico

In cities with few companies privatized by the state, such as Chilpancingo or Oaxaca de Juárez, the same organized labor backlash did not occur. While privatization spurred by economic change reduced the membership and political influence of state affiliated labor unions, these policies did not affect every region. Some localities, like Monterrey, simply had more state owned industries to privatize. The argument is outlined in Figure 3.

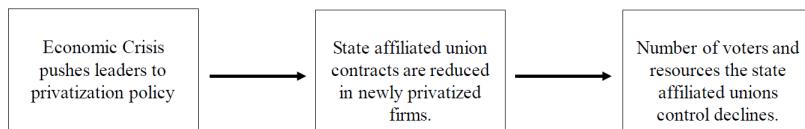


Figure 2.3: Process of Privatization and Union Decline

Expansion of Non-Union Workforce

The second process through which unions decline is through losses of memberships and political

influence relative to the non-unionized workforce. After the debt crisis, Mexico experienced a large and precipitous increase in the number of available non-union jobs. The maquiladora program, first established in the 1960s, exploded after the implementation of NAFTA in 1994, increasing by 985 plants between 1990 and 2001, a nearly 80% increase. Employment in these plants more than doubles over the same period (Torres Ruiz, 2011). Moreover, nearly all of this growth has occurred along the US border and in large cities, where the PRI saw some of its earliest gubernatorial losses. Maquiladora plants have a long history of undermining union activity or establishing corporate run “ghost unions¹⁷” (Ramírez, 2014). By 2000, maquiladora employment would account for 35% of the manufacturing workforce (Cooney, 2001; Torres Ruiz, 2011). Figures 4¹⁸ and 5¹⁹ show the change in maquiladora establishments and employment from 1990-2000, while figures 6 and 7 show the dip in union organized strikes and strike petitions during the same period. If the non-union workforce expands as theorized, the rates of maquiladora plants and employment should be growing or maintaining a steady pace. Outside of the dip in 1994, we see this in both maquiladora figures, suggesting an overall expansion in the non-unionized workforce. Similarly, the overall number of strikes and petitions decline simultaneously, which may be evidence that this workforce expansion put pressure on traditional labor unions.

In addition to maquiladora growth, Mexico also saw an increase in the informal sector. The informal sector refers to “small establishments that provide marginal, insecure, or low paying jobs” (Martin, 2000). The growth of this sector also suggests a relative decline in state-affiliated union jobs, as formal union density only declines from 1984 to 2000. The expansion of the non-union workforce in the form of maquiladora, and informal sector growth threatened the power of state affiliated unions. One value of unions to the PRI was their ability to marshal large segments of the working class to the ballot box. As the 90s wore on, this became more difficult, as both the absolute and relative share of the workforce controlled by unions declined. The argument is outlined by the Figure 8.

¹⁷Ghost unions are employer organized and operated unions. Employees are often forced to sign contracts with these unions upon being offered a job, which disallows representation by other organized labor unions. Ghost unions are responsible for largely employer friendly collective bargaining agreements, and are a phenomenon increasing in occurrence since the 1990s(Ramírez, 2014).

¹⁸The great dip in Figure 4 is the result of the 1994 peso crisis (Cooney, 2001).

¹⁹The red line in all figures indicates the year in which NAFTA was implemented.



Figure 2.4: Change in Maquiladora Plants

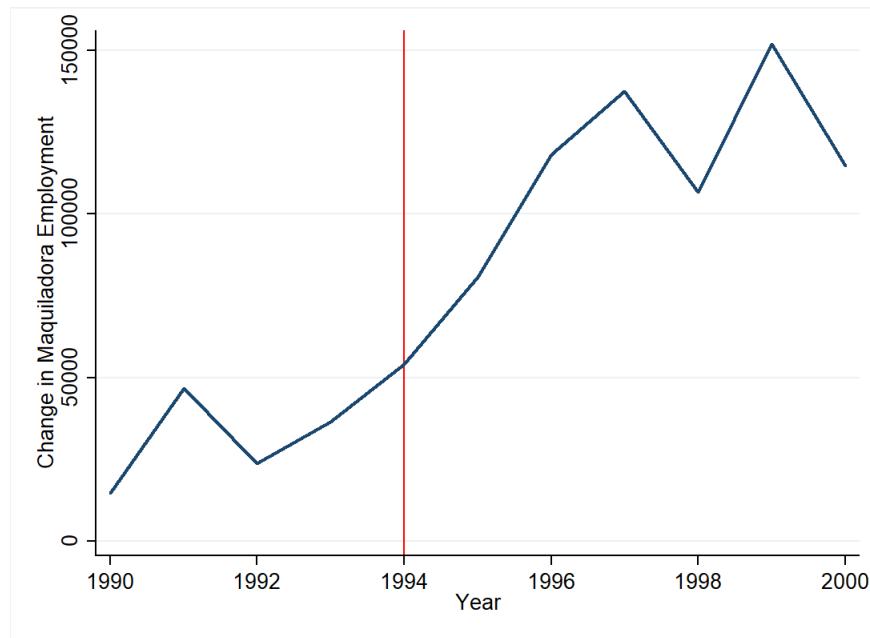


Figure 2.5: Change in Maquiladora Employment

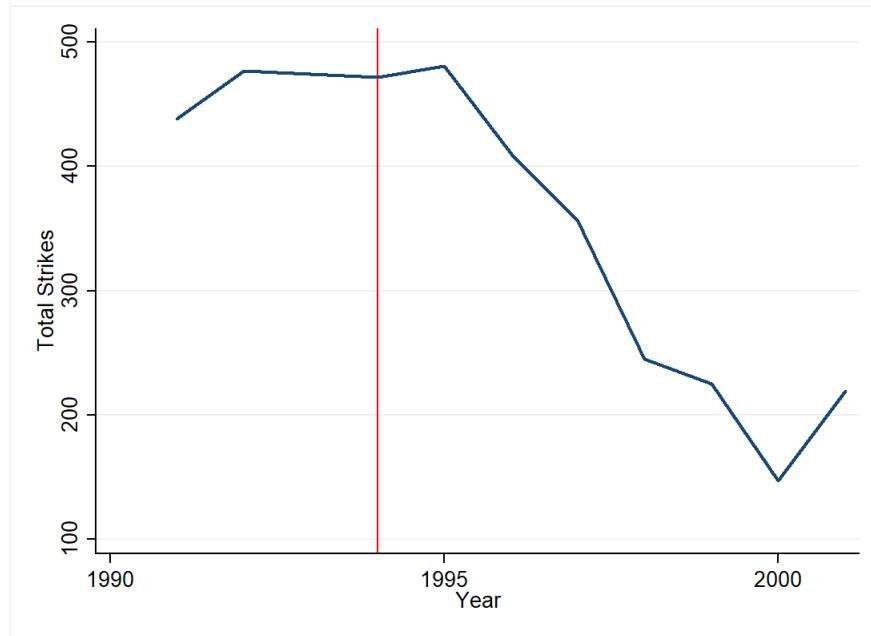


Figure 2.6: Number of Strikes in Mexico

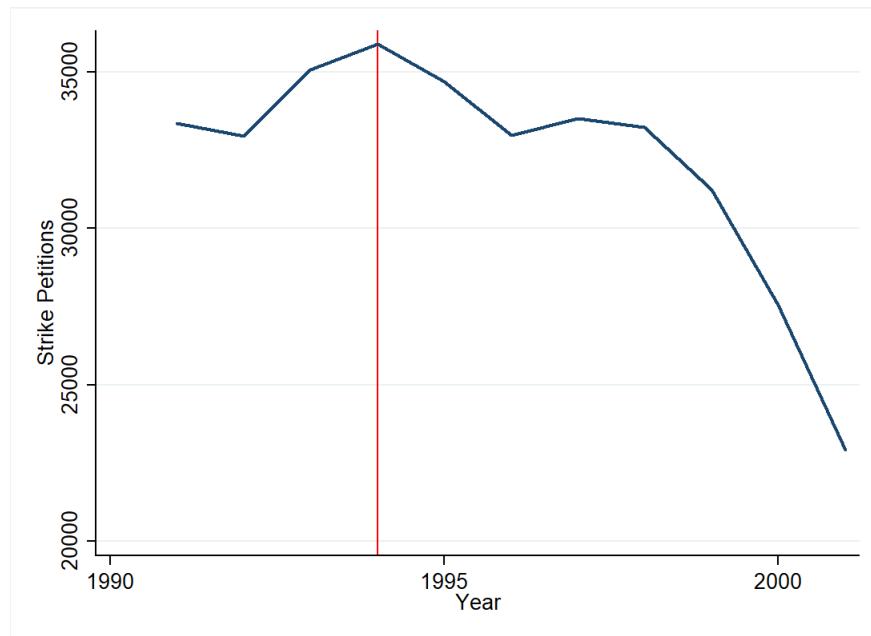


Figure 2.7: Strike Petitions in Mexico

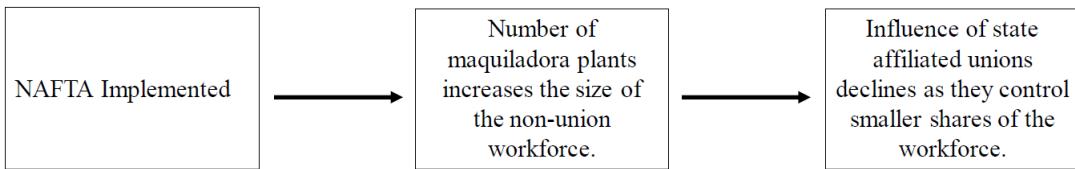


Figure 2.8: Process of Plant Expansion and Union Decline

The Case of Mexico

While the theory about the persistence of subnational coalitions is broadly comparative, and while labor's role in the coalition is applicable to much of Latin America, the empirical and case evidence for the rest of this dissertation will come from Mexico. I chose Mexico for several reasons. First, the PRI continues to exist as a competitive party despite multiple shocks to their coalition. The PRI survived a number of economic upheavals as the hegemonic party, and never soured the public against their party entirely. In many new democracies, association with an old autocratic party may be a political liability if not outright banned. Subnational autocrats may not easily associate with one party, and their coalitions may be drawn from local elites unique to a particular region. In Mexico, not only did the PRI survive the transition to democracy, but they continue to be popular enough to win elections at both the national and state level²⁰

Second, Mexico has a clear break in the timeline of interest. In 1994, NAFTA came into law as the signature neoliberal achievement of Carlos Salinas. While economic change in Mexico had been occurring since the debt crisis, NAFTA allowed U.S. companies to more easily establish factories

²⁰From 1994-2012 the PRI consistently held roughly 30% or more seats in the chamber of deputies. The highest amount was in 1994 when they held 50% of chamber seats and their lowest point prior to the 2018 election was in 2006, when they only won 29% of seats. At the state level the PRI continues to be competitive. In the 129 full term gubernatorial elections between 1998 and 2018, the PRI won 83 of them. Only four states (Baja California, Baja California Sur, the Federal District, and Guanajuato) have no PRI governor throughout that 20 year period. Counting states that have had one or less, that number expands to 8 of 32 states (Aguascalientes, Chiapas, Jalisco, and Morelos all have 1 full PRI gubernatorial term). The PRI's position in the ideological center have made them a critical partner of president's whose parties have had a minority in the legislature. Both Vicente Fox and Felipe Calderón worked frequently with the PRI in the legislature(Camp, 2010; J. K. Langston, 2017). At both the national and subnational level, the coalitions that supported the PRI before 2000 remain mostly intact. This makes it possible to study the fates of subnational coalitions in a variety of political and economic contexts. In a place like the Philippines or Indonesia, where local bosses forge their own coalitions independent of party, each subnational coalition would be unique and subject to different forces. In Mexico an empirical strategy is possible and straightforward.

and maquiladoras throughout the country. The union-busting policies of these companies (like establishing ghost unions, forcing exclusive protection contracts²¹, and discouraging labor activism through threats and violence²²) and their reaching political consequences allows me to study the situation before and after the structural break. This opens the door for the study of the causal effect of an exogenous economic force on subnational politics.

Third, Mexico has a host of wide ranging data at various levels of government. National electoral results and economic variables are recorded with reliable accuracy throughout the period of interest. More importantly, Mexico has extensive data on subnational units like state and municipal governments with regard to electoral results, income, education, labor disputes, and public spending. These records are kept in publically accessible databases which are simple to navigate. State and municipal data is rare to obtain in autocracies, and nearly impossible to access outside of the country. Mexico's ease of access and wealth of data make it a convenient case for study.

Subnational Institutions

Studying subnational units in Mexico requires discussing both the laws that govern, and those that define the relationship between national, state, and municipal governments. States or state like entities have been a reality in Mexico going back to colonial times. Disparate regions, often separated by rough geography, have led to a distinct character to many Mexican states. Politically, this influenced la patria chica, or a loyalty to one's state or region as opposed to the country as a whole. Mexico's states often served as the base of support for caudillos like Antonio López de Santa Anna, who used his base in Veracruz to seize power several times throughout the 1800s. Federalism has been a firm institutional feature since the constitution was adopted in 1917. Comparatively, Mexico's states have been controlled by a strong central hand, lacking both powers over fiscal transfers and influence in the national legislature (Gibson, 2013; J. T. Hiskey & Bowler, 2005). Scholars have noted the difference between Mexican federal law and that of other western powers, with some noting that it represents a deep distrust of state power and independent state

²¹Protection contracts are functionally the same as ghost unions. The company agrees to protect the labor rights of employees, who do not get a job without agreeing to join. Employees joining protection contracts are often unaware what they are signing when presented with forms, and then threatened with dismissal if they raise protest (Bacon, 2001).

²²Factory owners have, on more than one occasion, broken up pre-strike activism and organization with hired riot police (Bacon, 2001).

actors (Diaz-Cayeros, 2004). This distrust has manifested in strong term limits for state and local politicians, and reduced powers of the Senate²³.

Despite these national mandates, local politicians have been able to carve out electoral space that benefits them. The PRI controlled all gubernatorial positions in Mexico until 1989, in part, by monopolizing nominating procedures. Incumbent governors have discretion over party financing and membership. Through the previous century, both incumbent governors and presidents could grant PRI candidates an insurmountable edge in terms of funding and support of the party machine. They also have the ability to challenge opposition party mayors through institutional removal. José Murat of Oaxaca , for example, successfully removed 140 municipal presidents, most of whom were members of opposition parties (Herrmann, 2010; Gibson, 2013). Governors also have some informal ability to influence national legislators by promising jobs after strict term limits are over in favor of policy concessions in the legislature (Rosas & Langston, 2011). Moreover, state challenges to federal authority often go unpunished (Gibson, 2013; Gervasoni, 2010; Herrmann, 2010). Since the transition in 2000, federal governments have had little capacity to deal with state insubordination²⁴, and have struggled to respond to problems at the local level like crime, corruption, and poverty. Many state and local politicians have endeared themselves locally by responding to one or more of these issues more effectively than the federal government. This has provided local leaders with a loyal source of support and legitimacy.

Compared to states, municipalities have enjoyed a privileged place in the Mexico. The constitution stipulates the municipality as the ‘basic unit’ of the federation and spells out their specific powers and attributes (Gibson, 2013; J. T. Hiskey & Bowler, 2005; Camp, 2013). Unlike the U.S. and Argentina, municipal power is a constitutional right and not dependent on state government. All municipal governments consist of a municipal president or mayor that lead the municipal council. In some areas, like Baja California, municipalities are more like counties; containing large swaths of land with multiple cities or settlements. In other areas, municipal governments represent villages of just a few hundred people. Municipalities have their own revenue streams separate from the state. Since 1983 municipal governments have the exclusive right to levy property taxes. Municipalities

²³Primary power in the Mexican legislature belongs to the Chamber of Deputies. The Senate, while not subordinate to the Chamber (and the primary body meant to represent state interests nationally), has a notably lesser role in politics.

²⁴Giraudy suggests that this may be due to a lack of political capital among newly elected presidents to deal with entrenched governors (Giraudy, 2009).

also receive some fiscal transfers directly from the federal government, subverting the ability of state governments to interfere. Due to strict term limits, high profile mayoral positions have been the stopping point for many ambitious politicians and elder statesmen. Perennial presidential candidates Cuauhtémoc Cárdenas and Andrés Manuel López Obrador both served as mayor of Mexico City during their frequent runs for office. Mayors of large strategically important cities like Veracruz, Guadalajara, or Tijuana can have enormous influence on state and local politics. More recently, mayoral positions have become something of a liability, with 18 mayoral candidates being assassinated prior to election day in 2018.

Strategic Environment in the Mexican Case

Any analysis of union decline in Mexico also needs to grapple with the strategic environment of the actors involved. The PRI de-emphasizing labor in its coalition is, on the surface, a self-inflicted wound. However, outside of a few key sectors state affiliated labor confederations competed for access to the PRI.²⁵ This often made it difficult to present a united front against policy changes detrimental to labor. While the Confederation of Mexican Workers (CTM), the largest PRI affiliated labor confederation, supported the PRI throughout neo-liberal reforms, their successful attempt to stop labor code reforms caused other unions to take advantage by defecting from the CTM. Some PRI loyal unions left the CTM to join the Revolutionary Confederation of Workers and Peasants (CROC) and Regional Confederation of Mexican Workers (CROM), which both sought to replace the CTM as the most powerful labor confederation, and boycotted the CTM's approach to labor code reforms (Murillo, 2000). Ultimately, partisan loyalties, political benefits, and a fear of losing their position kept state affiliated union groups like the CTM, CROC, and CROM loyal to the PRI despite reforms. Neither unions, nor state leaders had a significant say in the Salinas driven national level economic policy of the PRI in the 1990s. Despite their protests throughout this time, the neoliberal technocrats that had control of the party did not consult with these actors when implementing decisions.

So why did the PRI make a move to undermine unions if they suspected it would hurt their base? One explanation is that the expected utility from neoliberal reforms (in terms of success and subsequent electoral support) was much greater than for maintaining the status quo. Indeed,

²⁵The most notable exception is education, where El SNTE held a monopoly on teacher contracts until the 1980s. La CNTE, a smaller more radical organization was the only competitor for teachers after the 1980s, and even then only in the southern states.

the status quo may have lost them even more elections, as is evidenced by the early loss of the Baja California governor's race in 1989. The PRI even went so far as to blatantly change electoral results in the "stolen election" of 1988, something they had thus far restrained from doing on the national stage (Castañeda, 2000; Thompson, 2004; Magaloni, 2006; J. K. Langston, 2017). By 1994, the risk to implement neoliberal reforms seemed to have paid off, as most state affiliated unions had not defected to other parties and the PRI remained in legislative power. They would even go on to win the tumultuous presidential election of 1994²⁶ without engaging in election fraud. This shortsighted political view was typical of the PRI, which had previously engaged in electoral reform without regard for its potential longer term effects (Camp, 2010).

Despite economic and political changes reducing the overall power of unions, the continued support of these groups may have blinded the PRI to imminent electoral change. However, reforms in party strategy first instituted at the local level suggest some leaders recognized the threat posed by declining union power. To attract popular candidates, the PRI held primaries in Senate and gubernatorial elections in the 1990s. Where they did, the PRI usually held on to governorships (Klesner, 2001). Similarly, as districts became more competitive, the PRI adopted modern campaign strategies, making use of advertisements, mailings, and house-to-house visits (J. Langston, 2006). While the PRI did hold on to many strongholds throughout the decade, new campaign strategies did not stop the losses. Table 1 shows the growth of non-PRI party victories by year.²⁷

Table 2.1: Percentage of Mexicans Governed by Non-PRI Parties at the State or Local Level

Year	1988	1990	1992	1995	1996	1997	2001
Percent	3	10	14	24	38	50	61

The strategic environment is complex. PRI leaders were making decisions that negatively affected coalition support from labor. Simultaneously, national and local leaders were trying to stem the losses through various reforms to internal party mechanisms. The theory suggests that a decline in the labor wing of the PRI coalition had significant negative electoral consequences. Understanding these consequences fully requires an analysis of exactly how the PRI is affected

²⁶It was considered tumultuous because the PRI's first candidate, Luis Colosio, was assassinated 5 months before the election. His replacement, Ernesto Zedillo, won the race handily, likely as a result of the desire for national stability after the Zapatista uprising and the Colosio assassination.

²⁷Data comes from Roderic Camp's *The Metamorphosis of Democratic Leadership in Mexico* (Camp, 2010).

electorally, and how they respond. Complicating this matter is simultaneity; as the PRI is losing electoral support they were implementing internal reforms to capture new votes. Because these events are occurring at the same time, determining which is in response to which may be difficult. Thus, I must carefully consider the chronology of events, and how they interact with one another.

Organized Labor in Mexican States

The role of organized labor in politics throughout Mexico is in part determined by the context. In each state, economic and political forces shape the context for organized labor's past, present, and future in government. Discussing the variation among states will present a more complete picture of how organized labor can affect politics in different regions of Mexico. In this section, I explore the context of labor and politics across four Mexican states. These states present divergent outcomes for how organized labor fared during the neoliberal economic upheaval in the 1990s, and its subsequent effect on local politics. Figure 9 presents a national picture of gubernatorial turnover as of 2016. Notice that state level political turnover continues to elude many states, mostly in the gulf coastal region, and in the central desert areas of northern Mexico. Both regions present variant labor outcomes, with states along the gulf coast being dominated by oil workers unions, and states along the eastern border being dominated by ghost-unions and protection contracts.

Aguascalientes

Aguascalientes is a small, landlocked state in north central Mexico. Prior to the 1980's, its economy had relied on agriculture. To allow for a manufacturing base, political leaders began to invest in infrastructure in the 1980s, but this growth was slow. After signing NAFTA, dozens of new, diverse industries began to build new export oriented maquiladoras in the state. The textile industry grew by over 400%, while the automotive industry attracted heavyweights like Nissan and its team of suppliers. Between 1993 and 2000, the export production volume of the state nearly doubled (Guerrero & Reed, 2002).

Part of this rapid industrialization was due to the labor climate. U.S. and Canadian investors were promised cheap labor and control of employment contracts. Employers used these promises

Mexican Gubernatorial Transitions

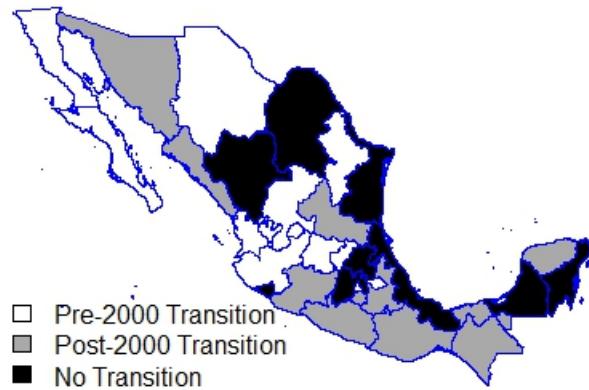


Figure 2.9: Mexican Gubernatorial Transitions as of 2016



Figure 2.10: Location of Following Cases

to tightly control unionization within their companies, and reduce mobilization and organization capacity as much as possible. While most manufacturing employees were represented by the PRI-affiliated CTM, many companies chose to work exclusively with more leftist unions like the CROM

(Eugenia, 2015). Some chose to subvert the unions entirely through ghost unions and protection clauses. From 1984 to 1998, the union density of Aguascalientes declined from 28% to 15% (Fairris & Levine, 2004).²⁸ As these declines occurred, the PRI began to feel electoral pressure. Many workers switched affiliation to the employer friendly CROM, a union group which was aligned with the left leaning Party of the Democratic Revolution (PRD) (Eugenia, 2015). Other workers, unbound by compulsory CTM membership, switched parties to the more conservative PAN. 1997 saw the election of the first PAN affiliated federal deputy. In 1998, the state elected its first PAN governor, followed by the rest of the federal delegation in 2000.

Party Affiliation of Mayors in Aguascalientes

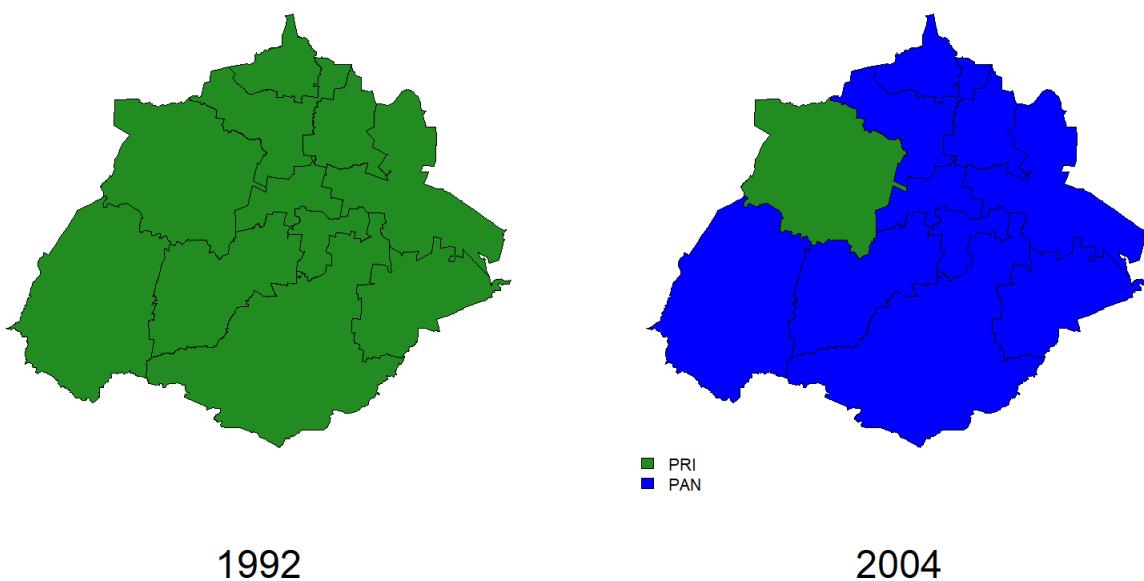


Figure 2.11: Party Affiliation of Mayors in Aguascalientes

Unlike many other states, Aguascalientes began to support the PAN statewide prior to the national democratic transition. Figure 11 shows the local political change in Aguascalientes between 1992 and 2004. All but one municipality transitioned from the PRI to the PAN during this period. Notably, the capital city of Aguascalientes, which contains over half of the state population, elected its first PAN mayor in 1995.

²⁸Union Density represents the proportion of the workforce belonging to a union.

Oaxaca

Unlike Aguascalientes, Oaxaca has been isolated from the economic benefits of NAFTA. While historically dependent on agriculture, Oaxaca has yet to build the export infrastructure necessary for growth. Part of this is due to geography. Oaxaca is home to some of the most mountainous terrain in the country. Many of the valleys where crops are grown are isolated from existing population centers and highways. Due to the terrain, new railroads, highways, and port facilities are prohibitively expensive to build. Without infrastructure, Oaxaca has failed to attract the kind of FDI seen in Aguascalientes, and long term growth has been elusive. While it contains over 3% of the population it contributes just 1.6 % to the GDP, while its GDP per capita remains the second lowest in the country (Miranda & Cruz, 2015).

The lack of economic change has reinforced the political status quo. Between 1984 and 1998, union density remained at a steady 24% of the workforce (Fairris & Levine, 2004). The political coalitions of the PRI era continued after 2000, with the PRI governor continuing to enjoy the support of the CTM, the CROC, and even La CNTE²⁹, the dissident wing of the teachers union. Frequently, the office of the governor used the CROC as a political tool, calling on members to subvert the opposition through strategic strikes or occupation of land (Levey, 2013). These ties helped the governor maintain the authoritarian status quo. Newspapers were silenced, federal officials were rebuffed, and the police were used to undermine protests (Herrmann, 2010; Gibson, 2013). Unlike many neighboring states, the PRI continued its political dominance well into the new century. Governor José Murat, elected in 1998, even went so far as to resurrect *el dedazo*³⁰, the presidential tradition of handpicking a PRI successor. Oaxaca would remain under subnational authoritarian rule until a coalition of opposition parties defeated the PRI in 2010 (Herrmann, 2010; Giraudy, 2009). One of the reasons for this defeat was the defection of several powerful unions from the ruling coalition, including La CNTE, which drew national attention to the governor's authoritarian practices.

Figure 12 displays the party affiliation of Oaxacan mayors between 1992 and 2004. It's clear that the PRI dominated the local political scene in 1992. In 1995 the state allowed indigenous

²⁹This support would erode by 2006.

³⁰Dedazo was the practice where incumbent presidents would handpick their successors. It was practiced by most PRI governors (with presidential approval) until the 1990s (J. K. Langston, 2017).

Party Affiliation of Mayors in Oaxaca

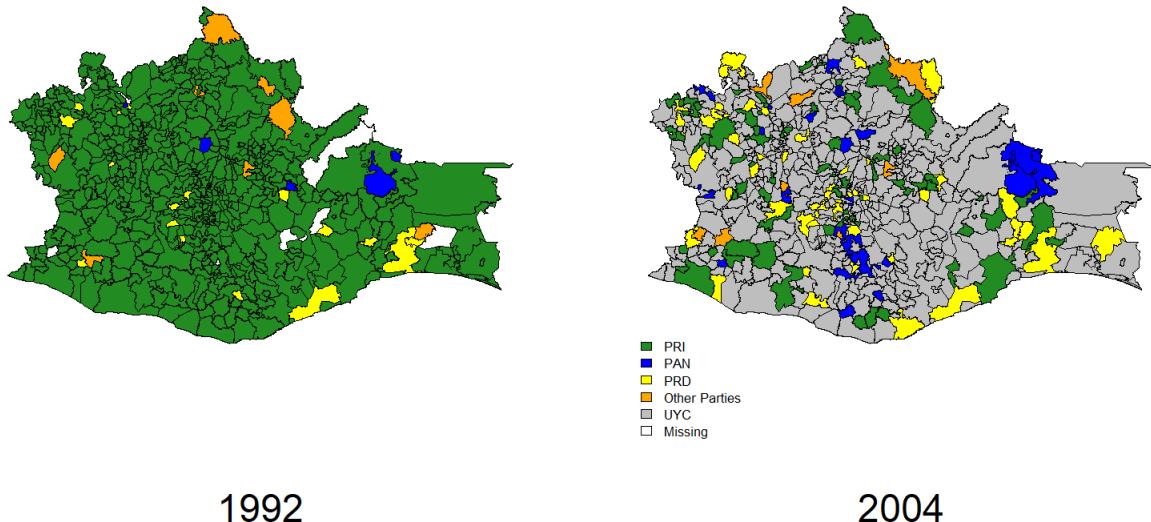


Figure 2.12: Party Affiliation of Mayors in Oaxaca

communities to opt into local rule through UYC laws. By 2004, over 420 municipalities switched over to this type of rule. Despite this the PRI continued to do well in statewide elections. While UYC communities voted through their own rules for mayors, they would still use regular electoral rules to vote for governor and state legislators. Of the 152 municipalities that did not adopt UYC laws, over half remained in PRI hands in 2004. UYC communities also tended to swing toward the PRI in statewide races, giving the PRI large majorities in the state legislature and backing the PRI candidate for governor until 2010.

Guanajuato

Guanajuato is a diverse, semi-arid state situated about halfway between Guadalajara and Mexico City. Guanajuato has long been a center of political activism. It served as the starting point of the Mexican War of Independence against Spain, and launched the political career of Vicente Fox, who served as governor. Guanajuato has distinct logistical advantages over a state like Oaxaca. First, it is located in the center of the country, and enjoys placement in a well traveled corridor between the country's two largest cities. Second, its relatively flat terrain and agreeable climate

is more suited for mass industrial agriculture. As a result of these advantages, Guanajuato has established itself as center of economic growth.

This growth has often come at the expense of organized labor. Like in Aguascalientes the union density of the state declined from 28% to 15% between 1984 and 1998 (Fairris & Levine, 2004). One strong indicator of Guanajuato's growth has been the influx of US car companies. In recent years auto companies and suppliers have added seven billion dollars to Guanajuato's economy (Cattan & Welch, 2017). Labor disputes in these maquiladoras have rarely gone well for the laborers. In 2015, Mazda fired over 20 employees for engaging in a strike. The state government did not intervene, and the little union representation the workers had did not sway the company to back down (Partlow, 2015). As many as 90% of the unions in Guanajuato are represented by protectionist or 'ghost' unions. These consist of union organization created by the company in order to limit liability to workers (Holman, 2017). Membership in these unions is built into the contract workers sign upon starting a job. By virtue of the fact they are organized by the company itself, the unions rarely represent the best interests of the worker in collective bargaining, and merely ensure the stability of the parent company while offering the legal minimum of union representation. Even when workers have independent union representation, often their contracts are written in such a way as to be vague or misleading. Many auto workers in the state have no idea if they even belong to a union, despite paying dues (Cattan & Welch, 2017).

Politically, the state has changed a great deal since the 1990s. Figure 13 shows the local change in party affiliation between 1992 and 2003. As is clear, the PRI, once dominant in the state, made way for a newly dominant PAN at the municipal level. While a member of the PRI was elected governor in 1991, electoral fraud voided the results, and the state legislature appointed the PAN mayor of Leon to the office. Guanajuato officially elected it's first PAN governor, Vicente Fox, in 1995. The state legislature switched to PAN control in the mid 1990s.

Veracruz

Like Guanajuato, Veracruz has long held a strategic position within the country. The state stretches along the flat tropical coast of the Gulf of Mexico and reaches inland toward the mountains to the southwest. Veracruz is home to Mexico's largest and most important port, and also hosts much of Mexico's oil production and refining capacity. While these advantages have brought

Party Affiliation of Mayors in Guanajuato

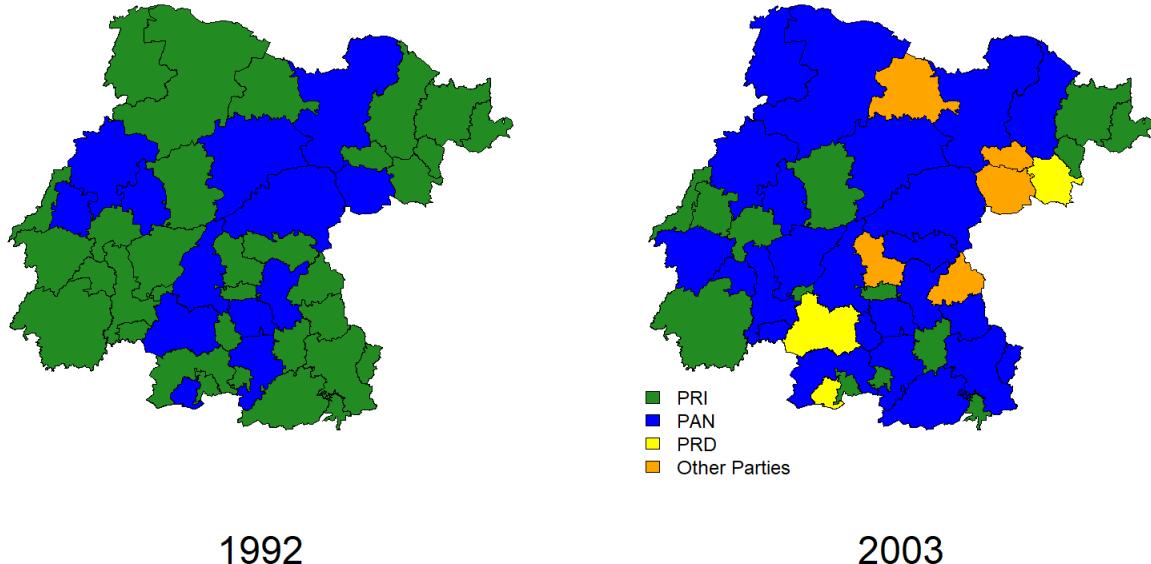


Figure 2.13: Party Affiliation of Mayors in Guanajuato

development to some cities along the coast, much of Veracruz remains rural. Agriculture dominates the interior, and the state produces much of the country's timber and fruit industries. The long coastline makes for a robust fishing industry, and the interior mountains support productive mining. Unlike Oaxaca, Veracruz boasts one of the most diverse state economies in Mexico.

What ultimately sets Veracruz apart, though, is the oil industry. While overall union density declined from nearly 40% in 1984 to 24% by 1998, it remained above national averages. The oil industry allowed a large percentage of Veracruz' population to stay unionized, despite a large national decline in union density. The oil industry is nationalized through PEMEX³¹, and virtually all PEMEX workers belong to the Oil Workers Union of the Mexican Federation (STPRM). The union itself still has strong ties to the PRI. In 2000, the STPRM illegally diverted union funds to aid the failing presidential campaign of Francisco Labastida. Union funds in Veracruz have gone

³¹PEMEX, or Petróleos Mexicanos, is the Mexican national oil company. It was nationalized by PRI president Cárdenas in the 1930s and has remained the sole producer and vendor of petroleum in the country. While its workforce is largely PRI affiliated through the union, its leadership is controlled by the presidency.

to finance countless local campaigns. The alliance between the PRI and the STPRM has allowed the PRI to remain dominant in state politics.

Figure 14 shows that Veracruz is one of the handful of states to have never experienced a gubernatorial transition away from the PRI. Figure 9 shows the local political change through the tumultuous period from 1991 to 2007. In 1991 the PRI dominated municipal politics in the state, and for the most part, this dominance continued well into the 2000s. While the PAN and PRD expanded their municipal hold, the PRI still held a wide majority of mayoral offices in Veracruz. This is also borne out in the PRI's continuing control of the Veracruz legislature. In recent years, Veracruz has had a number of governors that could be considered authoritarian. Most notable among these is Javier Duarte who was rumored to be allied with organized criminal groups and engaged in embezzlement. First elected in 2010, his administration oversaw numerous scandals, including the discovery of mass graves, the disappearance of state money through suitcases, and several high profile journalist killings. He fled the country before the end of his term in October of 2016, but was found in Guatemala and extradited in July 2017.

Party Affiliation of Mayors in Veracruz

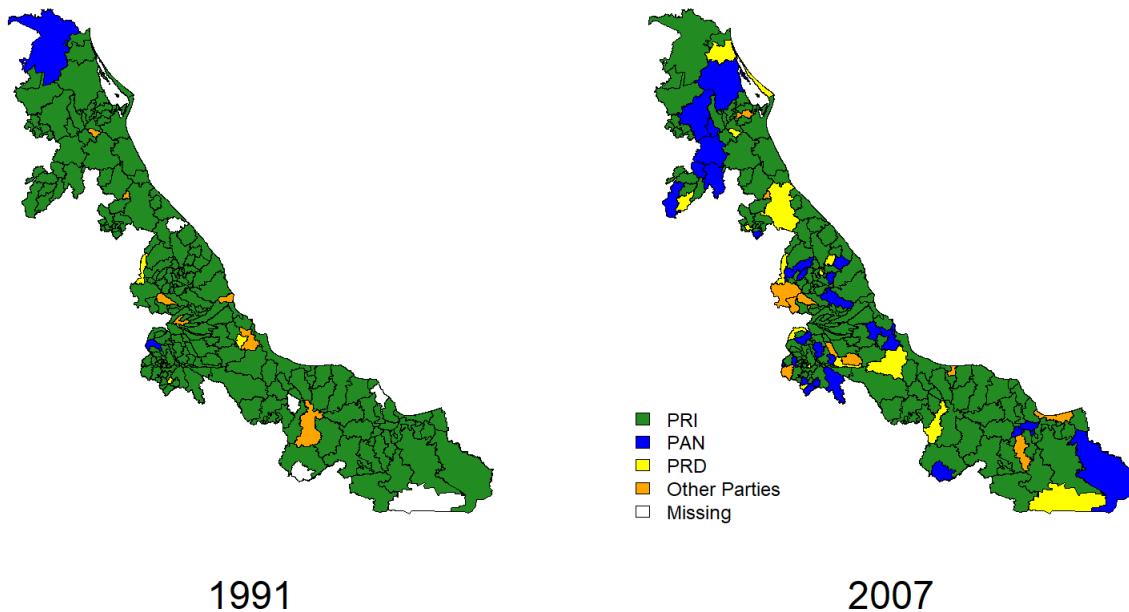


Figure 2.14: Party Affiliation of Mayors in Veracruz

Implications

The theory suggests that labor unions have a role to play in the persistence of subnational authoritarianism. I argue that declining union membership helped chip away at the power of the PRI in Mexico. These declines did not occur uniformly, as regional insulation from economic change kept traditional labor-government arrangements intact. After neoliberal reforms, Mexican elections became more competitive in part because PRI affiliated unions lost the ability to compel enough voters to guarantee PRI victory. In Argentina, early losses lead the Peronists to co-opt the corporatist activities of a fractured labor movement (Levitsky, 2003). In states with little economic change, state affiliated labor unions helped prop up now autonomous autocratic leaders. Governors, mayors, and local legislators of the period continued to use labor groups to mobilize voters and legitimize local rule (Denham, 2008).

There are several implications for this theory. The first is that economic change should be associated with a decline in union power and activity. In this case, economic change is represented by the influx of union-busting factories to a state or municipality and an inability of unions to muster resources in support of the PRI. I suspect both of these events will have a significant impact on vote share of the PRI. Coalitions and local autocrats are more likely to survive in regions where unions are strong. Union strength, as explained in the next chapter, is signaled by the ability to mobilize, which in Mexico manifests as the ability to engage in strikes and strike petitions. Mexican unions also remain strong where maquiladora plants control a small share of the workforce. In areas that experience few strikes, and where the non-union share of the workforce is high, I expect local autocrats to falter. These expectations are captured in the following hypotheses.

H₁: Regions where unions strike frequently are more likely to keep local autocrats in power.

H₂: Regions where unions threaten to strike frequently are more likely to keep local autocrats in power.

H₃: Regions that have small maquiladora workforces are more likely to keep local autocrats in power.

I also expect the PRI to realize the magnitude of their political loss throughout the 1990s. In order to remedy this, I expect the PRI to engage in targeted vote buying through social spending and cash transfers. Because of the federal-local relationship in Mexico, incumbents at the federal and state level can provide higher budgets to municipalities in electorally marginal districts. I expect the decline of unions (measured through maquiladora plant expansion, strikes, and strike petitions) to be associated with increases in social spending. Vote buying through cash transfers is not new to Mexico (Magaloni, 2006; De La O, 2015). Thus I expect cash transfers to be influenced by economic change and union decline.

Here I make a general assumption about what kind of voters and what strategies the PRI employs to buy votes. Much of the literature suggests that party machines use limited resources to buy the votes of core constituents (Cox & McCubbins, 1986; Dixit & Londregan, 1996). These supporters are typically defined as frequent collaborators with party machines and ideologically oriented with their goals. Because they serve as a reliable voting block, resources and payment are made to ensure their participation rather than to persuade them. The reliability of core supporters is their most valuable trait, as resources spent elsewhere, either to attract opposition voters or to maintain popularity with marginal voters, is potentially risky. Repeated interaction with these core groups reduces uncertainty for party machines, and may serve to attract marginal voters to the core group (Cox & McCubbins, 1986; Dixit & Londregan, 1996).

Taking cues from the broader literature, I assume that the PRI will attempt vote buying operations among traditional core constituencies. Specifically I will look at whether the decline of the union coalition influences where spending and cash transfers occur. There is some evidence in the literature that party machines spend their resources to retain not core groups, but those who are weakly ideologically opposed(Stokes, 2005). In the coalition framework I have constructed, we might see evidence for this if there was nonlinearity in the measures of union strength. If there is spending irregularity among the extremes of union strength, for example, it may show evidence that the PRI did in fact target weakly opposed, or generally weak coalition voters. While I do not address this question in the main chapter, I do explore whether nonlinearities exist in vote buying in Appendix B. Overall however, I expect social spending and cash transfers to be associated with the strength of core supporters. These expectations are captured in the following hypotheses. The

above implications will be tested in the empirical chapters to follow.

H_4 : Regions that experience union decline are more likely to be targeted for cash transfer programs.

H_5 : Regions that experience union decline are more likely to experience increases in social spending.

CHAPTER 3

THE ELECTORAL INFLUENCE OF LABOR

In order for autocratic parties to remain in power after democratization, they must keep their coalitions together. In the previous chapter, I examined why PRI support should ebb and flow with the strength of coalition members. In this chapter, I run several empirical tests to determine how the strength of coalition members, in this case organized labor, is associated with support for autocratic parties. This chapter is organized as follows. In the first section, I discuss the historical origins of the labor-PRI relationship and how it is reflected in current labor and industrial laws. In the second section, I employ statistical tests to determine whether union strength is associated with PRI support, and how this support changes across significant economic and historical events. The final section will discuss the results and conclude.

Origins of Labor and the PRI

The alliance between the PRI and Mexico's major labor unions originates in the tumultuous foundation of the party during and after the Mexican Revolution. The early stages of the revolution were led by men sympathetic to the cause of land reform and organized labor. Francisco Madero, early architect of the revolution against the rule of Porfirio Díaz, worked to regulate labor during his brief period as president, creating a labor department and establishing ties with international labor organizations. Emiliano Zapata, a radical reformer and revolutionary until his death in 1919, had long advocated for peasant ownership of land in Morelos and fought against both Porfirio Diaz and Francisco Madero during their administrations. Even Venustiano Carranza, the moderate last man standing during the revolution, sought the help of labor backed 'Red Battalions' after war broke out amongst the winners in 1915 (Krauze, 1998).

The Revolution resulted in one of the most radical and progressive political documents of its time. The Constitution of 1917 guarantees political rights, free secular public education, and land reform for peasants and campesinos. Article 123 remains one of the most comprehensive national labor policies in Latin America, solidifying an eight hour workday, reductions in child labor, rights

to work safety and leisure time, a right to equal pay regardless of sex or nationality, and rights to unionize and strike. While Venustiano Carranza did not immediately implement the most radical labor reforms of the 1917 constitution, his successors did.

Throughout the 1920s the Labor Party, the political wing of the CROM¹ dominated national politics, electing two presidents and controlling an absolute majority in the legislature. Faced with the assassination of Labor president elect Álvaro Obregón in 1928, the party began to fracture. Plutarco Calles, the labor friendly president from 1924-1928, founded the National Revolutionary Party (PNR) in order to consolidate the gains of the revolution in the wake of violence and political unrest. He hand picked the policies and successors who served the rest of Obregón's term and began to build the machine that would become the PRI (Krauze, 1998). Calles notably turned against some labor tactics and leftist organizations by the end of his period of influence, and he was eventually exiled from the country for conspiring against the government.

Calles' successor, Lazaro Cardenas, did more than anyone else in the early period to solidify the relationship between labor and the PRI. The main labor organization before Cardenas' tenure was the CROM, but it had declined significantly in influence by the time Plutarco Calles was exiled. Lazaro Cardenas, instead of re-establishing the CROM as a political force, swung the support of the PRI's machine toward the newly formed CTM. Cardenas' nationalization of railroads and petroleum in 1938 allowed the CTM to quickly absorb huge sectors of organized labor, leading to their dominance of the corporatist industrial labor system by the 1940s (Krauze, 1998). Cardenas took pains, however, to ensure the dependence of the CTM on the party machine by separating industrial, peasant, and public workers unions into separate party affiliates (Krauze, 1998; Burgess, 2004). While the CTM had an important seat at the table, the party and the government clearly held the levers of power.

Throughout the mid 20th century, the PRI and the CTM worked together to absorb or eliminate independent unions. The leaders of unions that refused to cooperate were removed and replaced with 'charros'², often corrupt PRI friendly strongmen (Burgess, 2004; Murillo & Schrank, 2005). Independent unions were choked out through various means like arresting rebellious strikers, or the formal backing of employers over union leaders. Businesses that cooperated with independent unions, or employees and their families that chose to join them were blacklisted from work by the

¹The Regional Confederation of Mexican Workers or *Confederación Regional Obrera Mexicana*

²A translation of Cowboy.

state, the CTM, and other state affiliated labor groups (Middlebrook, 1995; Burgess, 2004). In exchange for their cooperation and large voter bases, CTM leaders and the leaders of other state affiliated unions were given powerful and nearly unassailable positions in government and within the labor movement.

Such was the state of the labor movement at the time of the Latin American debt crisis in the early 1980s. Mexico had seen enormous economic growth built off of borrowing and trade in natural resources. Labor in key industrial sectors was dominated by PRI friendly charros who were largely conservative and advanced in age (Burgess, 2004; Murillo, 2000). As Miguel de la Madrid and Carlos Salinas began neoliberal economic reforms in the 1980s, state affiliated labor leaders were concerned with self preservation. The CROM and CTM backed the PRI through a period that saw significant degradation of labor's influence, resulting in privatization, lowered subsidies, and the loss of union jobs (Burgess, 2004; J. A. Teichman, 1996). Throughout this period, state affiliated labor remained tied to the PRI. The leaders of these unions declined in influence but continued to receive personal benefits. Union influence declined throughout the country, but regions where unions remained strong continued to support the PRI. In the empirical examination that follows, I expect union strength to be associated with support for the PRI.

Mexican Labor & Industrial Law

Laws governing organized labor and their political rights originates in Article 123 of the Mexican Constitution. Amongst many other provisions, the rights to organize, collectively bargain, and take legal action against employers are protected against state incursion. Despite powerful labor advocates being in office for much of the 1920s, the rights granted in this article were not widely practiced until the passage of the Federal Labor Law in 1931. This law fleshed out the provisions included in the constitution and provided legal recourse for aggrieved employers and employees. The law was updated in 1970 and again as recently as 2012, but largely resembles the original 1931 document.

Unions in Mexico are required to register with the state and must periodically meet basic requirements. Registration is controlled by the *juntas de conciliación y arbitraje*, or conciliation and arbitration boards (CABs) (Compa, 2003). These tripartite bodies include representatives from the government, management, and labor, and serve a variety of functions under the Federal

labor law. Their primary function is dispute resolution, and all disputes between legal registered unions and employers are observed and resolved through these boards. To register, unions must have twenty members over age fourteen and must submit names and addresses of every member and every leader (Middlebrook & Ramirez, 1998). State affiliated union groups, like the CTM, held sway on these boards for much of the 20th century. Thus the public reveal of names and information has been seen as a way for the PRI, CTM, and employers to intimidate independent unions (Compa, 2003). CABs have also been accused of delaying rulings for political reasons (Middlebrook & Ramirez, 1998). Unions that do not register with CABs are legally non-existent. They cannot engage in collective bargaining or call strikes, and are excluded from representation on the CAB.

Action by unions is confined to specific levels of escalation. Individuals can invoke the CAB when they have a single personal dispute with an employer. To act collectively, unions first threaten to strike with the CAB. If an agreement is reached with the employer then the dispute ends. If not, a strike is declared. Once declared by a union, strikes must be approved by the CAB. If ruled illegal, the CAB will require workers to return to work within 24 hours or be subject to penalty from the employer. CABs also have the jurisdiction to regulate union elections and can arbitrate inter and intra-union disputes. Complaints about the CAB process and the officials working for the CAB have included political bias, corruption inefficiency, and unprofessionalism (Middlebrook & Ramirez, 1998). The CABs however, continue to remain the only legal venue through which labor groups can organize and arbitrate employee disputes.

Unlike with labor, the position of the PRI towards industry and manufacturing evolved throughout the 20th century. The revolution had occurred in the wake of Porfirio Diaz stripping away the rights of workers, peasants, and voters, so initial positions toward employers in this sector was at best lukewarm. Initial leaders like Venustiano Carranza were sympathetic to employers and upper classes, but his successors were not. The relationship between industry and the PRI reached its nadir with the mass nationalization of strategic industries under Lazaro Cardenas. In 1965, in order to solve regional unemployment, the government began the Border Industrialization Program in cooperation with American businesses. The program was a huge success and saw targeted but limited growth along the border until the 1990s. Signing NAFTA in 1994 made maquiladoras into

special economic zones, and their employment growth nearly doubled throughout the rest of the decade (Vietor & Veytsman, 2005).

The neoliberal reforms that came with NAFTA also allowed maquiladoras to target and sell to the domestic market. The growth associated with these reforms has allowed the maquiladora sector to thrive, now representing the second largest domestic production sector in Mexico after crude oil (Dorocki & Brzegowy, 2014). In addition to the problems these plants have caused toward union density, maquiladoras have been accused of contributing to environmental and social degradation in regions where they are present. Low wages with long hours and an association with corrupt regulators have led to the perception that maquiladoras led to inequality (Dorocki & Brzegowy, 2014). They remain, however, a significant contributor to the Mexican economy and employ a large percentage of the industrial workforce.

Empirical Strategy

The next section will explore the data and empirical strategy used in this chapter. In this chapter I am seeking to test the first three hypotheses from chapter 2. In the Mexican case, these hypotheses examine the political relationship between union strength and PRI support. I assume strong unions are organized and have the legal and material resources to pilot the complicated Mexican labor system. Strong unions will not hesitate to strike or threaten work stoppages if they have the incentive to do so. Strong unions have historically supported the PRI as a coalition partner. Strong industrial and agricultural union groups like the CTM and CROC maintained close ties to the PRI well into the Fox administration. Strategically and economically important unions, like the oil workers union, maintain strong ties to PRI party bosses today. Similarly, I expect maquiladoras to have an inverse relationship with PRI support. Low maquiladora employment will result in higher support for the PRI. Areas in which these plants operate are less likely to maintain PRI support due to their anti-union behaviors. I present the hypotheses of interest below.

H_1 : Regions where unions strike frequently are more likely to keep local autocrats in power.

H_2 : Regions where unions threaten to strike frequently are more likely to keep local autocrats in power.

H_3 : Regions that have small maquiladora workforces are more likely to keep local autocrats in power.

Data

My unit of analysis is municipal mayoral election years between 1990 and 2006. I chose municipal elections because I am interested in how union strength affects sub-national elections. If unions continue to support the PRI across the tumultuous economic period of the 1990s, it would suggest their strength led to autocratic persistence sub-nationally. Mexican municipal elections are surprisingly uniform across states and regions. Mayors are typically term limited and serve three years. Elections coincide with either state legislative or gubernatorial elections. For some states they coincide with national legislative and presidential elections. Elections are staggered in different states, so not all states conduct elections in the same years³.

Table 1 shows the Descriptive Statistics for relevant variables used in the modeling section. Unless otherwise specified, data was collected from *Instituto Nacional de Estadística y Geografía* (INEGI). Notice, election data for each municipality has a much larger N than the other variables used in analysis. This is because the elections only occur every 3 years, while other variables are either collected or estimated yearly. Log of population is derived from a yearly estimate of population. Homicides are the number of individuals killed in that municipality by year. GINI is a measure of inequality provided at the municipal level and is provided yearly by the National Council for the Evaluation of Social Development Policy (CONEVAL). Illiteracy and unemployment are percentage variables of the population above the age of 15 who cannot read or write and are out of work respectively. Strikes and Strike Threats are count data provided yearly by the state CABs. Maquila employment is a count of maquiladora employees in a municipality, and is provided by the annual reports of *Industria Maquiladora de Exportación* (EMIME). Each rate variable represents

³Figure 7 in the appendix shows this across states. Some states, like Aguascalientes carry elections every 3 years starting in 1992. Others, like Yucatan, begin in 1990.

the count data per 10,000 individuals. I standardized these over population to account for the effects of larger municipalities.

Table 3.1: Summary Statistics

Variable	Mean	Std. Dev.	Min.	Max.	N
PRI Vote Share	0.509	0.202	0	1	9123
PRI Vote Share (With Coalitions)	0.505	0.200	0	1	9609
PRI Vote Share (Imputed)	0.497	0.201	0	1	10018
Log of Population	9.327	1.484	4.625	14.427	41701
Population	38867.825	116406.827	102	1842819	41701
Homicide	5.108	18.817	0	517	40307
GINI	0.426	0.061	0.138	0.705	41131
Illiteracy	0.114	0.069	0.006	0.727	41256
Unemployment	0.005	0.005	0	0.112	41131
Presidential Election	0.176	0.381	0	1	41701
Strikes	0.109	1.473	0	75	41701
Strike Threats	10.124	110.121	0	6053	41701
Maquila Employment	760.006	10619.313	0	568067.625	41701
Strike Rate	0.006	0.08	0	5.299	41701
Threat Rate	0.625	4.048	0	278.689	41701
Maquila Employment Rate	15.701	168.539	0	3236.822	41701

Dependent Variable

My key dependent variable is PRI vote share, which represents support for the traditionally autocratic Institutional Revolutionary Party. PRI vote share is measured by taking the total number of mayoral votes for PRI candidates and dividing by the total votes cast in the election. Data for this variable spans 1990-2006. As the most powerful party in modern Mexico, the PRI is represented electorally in every year of the dataset. One challenge in aggregating municipal election data is that statewide elections are sometimes run as coalitions between parties. The PRI or PAN running with smaller parties is not uncommon, and in the early 1990s it was popular for the PAN to run in a *concertation* with the PRD. The election results only list the party ticket, but not the candidates' original party. Thus when the PRI runs with other parties it is impossible to determine if that candidate is a member of the PRI or some other party. Moreover, voters may be more amenable to an autocratic party in power in a coalition with smaller parties like Alianza

or the PVEM than they would be to a solo PRI ticket⁴. Vote shares for these coalitions may also be affected by the climate of a statewide race, in which the entire party runs as a coalition for gubernatorial or legislative elections. These statewide coalition races are run in twelve states over various election years.

Coalitions also run different partisan campaigns in different states. In 2004 for example the PRI ran with the PVEM in Colima and Michoacán, the PVEM and PTPB in Baja California, and the PT in Aguascalientes. Given the national and historical strength of the PRI, it is safe to assume it is on the minds of voters in any local race. In the empirical section, where PRI vote share is the dependent variable, two models are used. I first run fixed effects and Arellano-Bond models on raw PRI vote share which excludes 12 states in the years they run coalitions. Second, I run fixed effects and Arellano-Bond models on data that includes vote shares for PRI coalition candidates. While there are some slight differences, the results are extremely similar.

Average PRI Voteshare 1990-2004

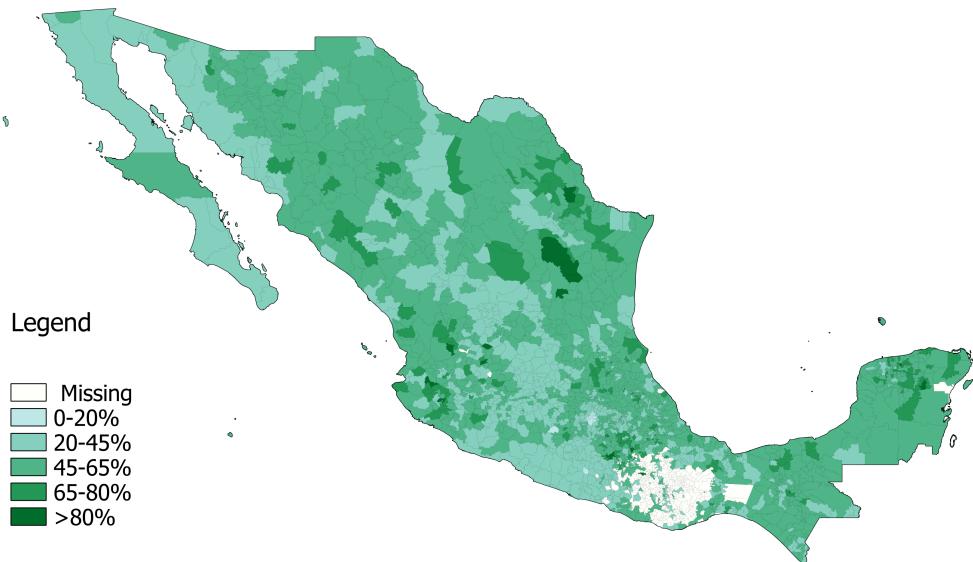


Figure 3.1: Average PRI Voteshare in Mexico

⁴The logic here is that when running as a coalition, the PRI must augment their positions to include the preferences of the other parties in some way. This augmentation may make the party more appealing to voters than a straight PRI ticket.

Another potential problem presents itself in systemic missingness in two states, Jalisco and Guerrero. The institution reporting the mayoral election data, CIDAC, only includes three election years total for these two states. 1999 for Guerrero, and 1992 and 1995 for Jalisco. It is unclear whether these states had problematic elections, unorthodox coalitions, or records keeping problems. In any case, multiple imputation is a useful tool to solve systemic missingness. Using Amelia II in R, I used multiple imputation on the PRI vote share results for the missing years in these states and created a separate dependent variable where the vote shares include these results. Including this imputed variable does not change results significantly in any analysis. Results for models that include the imputed data can be found in the Appendix A.

Figure 1 shows the average PRI vote share mapped across municipalities. One expectation of the theory is that economic change on the border should affect political outcomes, thus some geographic difference should be noticeable at the border. While few patterns emerge on the border, some other notable results exist. First, the missing data in the south of Mexico comes from the state of Oaxaca. A majority of Oaxacan municipalities have practiced indigenous UyC laws to elect mayoral candidates since the early 1990s. These elections can vary widely in rules and procedures, with many relying on undemocratic elder rule. Results for these UyC elections are not reported, thus they remain missing from the data. Second, large cities and progressive states like Mexico City, Guadalajara, Tijuana, Michoacán, and Guerrero have much lower PRI averages than areas along the coasts and in the south of the country. Similar results occur in large cities on the border. PRI strongholds appear to be in a diverse set of states including Chihuahua, Veracruz, and most of the Yucatan peninsula. Figure 2 shows national PRI vote share averages from 1990-2006. There is a noticeable decline that begins in the early 1990s and culminates in 2006. This decline appears to be gradual⁵. Even with the national decline, there is significant municipal diversity with some municipalities averaging over 80% of vote shares and others averaging less than 20%.

Explanatory Variables

There are three independent variables I use to measure union strength: *Strike Rate*, *Threat Rate*, and *Maquiladora Employment Rate*. Data on strikes and threats comes from count data

⁵Except for 2006, which was the presidential election year where the PRI suffered the worst national defeat in their history.

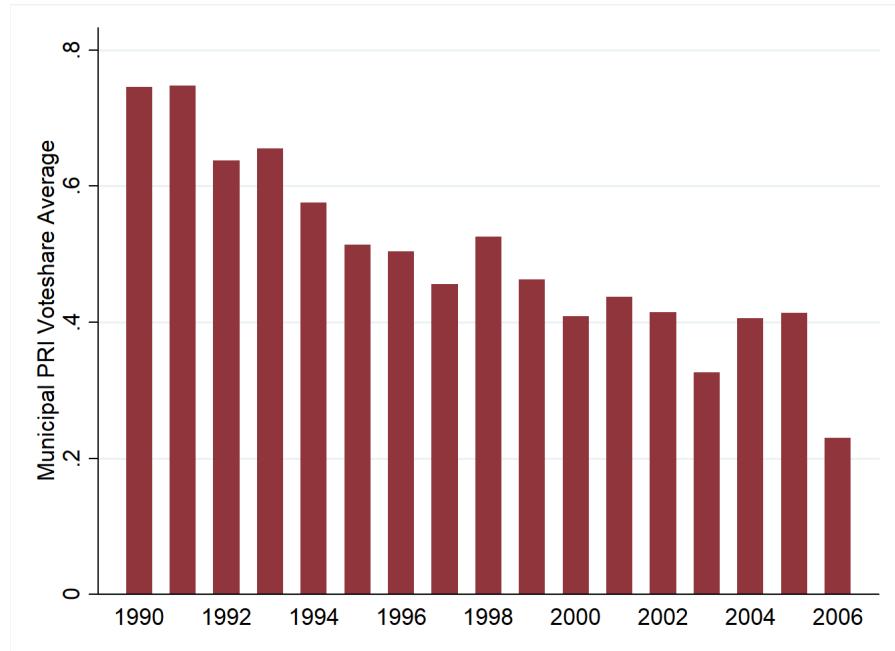


Figure 3.2: PRI Municipal Voteshare Average by Year

reported yearly by the CAB between 1991 and 2004⁶. Figures 3 and 4 show strike and threat counts mapped across municipalities. Once again, following the theory we should expect noticeable differences along the heavily industrialized border. There is a noticeable lack of strikes and threats in southern states like Oaxaca, Chiapas, and Tabasco. Every state experiences at least one strike or threat throughout the period. There are also some concentrations of labor unrest along the Pacific Coast, and of course in industrial centers along the border, in Mexico City, and the western central region. This result generally conforms to expectations. Strike threats are far more common than actual strikes, seeing both a higher overall count, and a greater spread throughout the country.

Strike Rates are calculated by taking the strike count per municipality and dividing it by a weighted population variable. The result is the strike rate per 10,000 people. I chose this method to weight frequent strikes by their population. I also chose a weight value relatively close to the municipal population mean for ease of interpretation. Figures 5 and 6 show the national average

⁶Strikes are not necessarily a subset of strike threats. The data is not presented in a way where I can follow the escalation of a single labor dispute. There is some chance that some threats become strikes, and almost certainly all strikes at one point began as a legal threat, but I cannot draw a line between individual cases.

Average Number of Strikes 1990-2004

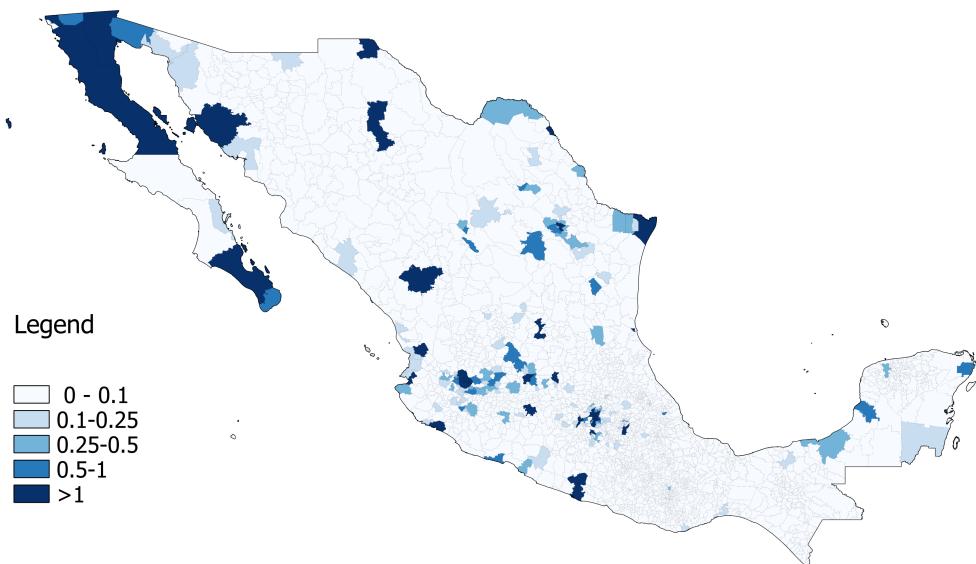


Figure 3.3: Average Number of Annual Strikes in Mexico

strike and threat rates between 1991 and 2004. In these figures we should notice a decline in labor mobilization described by Fairris and Levine (Fairris & Levine, 2004). In both figures there is a gradual decline over the decade, though it is much sharper and more significant for strike rates than threat rates. From its highest to its lowest average, strike rates decline nearly 80% while threat rates decline around 40%. In either case, union strength declines from a peak in the early 1990s to a nadir by the early 2000s.

Figure 7 shows changes in PRI vote share from 1990-2006. Darker oranges indicate more severe losses for the PRI, while green indicates the PRI gaining vote share. Superimposed over this is the average strike threat rate for the period. Following the theory we should expect PRI losses on the border. This result is seen in many but not all border municipalities. Much of Guerrero is missing because no change could be calculated for this state. Only one year was represented in the original elections data. Oaxacan UyC municipalities were also excluded. Two trends are clear from this map. First, the PRI suffers significant to marginal losses in all regions of the country.

Average Number of Strikes Threats 1990-2004

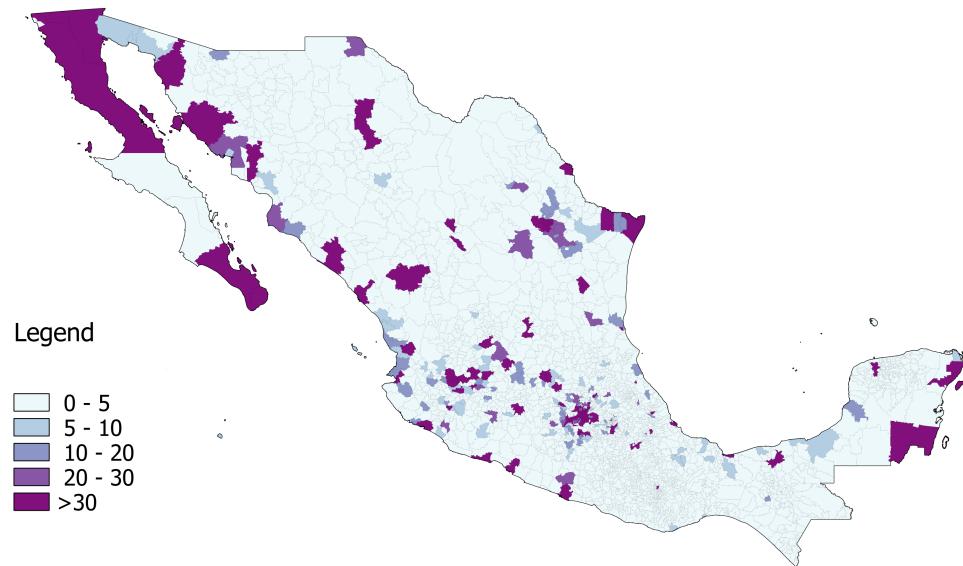


Figure 3.4: Average Number of Annual Strike Threats in Mexico

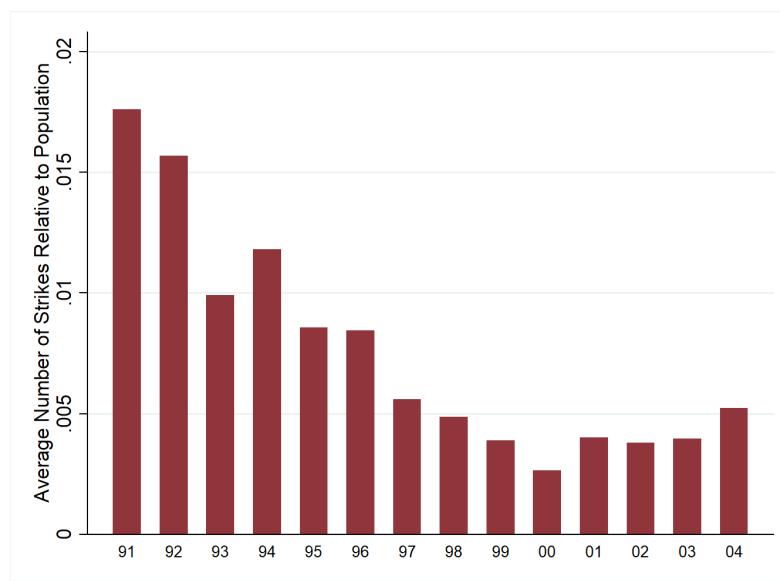


Figure 3.5: Number of Strikes per 10,000 People

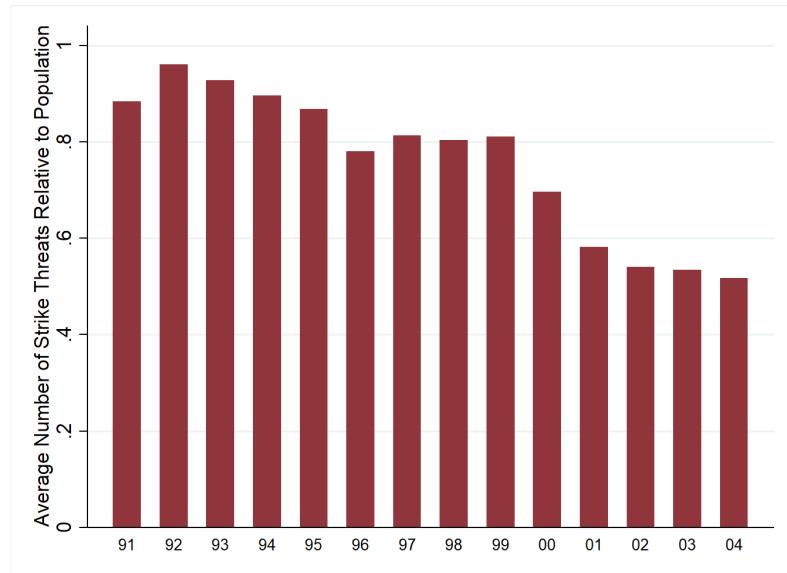


Figure 3.6: Number of Strike Threats per 10,000 People

PRI Losses & Strike Threats

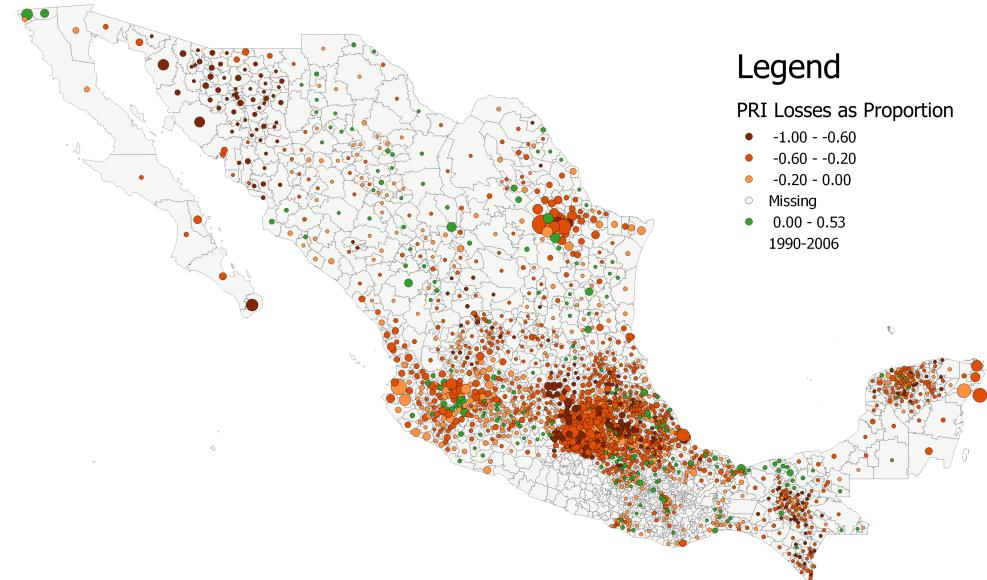


Figure 3.7: PRI Losses and Strike Threats 1990-2006

Even apparent gains, like the green seen in Baja California is relatively marginal. Second, in states like Nuevo Leon (a state on the border), Quintana Roo, and Jalisco, these losses appear associated with larger strike threat rates. Additional state maps can be found in the appendix.

The last explanatory variable of interest is *Maquiladora Employment Rate*. Figure 8 shows municipalities with a maquiladora presence between 1990 and 2006. Overall thirty two municipalities have at least 1 factory employee under the maquiladora rules. Fourteen of those municipalities lie within 100 miles of the US border. Most of these take advantage of the special trade rules in order to export to the United States. Eighteen municipalities are further inland, though sixteen of those are considered part of the Federal District of Mexico City. The other two, Guadalajara and Torreón, are large cities in their own right and are close to some of the largest domestic markets in the country. I use *Maquiladora Employment Rate* as a measure of union strength. I expect maquiladoras to hinder union growth and organization.

I measure *Maquiladora Employment Rate* similarly to the *Strike Rate* and *Threat Rate*. I take the total maquiladora employment and divide it by the weighted population variable. The result is the number of maquiladora workers per 10,000 people. Figure 9 shows national averages of this rate over time. I expect the number of workers to rise throughout the period of interest. Unlike strikes and threats, maquiladora employment spikes in the late 1990s and early 2000s and quickly drops back down near to pre-NAFTA levels. This is likely due to the peso crisis of the 1990s. Beginning with a financial crisis in 1994, the Mexican government began to devalue the peso. Export oriented businesses took advantage by hiring more workers in the special economic zones, paying workers suddenly cheaper wages for more profit. Once the peso came back up to normal levels, the employment rate dropped back down to the usual amount.

Validity

One concern when using count data of strike behavior as a measure of union strength is the validity: whether or not these strike counts actually measure the mobilization capacity and general strength of labor. One can conceive of several alternative conceptions for striking behavior in unions. For example, if state affiliated unions are cozy with incumbents and can easily gain political cover due to their ties in the coalition, then they may not need to strike. Thus increases or decreases in striking behavior may be driven by purely non state affiliated unions, which would have no bearing on strength of the coalition. Similarly, in this environment, striking behavior may be a sign

Maquiladora Municipalities

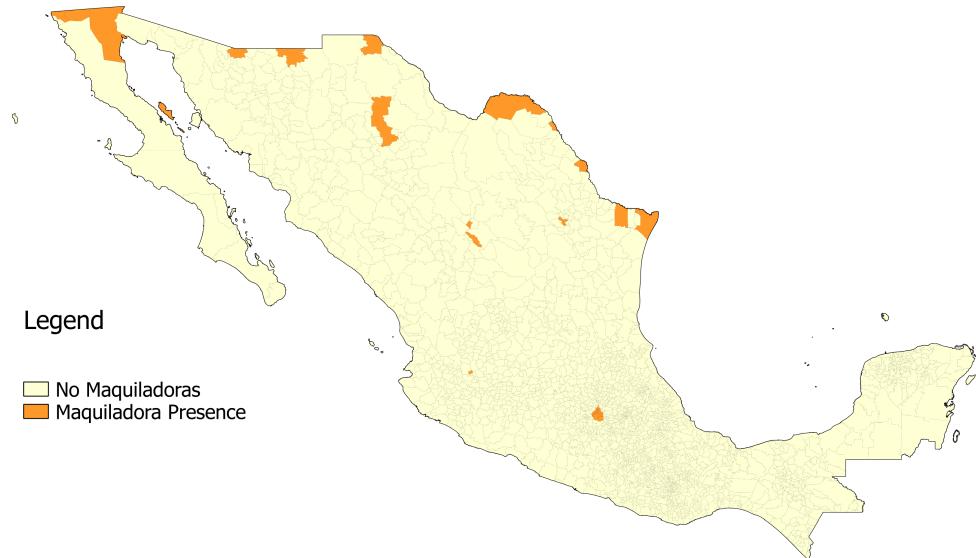


Figure 3.8: Municipalities with a Maquiladora Presence between 1990 and 2006

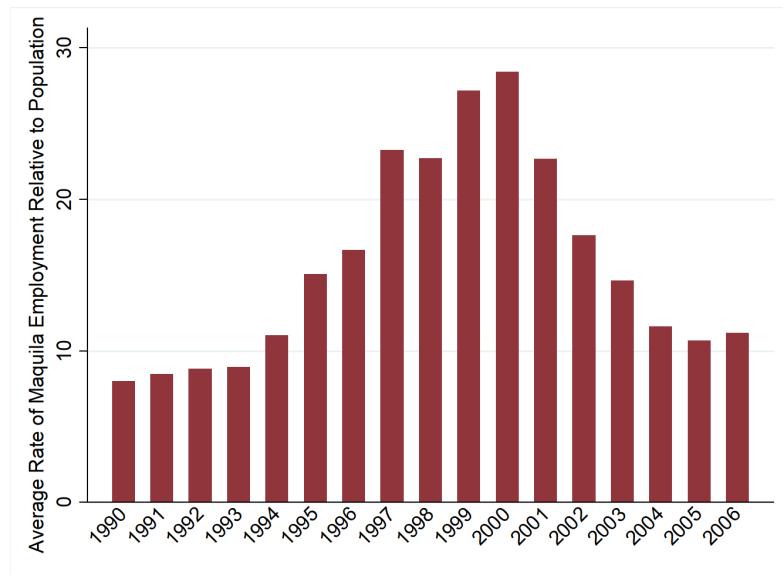


Figure 3.9: Number of Maquiladora Workers per 10,000 People

of weakness. State affiliated unions may only turn to strikes or threats when other avenues of negotiation close. In this context one would expect strikes to increase as unions become weaker, the exact opposite scenario I lay out in the theory section.

The following figures represent data from the local labor and arbitration boards. For each strike and threat event these boards record the primary affiliation of union confederation involved. Figure 10 presents the strike breakdown among these confederations. Every named organization⁷ save for Independent unions have a strong history of affiliation with the PRI. If these are accurate measures of the strength of a union, then stronger state affiliated unions should be mobilizing at the highest rates. The figures shows that the CTM, the organization most associated with PRI rule, has the highest propensity for mobilization. This result conforms with expectations. Moreover, as union density declines nationally through the 1990s, the CTM maintains the highest levels of mobilization in the country. The same trend holds for threat behaviors in Figure 11. In neither figure do I get the impression that PRI affiliated unions are striking less, nor are they striking more as they get weaker. Over time they maintain high rates of strike behavior compared to non-PRI affiliated groups and this behavior exhibits a general decline throughout the period of interest. Strike behavior appears to have face validity as a measure of union strength.

Control Variables

To control for population, I use the *Log of Population*. To control for crime, I apply the population weight to yearly municipal homicide counts to attain *Homicide*. The Mexican census provides very good measures of local socio-economic indicators like health and education. To approximate for education, I include the *Illiteracy* rate which is measured every five years. To account for economic conditions, I use two variables. *Unemployment* is simply the percentage unemployment rate in a municipality, and is measured every five years. The National Council for the Evaluation of Social Development Policy or CONEVAL assesses a number of poverty statistics, which are tweaked every 5-10 years. Through these and other reports, CONEVAL constructs a municipal *GINI* score as a measure of inequality. These are reported for each large census, so once every ten years. I also include controls for presidential election years, as these may boost turnout,

⁷With the CTM, CROC, and CROM in particular.

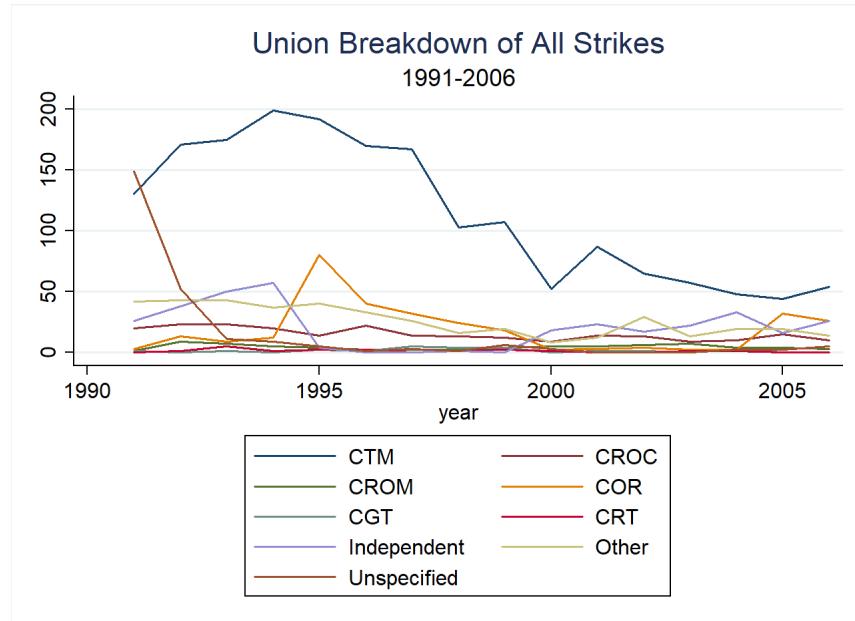


Figure 3.10: Strikes per Union Confederation

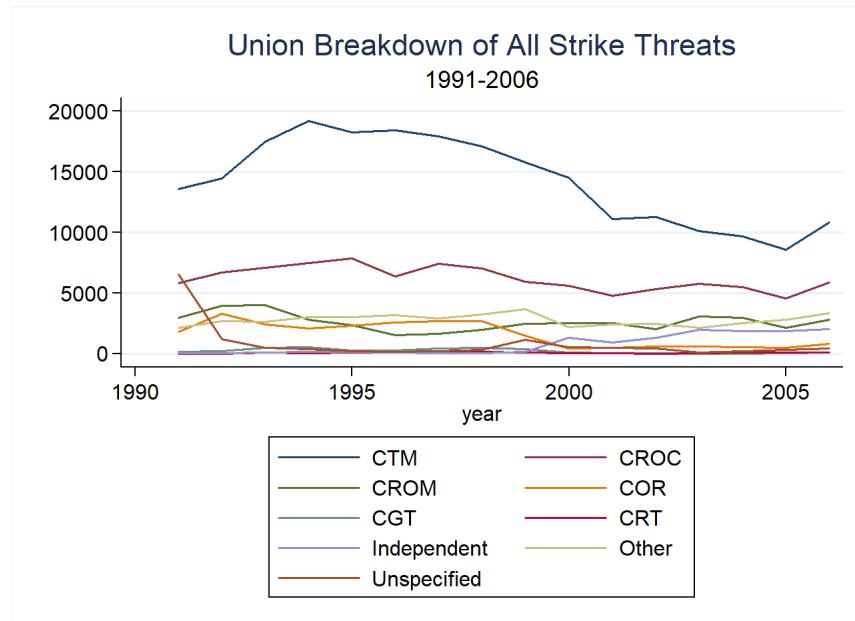


Figure 3.11: Strike Threats per Union Confederation

or influence local elections through some national narrative. This is a simple binary variable for years 1994, 2000, and 2006⁸.

Models

Identification Strategy

In this section I will explore whether or not the intervention of NAFTA in 1994 affected labor mobilization. As I explored in the theory section, the introduction of NAFTA served to change the dynamics of union strength in Mexico. It amplified the expansion of the non-union workforce as thousands of establishments were founded that skirted traditional union laws through ghost unions and other union busting practices. Moreover, labor groups had little autonomy in its implementation, suggesting an exogenous effect on organized labor. NAFTA, however, did not effect every area of the country equally. The border region received most of this economic shock as foreign and domestic companies established new plants in the maquiladora zone. Compared to the rural hinterlands of Oaxaca or Chiapas, the unions at the border were exposed to a debilitating economic shock. Labor groups in other parts of the country remained unchanged. The exposure of the border to economic change allows for a unique quasi-experimental design. Using an interaction of border states and the year in which NAFTA went into effect as a treatment (January 1st 1994), I run a difference in difference⁹ analysis to see whether this changed mobilization behavior. Specifically, I will look at the difference in rates between two groups identified in the strike data: known PRI affiliated and non affiliated unions. This section is meant to explore whether there is *prima facie* evidence that an economic policy shock had an effect on labor. I expect PRI affiliated labor groups to be harmed by the intervention, while non-PRI affiliated groups will gain in their capacity to mobilize. The evidence for the economic shock is important to the theory overall, as I must establish variance in how local coalitions respond to exogenous events.

The observational data in its current form presents the universe of cases for Mexico in the years of interest. Unfortunately, the data presents a dilemma. I am suggesting that economic change and free trade agreements shifted economic and political incentives in different parts of the country when it comes to labor. Many municipalities in Mexico consist of extremely small villages, ejidos,

⁸Because strike data was only available through 2004, 2005 and 2006 are not included in most regressions below.

⁹Technically, my differentiation between PRI and Non-PRI affiliated unions in addition to the border/non-border axis in this sections makes it a difference in difference in difference, which is a more conservative test of the theory.

parishes, or indigenous communities. These towns are isolated and many do not experience any union activity at all. Unfortunately the data I have does not distinguish between cities or towns that are eligible to receive some treatment on labor but do not, and those that never would because they are too small. Thus, I am likely including quite a few municipalities that would never respond to economic change no matter the stimulus. Because many of the thousands of municipalities in the country may be ineligible for the shock, matching is a useful solution to get around the issue. As the theory predicts, border cities will be especially vulnerable to economic shocks, thus they serve as my treatment group when matching. Prior to using the difference in difference analysis, I use propensity score matching to identify non-border cities that are likely eligible to receive treatment due to the presence of labor. I also run a general associational analysis on this matched data as a baseline.

Prior to the main analysis, I empirically assess what associational relationship unions have with the PRI nationally. For this simpler approach, I have chosen an observational study on time series cross sectional data. Per the hypotheses, I expect a strong positive relationship between the measures of union strength and votes for the PRI. This study will use temporal data and select on observables, with the assumption that treatment assignment is random conditional on covariates (Keele, 2015). This section outlines the general identification strategy and assumptions. First, I will use fixed effects and the Arellano-Bond estimator to take into account the variables of interest. Fixed effects allows us to see how time invariant confounders effect the outcome of interest. It comes with the assumption that treatment is independent of potential outcomes as long as confounders are time invariant. Unfortunately, this assumption cannot be verified with observational data, so the fixed effects models may violate this assumption. The second series of models will use a dynamic panel approach using the Arellano-Bond estimator. Arellano-Bond is a general method of moments approach that uses differenced equations to remove the effects of unobserved heterogeneity (Prior, 2010). It also uses lagged instruments to account for correlation between differences. While neither fixed effects nor the Arellano-Bond estimator take a causal approach, I can build a strong associational case if both models show results.

Fixed Effects

The raw data includes variables for 2453 municipalities in 32 states across 13 years, totaling 9123 municipal election years. Adding municipal fixed and year effects accounts constant unob-

served heterogeneity that may be present in municipalities over time. This is especially important in geographical units, as some latent similarity among group members may be driving outcomes. It is also likely that individual effects are correlated with the explanatory variables (W. H. Greene, 2000; Hsiao, 2014). Fixed effects is recommended for time series cross sectional data by a number of sources. Making no allowance for ‘fixed unobserved differences’ can induce bias in the results (Green, Kim, & Yoon, 2001). I also chose not to include a lagged dependent variable to account for dependent time trends. Lagged dependent variables can suppress explanatory power in the model by soaking up much of the variance of interest (Achen, 2000). In addition, they can induce Nickell bias in a fixed effects context when N is sufficiently larger than T. (Nickell, 1981; Gaibulloev, Sandler, & Sul, 2014). In my case, the N is much larger than T, so including it could be problematic.

$$Y_{it} = \alpha_i + \beta_1 StrikeRate_{it} + \beta_2 ThreatRate_{it} + \beta_3 MaquilaEmploymentRate_{it} + \chi_{it} + \epsilon_{it}$$

Table 2¹⁰ shows the results of several fixed effects models where strictly PRI vote share is the dependent variable. In model 1, the *Strike Rate* is positive but not significant¹¹, so I cannot reject the null that there is no relationship between strike and maquiladora variables and vote share. *Threat Rate* is negative, but also do not reach statistical significance. The maquiladora employment rate is significant and positive, suggesting that having more maquiladora employees is associated with higher PRI vote share. *Maquila Employment Rate* maintains its effect when including all dependent variables of interest. Control variables have a somewhat expected effect on vote shares. *Log of Population*, *Homicide*, and *Unemployment* do not seem to effect votes for the PRI in a significant way. *GINI* is negative and significant while *Illiteracy* is positive and significant.

Using this dependent variable, I cannot reject the null to say that *Strike Rate* and *Threat Rate* are positively associated with votes for the PRI. The outcome from *Maquiladora Employment Rate* is unexpected. The hypothesis suggested that higher maquiladora employment would lead to lower support for the PRI, so the result that maquiladora employment is positive and significant is surprising. It could be the case that maquiladoras represented jobs and stability in a turbulent economic period. The PRI was in power during the maquiladora boom, so perhaps they reaped

¹⁰Both Table 2 and Table 3 present results with robust standard errors clustered on municipality.

¹¹Significance in all tables is defined at the .05 level or below. I draw attention to cases that approach, but do not meet this level.

the political benefits of job creation and reduced economic uncertainty at the local level. Figure 9 shows the declining strike rate in maquiladora municipalities throughout the period of interest. Whatever political benefit the job creation of maquiladoras had, it was enough to overcome the gradual weakening of an important partner in the PRI coalition.

Table 3.2: PRI Vote Share with Municipal & Year Fixed Effects

	<i>Dependent variable:</i>			
	PRI Vote share			
	Model 1	Model 2	Model 3	Model 4
Strike Rate	0.0211 (0.0166)			0.0215 (0.0166)
Threat Rate		-0.0001 (0.0005)		-0.0001 (0.0005)
Maquila Employment			0.0001** (0.00002)	0.0001** (0.00002)
Population	-0.0149 (0.0214)	-0.0158 (0.0214)	-0.0159 (0.0214)	-0.0153 (0.0214)
Homicide	0.0002 (0.0002)	0.0002 (0.0002)	0.0001 (0.0002)	0.0001 (0.0002)
GINI	-0.2313*** (0.0514)	-0.2312*** (0.0514)	-0.2323*** (0.0514)	-0.2320*** (0.0514)
Illiteracy	0.8344*** (0.1706)	0.8291*** (0.1706)	0.8274*** (0.1705)	0.8307*** (0.1706)
Unemployment	-0.4638 (0.6669)	-0.4720 (0.6670)	-0.4601 (0.6667)	-0.4524 (0.6668)
Observations	8,837	8,837	8,837	8,837
R ²	0.0071	0.0069	0.0076	0.0078
Adjusted R ²	-0.2844	-0.2846	-0.2837	-0.2838
F Statistic	8.1212***	7.8596***	8.6884***	6.7286***

*p<0.1; **p<0.05; ***p<0.01

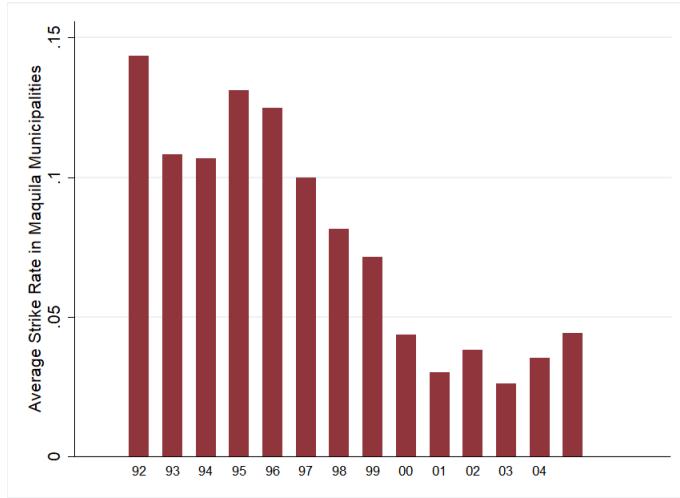


Figure 3.12: Average Strike Rate per 10,000 in Municipalities with Maquiladora Presence

Table 3 shows the results of fixed effects models where the dependent variable is PRI and PRI coalition vote share. In model 5, the *Strike Rate* is positive but not significant, I again fail to reject the null. *Threat Rate* is negative and significant, the inverse of the theoretical expectation. The *Maquiladora Employment Rate* is neither negative nor significant. Model 8 shows how the significant and negative association for strike threats holds when including all other explanatory variables of interest. Control variables follow the same pattern as in Table 2. *Log of Population*, *Homicide*, and *Unemployment* do not seem to effect votes for the PRI in a significant way. *GINI* is negative and significant while *Illiteracy* is positive and significant.

Including the PRI coalition data changes the outcome of the model for *Strike Threat* and *Maquiladora Employment Rate*. *Maquiladora* remains positive, but now we fail to reject the null hypothesis. Interestingly, *Threat Rate* now seem to have a strong association with PRI or coalition vote share, but in the inverse direction. Now it appears that *Strike Threats* are associated with declines in PRI vote share; the opposite result of what the hypothesis would suggest. Moreover this occurs after including election year data where the PRI enters into coalitions with explicitly pro-union parties like the PT (Worker's Party). Most of the new election years include the PRI running as a coalition with the environmentally focused PVEM, so it could be that their policies were unattractive to labor focused interests.

Table 3.3: Including PRI Coalition Mayors with Municipal & Year Fixed Effects

	<i>Dependent variable:</i>			
	PRI Vote share with Coalitions			
	Model 5	Model 6	Model 7	Model 8
Strike Rate	0.0114 (0.0166)			0.0132 (0.0166)
Threat Rate		-0.0010** (0.0004)		-0.0010** (0.0004)
Maquila Employment			0.000004 (0.00002)	0.000004 (0.00002)
Population	0.0089 (0.0202)	0.0055 (0.0202)	0.0085 (0.0202)	0.0058 (0.0202)
Homicide	0.0001 (0.0002)	0.0001 (0.0002)	0.0001 (0.0002)	0.0001 (0.0002)
GINI	-0.2019*** (0.0500)	-0.1994*** (0.0500)	-0.2021*** (0.0500)	-0.1993*** (0.0500)
Illiteracy	0.9072*** (0.1647)	0.8905*** (0.1647)	0.9045*** (0.1646)	0.8925*** (0.1648)
Unemployment	-0.1888 (0.6602)	-0.2022 (0.6599)	-0.1936 (0.6601)	-0.1952 (0.6600)
Observations	9,328	9,328	9,328	9,328
R ²	0.0064	0.0069	0.0063	0.0070
Adjusted R ²	-0.2657	-0.2650	-0.2658	-0.2652
F Statistic	7.8396***	8.5387***	7.7671***	6.4871***

*p<0.1; **p<0.05; ***p<0.01

Arellano-Bond

Arellano Bond is a dynamic panel estimator that uses a generalized method of moments framework to approximate an instrumental approach. This estimator differences the equation below to remove effects of unobserved heterogeneity. Y_{it} is the outcome while x_{it} is a set of regressors

(Arellano & Bond, 1991). I assume α_i , a time invariant unobservable is related to the regressors. Because this could lead to endogeneity, Arellano-Bond uses the lagged dependent variable as a series of instruments (Arellano & Bond, 1991; W. H. Greene, 2000). Arellano-Bond requires few relative gaps between time groups in order to create simple lag structures. Arellano-Bond also makes the assumption that there is no second order autocorrelation. This assumption bears out in the models presented in Tables 4 and 5.

Because Mexican states elect mayors every three years in alternating years, I have had to pool year groups to facilitate the lags. I group years of 3 together starting in 1990 and ending in 2006. This 17 year period yields 5 balanced year groups and 1 group for 2006. This allows the Arellano-Bond to run, but the year groupings themselves are arbitrary adjacent years.

$$Y_{it} = x_i't\beta_1 + Y_{i(t-1)}\beta_2 + \alpha_i + \epsilon_{it}$$

Tables 4 and 5 show Arellano-Bond estimation for models 9-16 with robust standard errors. Table 4 considers the PRI vote share dependent variable, while Table 5 includes the PRI coalition data. In both cases, the lag of the dependent variable, in this case a three year election year lag, soaks up much of the variance. Neither group of models suggests a strong positive relationship with strike rates and threat rates. Looking at the strictly PRI vote shares, *Maquiladora Employment* has a small positive association with PRI votes. Including the coalition data, however, erases this association, leading me to believe that the relationship is not particularly robust. Given this conclusion, I once again fail to reject the null hypotheses. Using this estimator, I have not shown a significant relationship between variables of interest.

Matching

Mexico has over 2000 municipalities ranging in size from just over 100 to nearly 9 million. The theory presented in chapter two assumes that these municipalities experience the same potential exposure to labor mobilization. It is somewhat likely, however, that a large proportion of the municipalities in Mexico have no union representation whatsoever either because they are too small, too marginalized, or too economically removed. For example, Santa Magdalena Jicotlán in Oaxaca

Table 3.4: Arellano-Bond Estimator with PRI Vote Share

	<i>Dependent variable:</i>			
	PRI Vote share			
	Model 9	Model 10	Model 11	Model 12
Strike Rate	0.009 (0.07)			0.001 (0.07)
Threat Rate		0.0004 (0.0009)		0.0004 (0.0009)
Maquila Employment			0.0001** (0.00005)	0.0001** (0.00005)
Lag PRI Vote share	0.401*** (0.03)	0.400*** (0.03)	0.401*** (0.03)	0.400*** (0.03)
Population	-0.071 (0.05)	-0.069 (0.05)	-0.072 (0.05)	-0.070 (0.05)
Homicide	0.001** (0.0004)	0.001** (0.0004)	0.001** (0.0004)	0.001** (0.0004)
GINI	-0.197** (0.07)	-0.197** (0.07)	-0.197** (0.07)	-0.197** (0.07)
Illiteracy	0.944** (0.36)	0.952** (0.36)	0.941** (0.36)	0.949** (0.36)
Unemployment	5.242*** (1.02)	5.234*** (1.02)	5.236*** (1.02)	5.227*** (1.02)
Observations	4625	4825	4825	4825
Groups	1714	1714	1714	1714

*p<0.1; **p<0.05; ***p<0.01

Table 3.5: Arellano-Bond Estimator with PRI and PRI Coalition Vote Share

	<i>Dependent variable:</i>			
	PRI Voteshare with Coalitions			
	Model 13	Model 14	Model 15	Model 16
Strike Rate	-0.023 (0.07)			-0.019 (0.08)
Threat Rate		0.0003 (0.0008)		0.0003 (0.0008)
Maquila Employment			-0.00007 (0.00006)	-0.00007 (0.00006)
Lag PRI Voteshare	0.375 *** (0.02)	0.374*** (0.02)	0.375*** (0.02)	0.375*** (0.02)
Population	-0.041 (0.04)	-0.037 (0.04)	-0.040 (0.04)	-0.038 (0.04)
Homicide	0.001** (0.0004)	0.001** (0.0004)	0.001** (0.0004)	0.001** (0.0004)
GINI	-0.146* (0.07)	-0.147* (0.07)	-0.145* (0.07)	-0.144* (0.07)
Illiteracy	0.890* (0.35)	0.902* (0.35)	0.891* (0.35)	0.896* (0.35)
Unemployment	4.747*** (0.99)	4.734*** (0.99)	4.738*** (0.99)	4.733*** (0.99)
Observations	4625	4825	4825	4825
Groups	1714	1714	1714	1714

*p<0.1; **p<0.05; ***p<0.01

is the smallest municipality in the country at around 92 inhabitants. Its population is primarily indigenous, and its economy revolves around agriculture and the local ejido or communal farm¹². Due to these factors, there is almost no opportunity that this town would experience a strike or strike threat. In the current data it is given the same potential for labor mobilization as megacities like Guadalajara or Monterrey. In the current count data, it is impossible to distinguish cities that experience 0 because they legitimately experience no strike, despite having union activity, and those that experience 0 because they are too small to experience union activity at all. Including the small towns and villages in the data, however, potentially introduces a downward bias on the relationship of interest.

One solution to this problem is matching. Matching allows me to build a dataset with units I expect to be exposed to the economic treatment and similar control units matched on covariates. Using this method, I can wean out municipalities that are unlikely to be exposed to either the economic stimulus or labor mobilization. Due to their proximity to the United States, their exposure to free trade agreements, and their generally random assignment, I use border as the treatment variable of interest. Municipalities along the border vary greatly in size and makeup, but all have some potential for labor activity, and each one is connected to the economy at large. Using border as treatment, I employ propensity score matching on treated units with a 1 to 3 ratio. I matched on four covariates used in other models: population, inequality, illiteracy, and unemployment. This process resulted in 111 matched nonborder control variables. Adding these to the original 37 treated units gets 148 municipalities in total. Figure 13 shows the propensity score histograms for treated border and nonborder control groups before and after matching. After matching, the treated and control groups look much more similar than before.

Using the new matched data, I rerun the analyses from earlier sections using PRI vote share including coalitions as the dependent variable. Table 6 shows these results on a fixed effects model with municipal and year effects. *Strike Rate* alone may have a negative association with PRI vote share, though adding in variables on *Threat Rate* and *Maquiladora Employment* nullifies

¹²While peasant unions definitely exist in Mexico, their activity is captured in the PRI affiliated unions in the difference in difference data. Both the CROM and the CROC have large campesino contingencies. For reference, the smallest municipality where a strike occurs has around 1,000 citizens. There are hundreds of small towns with no organized labor activity, campesino or otherwise.

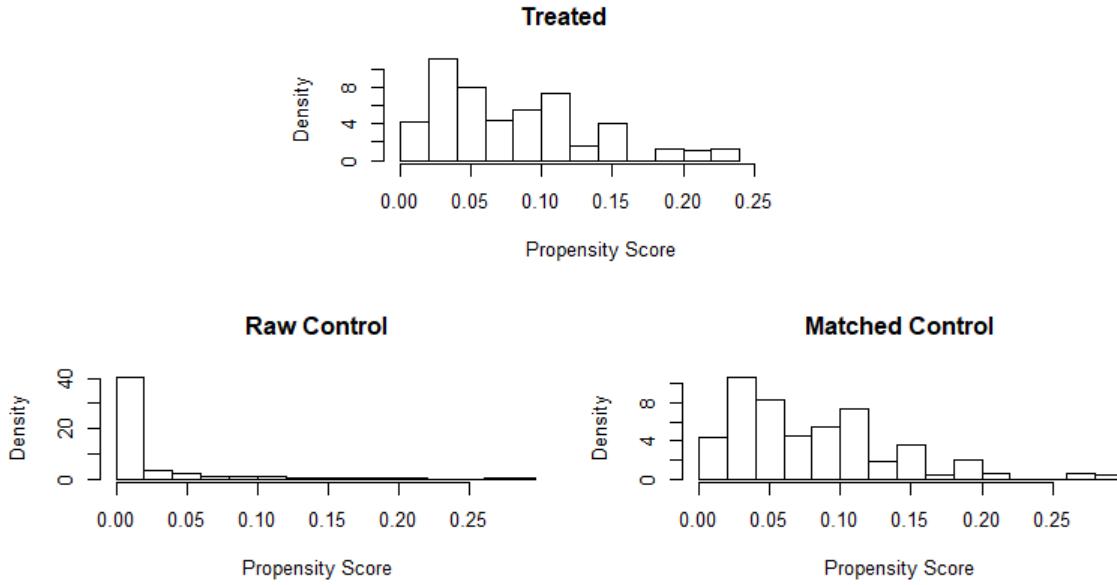


Figure 3.13: Propensity Score Histograms

this association. Most of the impact in the model is due to the inclusion of *Population*, *GINI*, and *Illiteracy*, which are both significant and have large magnitude estimates. Table 7 repeats the Arellano-Bond analysis on the matched data. Here no variable reaches a comparable level of significance. Most of the model variation is determined by the lag on PRI vote share.

Difference in Difference

The matching approach allows me to approximate a difference in differences approach. I assume that the border region is exposed to economic change in different ways from the non-border region. Of the 17 cities that experience maquiladora rules, 14 are located along or near the US border. Other US suppliers host factories in non-maquiladora plants, making the border one of the most industrialized regions in the country. Because labor is subject to a unique economic environment here, I use being adjacent to the US border as a treatment variable. The intervention of interest in the introduction of NAFTA, which is by far the most significant trade agreement for this region. While negotiations were ongoing in each year I have data, NAFTA itself was not ratified until early 1994, so this will be the year in which the intervention occurs. The labor data allows me to separate

strike and threat data into actions initiated by PRI and Non-PRI affiliated union confederations. For PRI affiliated groups, I include the CTM, CROM, CROC, COR, CGT, and CRT. For non-PRI groups, I only include independent unions and those specified other. Unspecified groups could not be confirmed in either category, so I excluded their actions from the following analyses.

Table 3.6: Municipal & Year Fixed Effects on Matched Observations

	<i>Dependent variable:</i>			
	PRI Coalition Vote share			
	Model 17	Model 18	Model 19	Model 20
Strike Rate	-0.106*			-0.098
	(0.059)			(0.060)
Threat Rate		-0.003		-0.002
		(0.002)		(0.002)
Maquila Employment			0.00001	0.00001
			(0.00003)	(0.00003)
Log of Population	-0.125*	-0.125*	-0.119*	-0.132*
	(0.068)	(0.068)	(0.068)	(0.068)
Homicide	0.0004	0.0004	0.0004	0.0004
	(0.0004)	(0.0004)	(0.0004)	(0.0004)
GINI	-0.676***	-0.658***	-0.691***	-0.650***
	(0.166)	(0.167)	(0.166)	(0.167)
Illiteracy	-3.097*	-3.195*	-2.991	-3.283*
	(1.840)	(1.846)	(1.845)	(1.846)
Unemployment	1.265	1.144	1.154	1.312
	(2.991)	(2.993)	(3.000)	(2.992)
Observations	681	681	681	681
Groups	138	138	138	138

*p<0.1; **p<0.05; ***p<0.01

Table 3.7: Arellano-Bond on Matched Observations

	<i>Dependent variable:</i>			
	PRI Coalition Vote Share			
	Model 21	Model 22	Model 23	Model 24
Strike Rate	-0.084 (0.11)			-0.145 (0.13)
Threat Rate		0.007 (0.00)		0.008 (0.00)
Maquila Employment			0.000 (0.00)	-0.000 (0.00)
Lag of PRI Voteshare	0.275** (0.10)	0.260** (0.10)	0.270** (0.10)	0.264** (0.10)
Log of Population	-0.051 (0.08)	-0.007 (0.08)	-0.045 (0.08)	-0.004 (0.08)
Homicide	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)
GINI	-0.172 (0.17)	-0.200 (0.17)	-0.182 (0.17)	-0.186 (0.17)
Illiteracy	2.526 (1.89)	2.756 (1.89)	2.587 (1.90)	2.831 (1.91)
Unemployment	5.245 (2.70)	4.602 (2.65)	5.231 (2.68)	4.612 (2.65)
Pres. Election Year	-0.023 (0.02)	-0.019 (0.02)	-0.022 (0.02)	-0.020 (0.02)
Observations	374	374	374	374
Groups	121	121	121	121

 * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Difference in differences requires meeting a few assumptions. The key assumption is that treatment and control groups must have parallel trends in outcome. To meet this assumption, the difference between border and nonborder control groups must be constant over time before and after the treated period. The measured difference between treated and controls groups before and after the intervention represents the treatment affect. Figures 14-17 shows this trend on raw strike and threat data for PRI and non-PRI groups through the period of interest. The intervention is the signing of NAFTA in 1994, which is indicated by a red line. Before the treatment, the parallel trends roughly hold for each figure, with non-border controls showing higher raw numbers of strike and threat behavior across groups. If the theory holds, then the post treatment differences should be significant after 1994. Specifically I expect PRI unions on the border to decline in capacity compared to their non-border counterparts. I also expect Non-PRI border unions to increase in capacity compared to their non-border counterparts.

After 1994, that trend varies from figure to figure. Figure 14 shows a large positive change in 1994 for PRI strike activity off the border, which is unexpected. Figure 15 which shows threats and represents the relationship of the only significant interaction from table 8 does not show any clear change post treatment. The parallel assumption in the pre-treatment period is shaky at best for figures 14 and 15, but seem reasonable for figures 16 and 17. Figure 16 shows a negative impact on non-PRI activity after 94, but this trend is most parallel among groups and goes against expectations, particularly along the border. Finally figure 17 shows a parallel trend until around 1998.

Difference in difference requires that three other assumptions hold. The second contends that the allocation of the intervention was not determined by the outcome. The time intervention in this case is NAFTA, which is unrelated to outcome of union mobilization activity both on and off the border. The third assumption contends that the composition of treatment and control groups remain stable throughout the repeated cross-sectional design. Both border and non-border matched units are included in all time periods, and no observations or municipalities pass into the other group during the period of interest. The final assumption assumes no spillover effects occur, which means that treatment assignment can not affect potential outcomes in non-border municipalities.

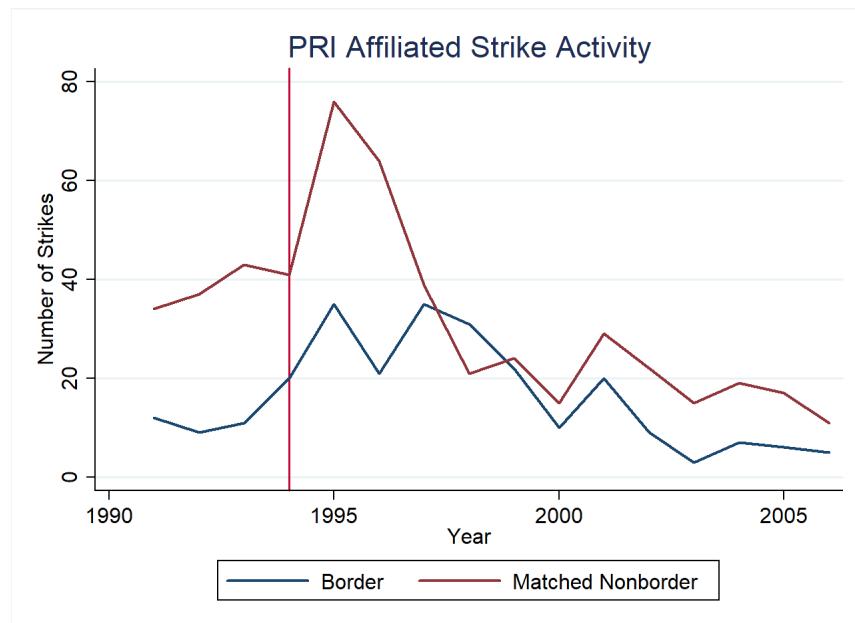


Figure 3.14: Strike Activity of PRI Affiliated Unions

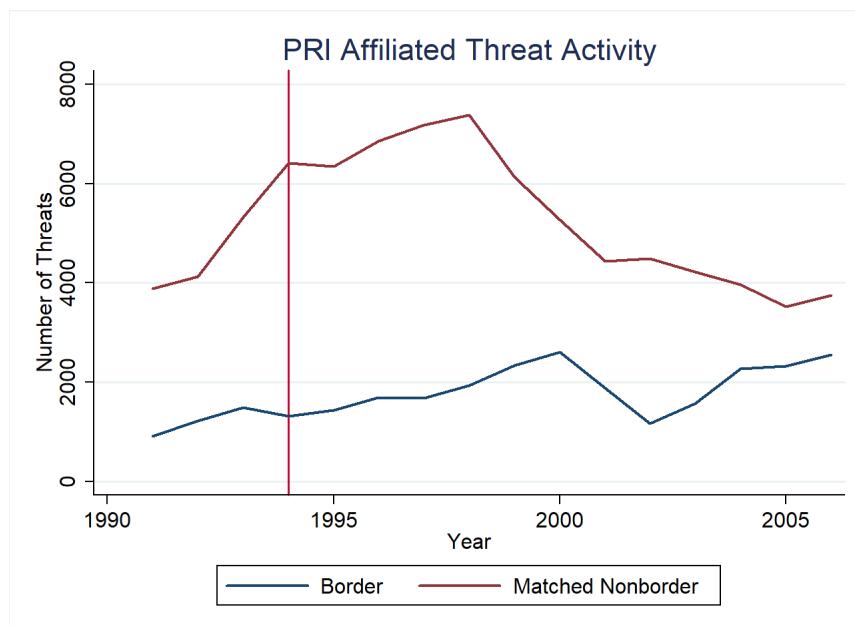


Figure 3.15: Threat Activity of PRI Affiliated Unions

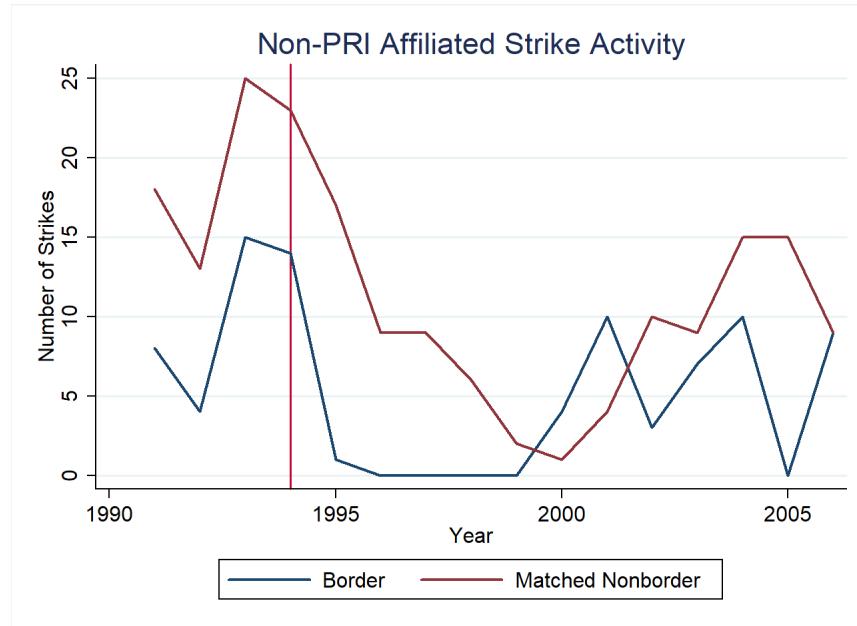


Figure 3.16: Strike Activity of Non-PRI Affiliated Unions

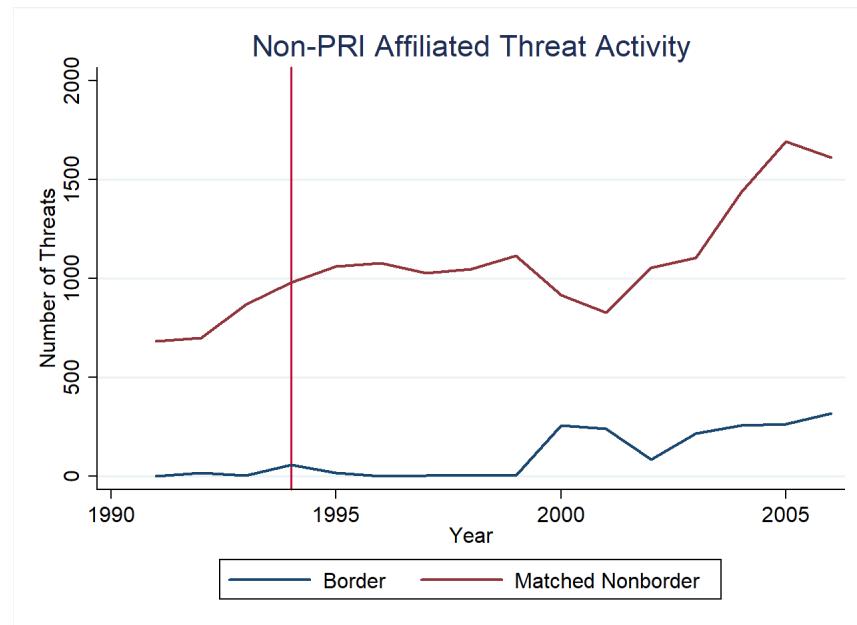


Figure 3.17: Threat Activity of Non-PRI Affiliated Unions

While it is safe to say that treatment assignment does not affect PRI vote share in non-border municipalities, there is some chance that border status in the post-NAFTA period affects non-border labor mobilization. Commuter communities may affect mobilization outcomes here, though their ability to mobilize would still largely be determined by where they work as opposed to where they live. Unfortunately, I cannot rule out this assumption entirely as the NAFTA intervention applies to every municipality in the entire country (in theory). It is also true that the proximity and distinction of the border interacts with NAFTA in an entirely unique way. NAFTA creates a largely one way economic relationship where goods on the border are created in Mexico and shipped into the United States. Supply chain interaction is largely limited to the border region, though it is likely that some economic spillover occurs.

Table 8 present the preliminary difference in difference analysis for various groups of interest. These were simple models that included the raw number and the population weighted rate for strikes and threats as the dependent variable for each group, resulting in eight models. I interacted border with the time intervention binary variable and ran a fixed effects model for each group using municipal and year effects. I expect PRI affiliated actions to be negatively affected by the interaction, and Non-PRI affiliated actions to be affected positively. Table 8 shows only one result that conforms to expectations, the raw threat rate is negatively associated with being on the border in 1994.

Table 3.8: Difference in Difference: Border Status and the 1994 Intervention

Variable	Estimate	P.Value
PRI Strikes	0.026	0.906
PRI Threats	-24.7	0.049 *
PRI Strike Rate	-0.003	0.858
PRI Threat Rate	-0.408	0.389
Non PRI Strikes	0.140	0.180
Non PRI Threats	-0.535	0.894
Non PRI Strike Rate	0.006	0.268
Non PRI Threat Rate	-0.103	0.671

Ultimately, only the basic interaction model suggests that being along the border in 1994 had a negative impact on PRI affiliated union strength. Even then, the impact is limited to threat behavior and it is not clearly discernible from the timeline in figure 15. Difference in differences is a useful tool for determining the causal effects of a timed treatment, but here I think there is very

little evidence to suggest a causal effect has occurred. This section shows only the barest evidence that the single largest economic shock to the US border region had a direct effect on labor's ability to threaten a strike.

Table 3.9: Difference in Difference: Border Status and the 1994 Intervention with Controls

Variable	Estimate	P.Value
PRI Strikes	0.099	0.656
PRI Threats	-0.002	0.145
PRI Strike Rate	-0.001	0.950
PRI Threat Rate	-0.350	0.466
Non PRI Strikes	0.001	0.206
Non PRI Threats	0.258	0.950
Non PRI Strike Rate	0.006	0.300
Non PRI Threat Rate	-0.083	0.741

Conclusion

Ultimately, I have not been able to show a strong association between votes for PRI mayors and the kinds of activity we would expect from strong unions. Higher strike rates do not clearly increase support for the PRI. Higher threat rates may actually lower PRI vote share, though this may be a function of nonlinearity in the data¹³. Maquila employment is never clearly associated with lower PRI vote share; either not reaching significance, or remaining positive in all models. Separating the data through propensity score matching does not appear to affect the base models in any transformative way. The simple difference in difference interactions does appear to show that PRI affiliated unions were negatively affected by NAFTA in their ability to mobilize using threats or strikes. Non-PRI affiliated unions may have been negatively affected in 1994 in their strike capacity (according to figure 16), which goes against expectations.

The theory that unions supported the PRI, even throughout the economic and political turbulence of the 1990s, does not bear out clearly in the data. A union's ability to threaten clearly plays some political role, but there is no evidence that striking (a more visible and visceral activity) leads to more support for the PRI. It could be the case that strikes, threats, and maquiladoras are just inaccurate indicators of union activity, though I do not believe this to be the case. One plausible

¹³I assess nonlinearity among these models in Appendix A.

explanation is that satisfied unions are far more likely to support the PRI than not. Striking typically involves some grievance and even among historically PRI affiliated unions may drive some resentment toward incumbents. Threats on the other hand are an activity that costs little to unions themselves, and may lead to amicable resolutions with management. Thus, we see evidence that unions that threaten more frequently support the PRI, but it is not clear that striking unions hold the PRI in the same regard.

Finally, it could also be the case that these vote shares are the result of targeted influence in the pre-election period. Chapter 4 will explore how public spending in the PRI incumbent era may have been influenced by union decline. This spending as a vote-influencing operation may have lead to the muddy electoral results in this chapter.

CHAPTER 4

THE INFLUENCE OF LABOR ON SOCIAL SPENDING

Despite their best efforts, autocrats lose elections. At the height of their power from the 1930s to the 1980s, the PRI frequently surrendered congressional seats to the opposition. Many of these were packed seats in districts with overwhelming opposition support¹. Others, particularly after electoral change in the 1960s, were competitive. From 1970 to 1982 the seat share for opposition parties in the Chamber of Deputies increased from 16.4% to 25.3%. By 1991 it grew to 36%. Areas of the country that had voted for the PRI since the revolution began to turn to a number of opposition parties, some of them now lead or represented by defectors from the PRI (J. K. Langston, 2017; Kerevel, 2017). As the electoral landscape began to change, leadership in the PRI shifted to new tactics.

The 1988 election pitted the technocratic economist Carlos Salinas against Cuauhtémoc Cárdenas, the popular governor of Michoacán and the son of former PRI president and reformer Lazaro Cárdenas. Cuauhtémoc Cárdenas had been an important member of the party up until the mid-1980s, when privatization efforts and Miguel de la Madrid's neoliberal reforms angered leftist elements within the party. The selection of Salinas through dedazo² was particularly insulting to leftwing members of the party as Salinas had never held political office and they abhorred his response to the debt crisis (Castañeda, 2000; J. K. Langston, 2017). Cárdenas ran with the support of PRI defectors and the few opposition parties in the legislature. Being a popular scion to a major political dynasty, Cárdenas proved a unique threat to the PRI status quo.

The night of the election, early returns showed Salinas doing poorly in the moderate suburbs of Mexico City. Miguel de la Madrid, on the advice of his cabinet, at first delayed the publica-

¹The PAN, which would become the primary opposition party to the PRI, began as a Catholic oriented party largely successful in the pro-Catholic urban communities of northern and central Mexico. Most of their early representation came from districts in Nuevo León, Guanajuato, and Aguascalientes, though they would not compete as a genuinely national party until electoral reform in the 1970s.

²Dedazo was the process by which PRI presidents chose their successors within the party. It allowed presidents to choose candidates from different wings of the party, allowing the ideological diversity of the PRI to be represented by a variety of leaders (J. K. Langston, 2017).

tion of these results, then made an announcement that the vote counting computers had crashed (Castañeda, 2000; Thompson, 2004). Without official vote totals, Madrid announced a PRI victory two hours later. In a 2004 memoir, Madrid himself came close to admitting outright fraud suggesting “the electoral upset was a political earthquake for us” (Thompson, 2004). Three years later, Salinas had the ballots for this election destroyed. Scholars and experts point to this event as the first modern and nationwide electoral manipulation by the PRI (Castañeda, 2000; Thompson, 2004; Magaloni, 2006; J. K. Langston, 2017). As they continued to lose elections throughout the 1990s, they would use new tactics to bolster support within local coalitions.

Overcoming Electoral Change

In addition to outright electoral fraud, autocrats have a variety of tools to manipulate elections. Simpser defines electoral manipulation as an illegal pre or post hoc activity that could possibly change the result of an election (Simpser, 2013). While this definition includes more obvious forms of electoral fraud like ballot stuffing, falsifying votes, and voting multiple times, it also includes broad forms of pre hoc manipulation like vote buying, tampering with registrations, and the intimidation of voters or candidates. Across a wide variety of electoral authoritarian regimes, election manipulation is used to change the results of elections that have already occurred, and to guarantee victory for the incumbent before votes have been cast.

Mexico in particular has a long and complex history involving electoral manipulation. The first independent leader in Mexico, Agustín de Iturbide, dissolved Congress and declared himself emperor for a brief period. His example lead to a long struggle between conservative and liberal caudillos, most of whom relied on vote buying systems to maintain electoral support while funding private armies to establish legitimacy in light of opposition (Camp, 2010). Post-revolutionary Mexico struggled to maintain the free and fair elections idealized throughout the revolution. The party that would become the PRI quickly boxed out meaningful competition and consolidated political control throughout the 1920s and 30s (Castañeda, 2000; Camp, 2010; Gillingham, 2012). Modern Mexico presents a long paper trail of direct election manipulation including the direct manipulation of national elections (Castañeda, 2000; Thompson, 2004; Gillingham, 2012), biased certification of election fraud (Lehoucq, 2002), fabrication of registration lists (Gillingham, 2012), and violent intimidation of the opposition (Gillingham, 2012)

While electoral manipulation is not new to Mexico, the sheer variety of tactics we see in the latter half of the 20th century may be attributed to the gradually changing electoral laws. Prior to the 1960s, Mexican ran first past the post elections in single member districts. In 1964, in part due to domestic and international pressure, the PRI lead legislature adopted a mixed electoral system where underrepresented parties could gain seats through proportional rules. José López Portillo increased the number of proportionally allocated seats in 1977, and by the 1990s they reached their present form where 300 deputies are elected through first past the post rules, and 200 are allocated proportionally. Over time, these changes created viable competitive parties in certain states. The most successful opposition party in the early years was the PAN. Throughout this era they competed in ideologically moderate SMDP seats. In 1996, president Ernesto Zedillo made the last significant change to the electoral system by inaugurating the Federal Electoral Institute, which took the maintenance of elections out of the hands of PRI operatives and into the hands of an independent board (Rosas, 2010).

While these changes did not eliminate electoral manipulation completely from the country, they did curb the ability of parties to organize systemic manipulation in national elections. Where subnational authoritarianism is present however, leaders may still turn to common methods to engineer incumbent victories. There is evidence that local leaders may still target areas with weak election procedures during gubernatorial elections (Cantú, 2014). Moreover, they may turn to less visible forms of manipulation like vote buying and targeted social spending(Cantú, 2019).

In this chapter, I explore how local and national leaders might try to target coalitions through social spending. Faced with a new electoral environment and the potential decline of labor as a strong supporter, I expect the PRI to target strong union areas with social spending programs. These programs act like targeted vote buying, providing resources to supporters in exchange for votes at the ballot box. Like I suggested in chapter 2, much of the literature contends that vote buying is most prevalent among core supporters³ (Cox & McCubbins, 1986; Dixit & Londregan, 1996). As labor groups maintain their status as a primary coalition partner, I expect vote buying resources will be allocated to this group. More specifically, I explore how the PRI targets these voters through conditional cash transfers programs and federally dispersed municipal budgets. In the empirical section, I look for an association between national union strength and vote social

³Core support here denotes an ideological affinity. As discussed in chapter 2, vote buying is often less about ideological persuasion and more about making sure your supporters turn out

spending. I also explore whether or not the economic intervention of NAFTA correlated with social spending activity to the border region.

Conditional Cash Transfers in Mexico

Conditional cash transfers (CCTs) are associated with a variety of poverty alleviation programs that have become popular throughout Latin America and the Caribbean over the last three decades. Recipients of these programs are provided a cash grant conditional on their enrollment in some other development activity, such as furthering a child's education or participating in preventative health initiatives (Shikida, Monasterio, Araujo Jr, Carraro, & Damé, 2009; Adato & Hoddinott, 2010; Stampini & Tornarolli, 2012; Zucco Jr, 2013; Takahashi et al., 2017). Throughout Latin America, these programs were adopted in part as a response to economic crises occurring in the mid 1990s. Today, they remain an important part of the social safety net in countries like Mexico, Brazil, Chile, Honduras, and Nicaragua. While all offer some form of cash grant conditional on program compliance factors, these programs can vary widely in coverage, beneficiary selection, and conditionality (Shikida et al., 2009; De La O, 2013; Takahashi et al., 2017). There is much evidence to suggest that CCTs have reduced poverty rates by large margins in countries where they are implemented (Adato & Hoddinott, 2010; Takahashi et al., 2017). Others, however, suggest that CCTs are needlessly wasteful and fail to increase the long term human development of poor communities (Stampini & Tornarolli, 2012). In any case, large scale social spending projects like CCTs have definitive political outcomes and may be subject to strategic manipulation (De La O, 2015).

The first implementation of CCTs occurs in the 1990s and early 2000s in the young democracies of Latin America. These environments were once, and in many cases still are, subject to clientelist parties and behaviors (R. B. Collier & Collier, 2002; Magaloni, 2006; Gibson, 2013; Simpser, 2013). Much research has examined how large scale spending programs can lead to either the expansion or displacement of these systems. While Weyland (1996) suggests that only these programs can break the patron-client bond, others posit that these spending practices simply create new clientelist links between incumbents and beneficiaries (Weyland, 1996; Kitschelt, 2007; De La O, 2015). In regards to the electoral effects of CCTs, some research has shown that these programs persuade voters to support incumbents, while others show evidence that they simply mobilize support (Takahashi, 2005; Magaloni, 2006; De La O, 2015). Others suggest that programs constructed and implemented

in a non-partisan manner have no effect on the way voters treat incumbents (Imai, King, Rivera, et al., 2016).

Over the last three decades, Mexico has experimented with a variety of CCT programs aimed, at least in name, at alleviating poverty. The first such program, called the *Programa Nacional de Solidaridad* (PRONASOL) began during the Salinas administration and only lasted between 1989 and 1994. While official goals were to eliminate poverty, specifically the inequalities created by Salinas' structural adjustment policies, there is ample evidence PRONASOL had political consequences (Diaz-Cayeros & Magaloni, 2003; J. T. Hiskey, 2003; Diaz-Cayeros, Estévez, & Magaloni, 2016). Other similar programs aimed at peasants and campesinos were implemented at the same time. In the mid 1990s Ernesto Zedillo inaugurated a new more comprehensive CCT now called PROSPERA. This program has been modified⁴ slightly over the years, but remains the pre-eminent CCT in the region. PROSPERA has been widely cited as reducing poverty throughout rural Mexico, though like other CCTs it has been blamed for extending clientelist networks among PRI and later PRD incumbents (Stampini & Tornarolli, 2012; De La O, 2015).

Many scholars have examined whether or not Mexican CCTs constitute vote buying. Both Takahashi (2005) and Magaloni (2006) find that PRONASOL spending was targeted at marginal districts in order to win back voters who voted for Cardenas in 1988 (Takahashi, 2005; Magaloni, 2006). Hiskey (2003) finds that these patterns hold at the municipal level, and may have affected votes for local politics as well (J. T. Hiskey, 2003). The research into the PROSPERA program has been a bit more mixed. De La O suggests that PROSPERA had a positive effect on the incumbent vote in the 2000 election, but this was largely due to turning out voters who didn't previously vote (De La O, 2015). Moreover, spending decisions are more complex and decentralized than in PRONASOL, so there was less of a chance the PRI orchestrated this as a vote buying scheme. Other scholars even disagree with De La O's point that incumbents benefited from this spending, with one paper negating this effect by uncovering a geographical coding error (Imai et al., 2016).

While research on more modern CCTs appears to be mixed, it does seem clear that past Mexican incumbents used CCTs as a way to either win new votes or turn out supporters. Consistent with my theory that local coalitions keep autocrats in power through periods of democracy, I examine how these CCTs might play a role. Similar to previous studies on the concentration of CCT

⁴It has also been rebranded twice since 1997. Originally named Progresa, it was changed to Oportunidades in 2002 and PROSPERA a few years later.

spending, in this chapter I model whether or not spending is concentrated in municipalities that have high rates of union mobilization. The theory would suggest that leaders in the PRI want to bolster support in union friendly regions. These expectations are captured in the below hypothesis from the theory chapter:

H₄: Regions where unions strike (or threaten to strike) frequently are more likely to be targeted for cash transfer programs.

Municipal Budgets and Party Politics

Public spending has long been studied as an avenue of vote buying and clientelism. Early research concluded that there were political patterns to New Deal spending in the United States and that they could be modified by the power of a particular representative (Wright, 1974; Anderson & Tollison, 1991). When spending is wielded by incumbents as an electoral tool it can be strategically targeted to either persuade new voters or turn out core supporters (Lindbeck & Weibull, 1987; Cox & McCubbins, 1989; Dixit & Londregan, 1996; Fleck, 1999). In clientelist settings, this spending is targeted toward maintaining the coalition and assuring that incumbents remain in power. In general, leaders can choose to provide extensive or local public goods, or targeted private goods (clientelism) (Dixit & Londregan, 1996; Diaz-Cayeros & Magaloni, 2004; Kitschelt, 2007). Because Mexico has a history of clientelist practices under the PRI, their public spending projects (including CCTs) in the 1990s have attracted much attention from scholars researching patronage systems. One distinction that has gotten less attention is that the majority of local municipal budgets are direct transfers from the federal government, and may provide an opportunity for incumbents to transfer funds to either marginal regions, or regions where coalitions need to be bolstered.

Municipal budgets in Mexico primarily come from the federal government. Up to 39% of the Mexican federal budget is allocated to states and municipalities each year, more than for social security, debt service, and other government departments (Courchene, Díaz-Cayeros, & Webb, 2000). Today, these transfers make up the vast majority of most municipal budgets, dwarfing revenues gathered through local taxes and other streams (J. Hiskey, 2011). Though even these transfers, much like the adoption of CCTs, were increased in scope to provide relief to states and municipalities left behind by the debt crisis and subsequent structural adjustment. As the PRONASOL

program ended in 1994, the incoming Zedillo administration rolled many funds once destined for PRONASOL into direct state and municipal transfers (J. Hiskey, 2011). Under PRONASOL, these funds had been strategically dispersed by central PRI decision makers. For states and municipalities after 1994, they represented new discretionary money untethered by the partisan whims of Mexico City.

While few line item budgets exist for the period, it is possible that some leaders may have transferred this money to coalition supporters. In fact, there is a budget gap in transfers in the early 1990s where per capita transfers in more developed states and municipalities far outstrips that of regions with low HDI (Kraemer, 1997). Moreover, these transfers are positively associated with previous national vote for the PRI (Kraemer, 1997). Given Mexico's history with clientelism and vote buying, it is reasonable to assume that the new discretionary funds made available in the 1990s allowed local leaders to more easily tailor their response to the electoral change of the era. I expect transfers to increase the budgets in municipalities where coalitions are more PRI friendly. In light of my earlier theories, I expect this to be represented by transfers to regions where either unions strike or threaten to strike frequently. These expectations are captured in the following hypothesis from the second chapter:

H_5 Regions where unions strike or threaten to strike frequently are more likely to be targeted for federal budget transfers.

Empirical Strategy

In this chapter I am seeking to test the last two hypotheses from chapter 2. In Mexico, these hypotheses examine how public spending can be used by federal and local leaders to target members of the coalition. Much like in chapter 3, I assume that strong unions are organized and do not hesitate to issue threats to strike or strike when the opportunity calls for escalated action. Regions that experience high strike rates or threat rates will be denoted as being union strongholds, as labor activity here is not impeded. As most major unions in the country have a history of being a coalition partner of the PRI, I assume that PRI incumbents will use state resources to mobilize these groups. As previous research suggests, these incumbents may use these resources to turn

out current strongholds exhibiting high union activity. I also expect maquiladora regions to be negatively associated with this public funding. Declines in unions leave a damaged coalition in place that the PRI will be unable to win back through transfers alone. I expect the PRI will use state resources through CCTs and federal transfers to target active labor regions to turn out in local elections.

Data

This section largely mirrors the approach taken in chapter 3. The unit of analysis is municipal years between 1991 and 2006. As illustrated in chapter 3, every three years these municipalities hold mayoral or alcalde elections to head the municipal council or ayuntamiento. Because spending is either targeted at voters directly (through CCTs), or toward municipalities (through budget transfers), either of the spending measures I use can influence local election results. The major new variables introduced in this chapter are dependent variables on CCTs and budgets. Table 1 shows the descriptive statistics for these two spending measures.

Table 4.1: Dependent Variable Summary Statistics

Variable	Mean	Std. Dev.	Min.	Max.	N
PROSPERA Beneficiary Households	916.59	613.82	.07	4314.29	6131
Municipal Budget per capita	924.03	1204.17	.08	18291.89	11537

The first measure is a household measure of PROSPERA spending from 1998-2006 and comes from INEGI. This measure is weighted by population and represents the number of households per 10,000 residents receiving PROSPERA benefits. PROSPERA represents the pre-eminent CCT of the day, and household recipient status has been broken down by municipality⁵. PROSPERA also represents a more complex decision making process on beneficiary status. While previous studies on PRONASOL benefitted from centralized decision making in the executive (allowing less complex theories about decision making), PROSPERA has multiple levels of vetting before final beneficiary status is chosen (De La O, 2015). Thus, incumbents will have had less of a chance to control where the money goes. Moreover, only two years of this data is available under full PRI control of government. While I still expect partisans and power brokers to influence where these funds are

⁵Unfortunately, data for PRONASOL and earlier CCT activity is either unavailable or is not disaggregated to the municipal level. The earliest municipal measures come into the public record in 1998, thus I do not have eligible CCT years prior to this.

concentrated⁶, the decentralized decision making and PAN controlled executive after 2000 make this process more complicated than under PRONASOL.

The second outcome variable is municipal budgets per capita annually measured in pesos. This data comes from the World Bank's Open Budgets Portal. The BOOST⁷ Initiative is a program instituted by the World Bank meant to provide open data on public spending to researchers and the public. For Mexico, these programs report municipal government revenues in pesos from 1989-2006. I have taken these total revenues and divided by the total population to create a municipal budget per capita. This is a relatively straight forward measure of population-weighted revenues. I specifically use revenues because these are the accumulated total of federal transfers and other revenue streams like local taxes, investments, etc. Larger revenues will be correlated with larger federal transfers, thus I can determine whether union activity or decline influences the location and magnitude of the transfer. Moreover, revenues allow me to see the data after the transfer, but before it is spent. Municipalities often do not spend every dime they get from the federal government, and these expenditures are not guaranteed to be in proportion to their transfer. Following expenditures would likely be misleading.

Figure 1 shows average PROSPERA beneficiaries per 10,000 population by year. While later years, especially after 2003, see a boost in PROSPERA recipients, most early years are relatively comparable, all falling below 1000 recipients. Figure 2 maps this average from 1998-2006 across Mexican municipalities. If the theory is correct that NAFTA had an affect on spending, we should expect higher spending along the border. There are several noticeable geographical patterns. First, west Mexico and the northern border area sees generally less recipients than in the central and southern parts of the country, contrary to theoretical expectations. Part of this can be explained by economics in that western and northern Mexico are historically more wealthy, and would likely have less eligible recipients in general. The south, especially Veracruz, Oaxaca, and Puebla, are also generally considered to be PRI strongholds. Thus while a simple economic explanation might be plausible, it may not be the only driving force behind geographical concentration of this CCT.

⁶The PRI still controlled the senate and the chamber of deputies throughout the early era of PAN presidencies.

⁷For whatever reason, the world bank did not assign the BOOST name as an acronym and just capitalized each letter. It represents a data tool used to access spending data. The letters do not stand for anything in particular.

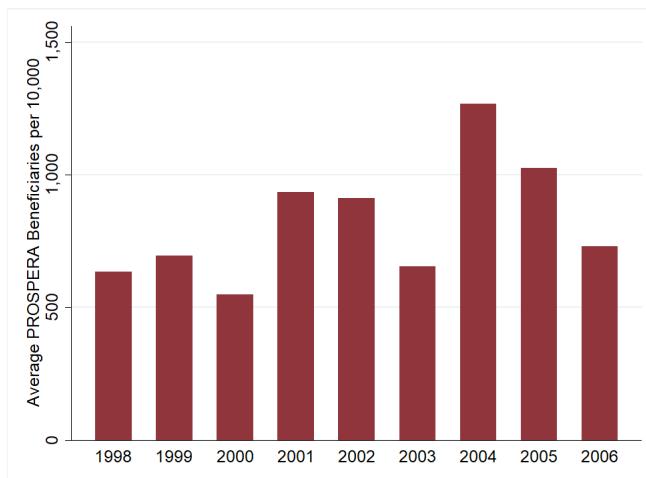


Figure 4.1: Average PROSPERA Beneficiary Households per 10,000

Average PROSPERA Beneficiary Households per 10,000 1998-2006

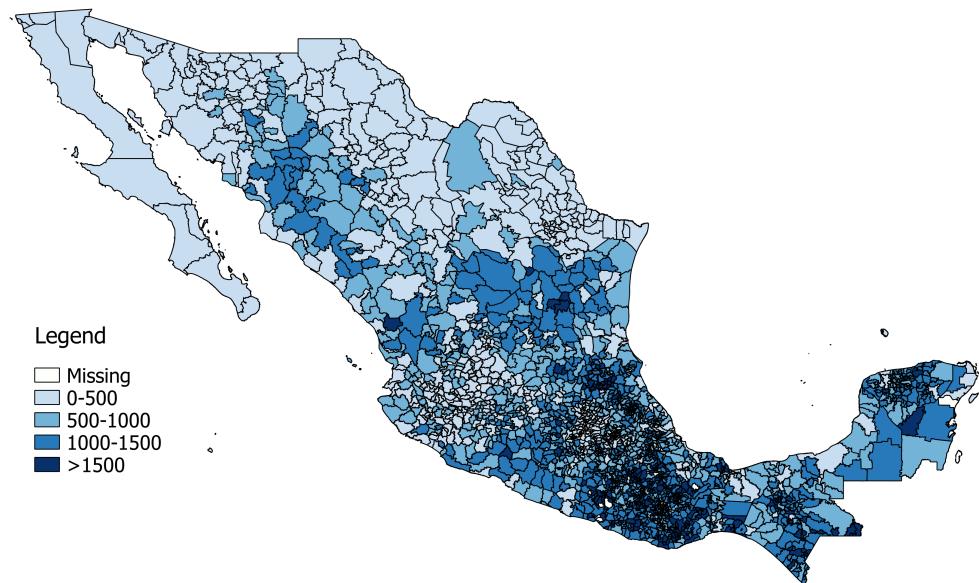


Figure 4.2: Average PROSPERA Beneficiary Households in Mexico

Change in PROSPERA Beneficiary Households per 10,000 1998-2006

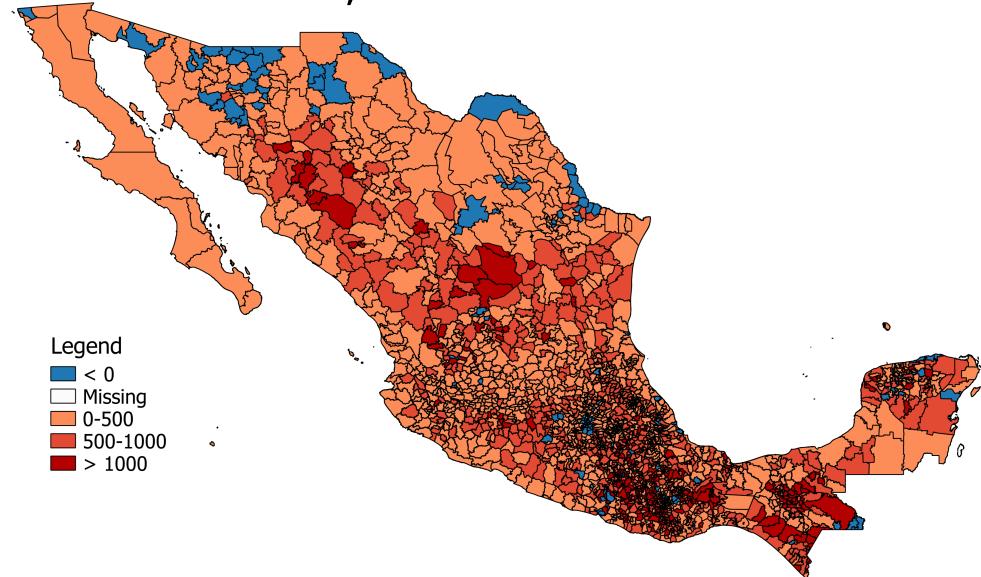


Figure 4.3: Change in PROSPERA Households in Mexico

Figure 3 shows how the number of beneficiaries changed between 1998 and 2006. Blue denotes municipalities which actually lost beneficiaries during a period of national growth for the program. Various shades of orange show the positive change in beneficiary growth. The theoretical expectation here would be that the PRI concentrates social spending through PROSPERA on along the border in anticipation that the NAFTA shock will depress union turnout. The most striking geographical pattern is the concentration of CCT losses along the border, once again contrary to expectations. This region, one simultaneously experiencing economic change due to NAFTA, may have developed quickly enough to lose the need for CCTs, or decision makers may have made the strategic choice to abandon the increasingly PAN controlled border cities. The darkest shades of orange are consistent with high levels of poverty, especially indigenous poverty. Bands of red orange highlight indigenous regions in Sonora, Durango, Oaxaca, Yucatan, and highland Chiapas and Veracruz. While this is relatively consistent with economic expectations of CCT recipients,

most of these communities have also historically been strong supporters of the PRI⁸ in the same way that major unions supported the PRI.

Figure 4 shows average budgets per capita from 1990-2006. There is a clear increase over time, beginning in 1990 with less than \$300 in per capita spending ballooning to over \$3,000 by 2006. This growth is slow, increasing in scope after 1996. Part of this may be due to the re-allocation of PRONASOL funds through municipal discretionary transfers. These funds are slowly rolled into transfers between 1995 and 1996. Figure 5 shows average budgets mapped through the same period. Theoretical expectations would suggest higher public spending along the border. The highest spending occurs in the north of the country along the border, urban west Mexico, the tourist centric Riviera Maya in Quintana Roo, gulf oil fields in Tabasco and Veracruz and the Petén rainforest along the border with Guatemala. In general the high spending patterns on the border conform to expectations. The lowest levels of spending fall along a line on the gulf through much of coastal and highland Veracruz down through the Pacific coast in Oaxaca and Chiapas. These areas are generally poor, but are equally as poor as many other regions where higher spending occurs. These regions also have a higher proportion of indigenous communities, though other regions with similar proportions in Sonora, Sinaloa, and Michoacán seem to have far more spending on average.

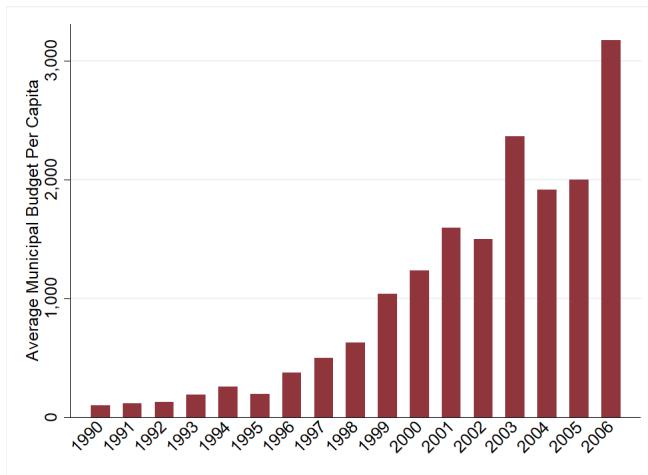


Figure 4.4: Average Municipal Budget Per Capita

⁸While generally true, this is not the case in every state. Chiapas, for example, is home to the anti-neoliberal Zapatistas; an indigenous led movement which is decidedly against PRI economic policy of the era. In most of the other states, the logic applies that indigenous rural communities largely support the PRI.

Average Per Capita Municipal Budget 1990-2006

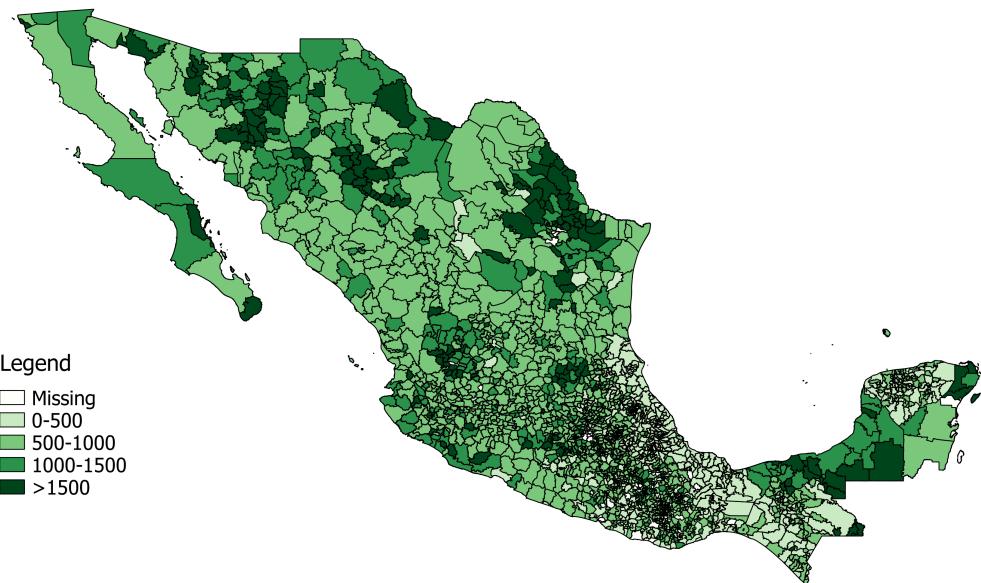


Figure 4.5: Average Municipal Budgets Per Capita in Mexico

Figure 6 shows change in municipal budgets over the period. The theoretical expectation here is that as the effects of NAFTA become more apparent, the PRI continues to shift positive budget growth toward areas near the border. Red municipalities denote areas that experienced less spending in 2006 than in 1990 or the first year they entered the data. Most of these are clustered in the south in Oaxaca, Guerrero, Campeche, and Chiapas. Others are scattered around central Mexico. The primary influence behind these budget changes is population decline. Red municipalities tend to be extremely rural or remote, with high populations of indigenous communities. Throughout the 1990s and into the present, Mexico experienced great migration, where rural citizens moved to cities or to the United States in search of better opportunities. Fewer citizens reduces the tax base of municipalities, and gives the federal government a reason to reduce future transfers. Most other areas experience growth. The darkest areas experience extreme growth and these, much like many other patterns seen in these maps, are concentrated in the northern border regions, conforming to expectations.

Change in Budget Per Capita 1990-2006

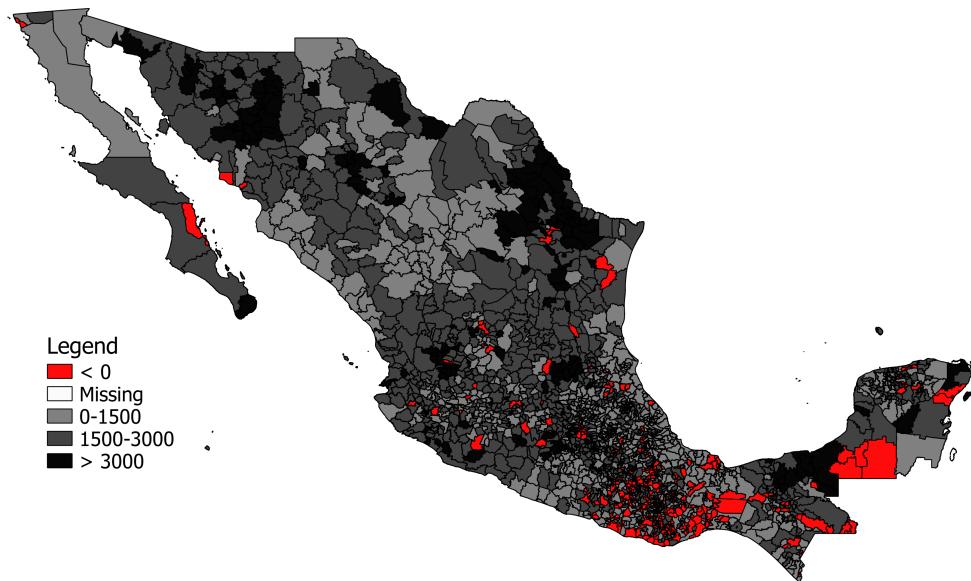


Figure 4.6: Change in Budget Per Capita in Mexico

The independent variables remain largely the same from chapter 3. *Strike Rate* and *Threat Rate* capture the number of strikes in a municipal year weighted per 10,000 population. *Log of Population* is included as a normalized population control. Municipal homicide rates are included as *Homicide*. GINI is included as a measure of municipal inequality. *Illiteracy* is a proxy measure for local levels of education. Finally *Unemployment* is included as a measure of the performance of the local economy. Some models also include a lag of their most recent PRI coalition vote share. As this data is structured as municipal year, as opposed to election year, the lag represents the most recent mayoral election results in prior years.

Models

Identification Strategy

In this section, I will explore whether or not the intervention of NAFTA in 1994 served as a treatment effect on social spending. Similar to the arguments made in the previous chapter,

NAFTA caused dynamic economic change in Mexico. The border region, as the primary recipient of the shock may have received more attention in terms of vote buying at the local level. The unique exposure of the border allows for a quasi-experimental design. Using an interaction of border states and the year in which NAFTA went into affect as a treatment (January 1st 1994), I will run a difference in difference analysis to see whether this changed local budgets through transfers. Specifically, I will look at the difference in annual budgets between two groups: those along the border, and those not along the border. This section is meant to explore whether the introduction of NAFTA influenced where the PRI transferred social spending. I expect the PRI will concentrate funds in the border region after NAFTA goes into effect. They will do this in order to buy back traditional voters negatively affected by NAFTA. Evidence of economically based vote buying is important to the theory overall, as I must establish whether the political results in chapter 3 are muddled by targeted spending.

Much like in chapter 3, the current data structure is inclusive of cases that may not be eligible for treatment. The theory points to a scenario where the PRI is shifting resources toward traditional regions of support that have been made vulnerable through exogenous shock. The relevant comparison is among cities with labor groups that are eligible to receive some economic treatment. A large portion of the country resides in small rural, indigenous, or ejido communities that have no active labor groups. Their local coalitions would therefore not react to economic shocks in ways my theory predicts, due to this lack of labor organization activity. My comparison group of interest includes mid-sized cities with roughly equal labor activity prior to economic shock in the 1990s. Because many of the thousands of municipalities in the country may be ineligible for the shock, matching is a useful solution to get around the issue. As the theory predicts, border cities may be especially vulnerable to economic shocks, thus they serve as my treatment group when matching.

I matched border municipalities to non border municipalities using propensity score matching on average values of *Population*, *Illiteracy*, *Homicide*, *Unemployment*, and *GINI* throughout the time period of study. The match is 3 to 1 resulting in 111 non border control municipalities to 37 treated units along the US border, for a total of 148 municipalities. On these matched units, I run a difference in difference analysis using municipal and year fixed effects. Through this analysis, I can parse out whether the introduction of NAFTA is associated with greater spending in border communities.

In addition to the above analyses, I begin my empirical section with an observational study similar to the approach taken in chapter 3. This study is meant to explore whether or not an association exists between spending and union activity among all municipalities. Per the hypotheses, I expect high rates of union activity to be associated with higher public spending. I expect the PRI to commit to a vote buying strategy that has been practiced for decades in PRI-led Mexico, using state resources to turn out supporters (Magaloni, 2006; De La O, 2013; J. K. Langston, 2017). I also add a lag of PRI vote share to the chapter 4 models. As Magaloni demonstrates, previous PRI vote share may determine where incumbents funnel resources (Magaloni, 2006). To achieve a full picture of how spending might be motivated by politics, it is necessary to include a political variable.

I proceed with two observational approaches. First, I will test for an associational relationship using the approach from chapter 3 with fixed effects and dynamic panel Arellano-Bond estimators. While neither of these approaches seeks strict causality, I can investigate an association between variables of interest while including other confounders. Moreover, the Arellano-Bond estimator can overcome exogeneity concerns in the fixed effects models, and allows for a simple lag structure for the dependent variable.

Fixed Effects

The following tables present models that include municipal and year fixed effects. In Table 2, the dependent variable is the number of PROSPERA beneficiary households per 10,000, representing spending for CCTs. Model 1 presents a simple regression with the three original union activity variables and no controls. Notable is the *Threat Rate* which is both positive and significant⁹, conforming to the expectations of the 4th hypothesis. Including the battery of controls changes this result. The association is washed away when including the usual control variables in model 2. In model 3, I add a lag of PRI vote share, which interestingly is negative and statistically significant. This may suggest that previous support for the PRI leads to lower CCT spending overall. While this does not contradict the hypotheses, it does notably contradict assertions¹⁰

⁹For all models, I consider statistical significance to be at the .05 level. I mention when results approach but do not reach this threshold.

¹⁰De La O contends that CCT spending in Mexico benefits incumbent presidents even if these spending programs have bipartisan support. I find that there does not appear to be a similar electoral boost for the PRI at the local level.

by De la O¹¹ (De La O, 2015). In all 3 models *Maquiladora Employment Rate* is a positive and significant indicator associated with the spending variable. This goes against expectations in the hypothesis, but these regions may present an area where the PRI is trying to win back recently lost politically marginal (or swing) supporters, as opposed to a political wasteland where they have permanently lost votes.

Table 3 presents the results using the municipal budget per capita dependent variable. Each model has municipal and year fixed effects, and each uses robust standard errors clustered on municipality. In model 4 there is a sharp distinction with CCT spending models. *Strike Rate* and *Threat Rate* are negative and significant at the .05 level, which is the opposite of the expectations captured in hypothesis 5. Hypothesis 5 suggests that higher strike activity will lead to more transfers and larger budgets, an expectation not borne out in any of the models. Adding the battery of controls in model 5 leads to similar results. The lag of PRI vote share is once again negative and statistically significant, and this result holds in model 6. Part of these unexpected results might stem from the magnitude of the control variables. In table 2 and 3 *Unemployment*, *Illiteracy*, *Inequality*, and *Population* all have massive positive or negative correlations with CCT spending or budget revenue. The magnitude of the explanatory variables is small by comparison, though in nearly all cases in the opposite direction of theoretical prediction.

The fixed effects models give generally mixed results. For the CCT spending models, there is some evidence that *Threat Rates* lead to more households receiving PROSPERA funding. While this is not true for *Strikes*, it is for *Maquiladora Employment*. I cannot reject the null hypothesis that union activity is unrelated to CCT spending. *Maquiladora Employment* however appears to be consistently positively associated with CCT spending. In Table 3, I cannot reject null for hypothesis 5. While the values of interest are significant, the direction goes against the theoretical expectation.

Arellano-Bond

Tables 4 and 5 present the results for the Arellano-Bond models. No model in table 4 conforms to expectation. *Strike Rate* and *Threat Rate* both fail to reach significance, and once again *Maquila*

¹¹There are two simple explanations for this contradiction at the surface level. The first is that while De la O is looking at presidential election data, I am looking at mayoral elections, which are fundamentally different in terms of election dynamics. Second, many critics have criticized errors in De la O's work which has led to different conclusions (Imai et al., 2016).

Table 4.2: CCT with Municipal & Year Fixed Effects

	<i>Dependent variable:</i>		
	PROSPERA Beneficiaries		
	Model 1	Model 2	Model 3
Strike Rate	-21.69 (35.56)	-13.87 (33.44)	-13.49 (28.31)
Threat Rate	2.02** (0.97)	0.78 (0.93)	1.19 (0.81)
Maquila Employment	0.53*** (0.16)	0.38** (0.15)	0.36*** (0.13)
Lag of PRI			-60.72*** (15.03)
Log of Population		-759.81*** (36.47)	-598.13*** (36.05)
Homicide		1.34*** (0.43)	0.66* (0.37)
GINI		233.20*** (61.88)	323.21*** (62.82)
Illiteracy		2,800.12*** (173.29)	1,067.74*** (218.43)
Unemployment		804.13 (687.77)	1,211.56 (881.34)
Observations	19,945	19,269	16,034
Groups	2440	2351	1975

*p<0.1; **p<0.05; ***p<0.01

Employment is positively associated with CCTs. Table 5 conforms to what was seen in Table 3, *Strike Rate* and *Threat Rate* are both significant given controls, but they are in the opposite direction of the theoretical expectation. Results for *Maquiladora Employment* are not consistent across the different estimators. For *Strike Rate* and *Threat Rate*, these results are consistent with previous models, but inconsistent with the theory. These results suggest that regions that experience higher labor mobilization receive fewer federal funds in budget transfers. I fail to reject any null hypotheses using the Arellano-Bond estimator and while there appears to be association between labor and social spending, it is not consistent with the overall theory.

While my theory does not deal with a negative association between labor and budget transfers, this result could be due to a number of factors. Heavy labor activity may represent regions that experience economic uncertainty for investors. The federal government may be moving funds to regions that are less volatile to encourage a more stable economic environment. Moreover, the measure used does not specifically isolate the transfer portion of the budget, as this is not reported in the BOOST data. There is variation among cities in their reliance on federal transfers for revenue, though it makes up more than half of revenues in nearly all cities. This variation may drive the result I see here, with union activity restricted to mostly larger cities with independent streams of revenue boosting per capita budgets.

Matching

In this section I employed propensity score matching similar to the technique used in chapter 3. I expect being on the border to have a unique economic effect. Municipalities along the border are open to economic markets in the US and thus experience economic swings differently than other regions. Most laws regulating trade and maquiladoras apply to the special zone along the border. NAFTA in particular is a major change which effects the border disproportionately compared to other regions. After NAFTA goes into effect, many US companies move production facilities across the border where labor is cheaper. Various domestic forces conspire to allow union busting and ghost unions to dominate these new facilities in terms of labor relations. In chapter 3, I found no evidence that NAFTA was negatively associated with labor's ability to mobilize along the border. Here, I hope to show that the PRI did not abandon the region, and that NAFTA persuaded the party to move funds toward the border.

Table 4.3: Budgets with Municipal & Year Fixed Effects

	<i>Dependent variable:</i>		
	Municipal Budgets per capita		
	Model 4	Model 5	Model 6
Strike Rate	−134.08*** (41.98)	−169.59*** (38.61)	−165.16*** (48.76)
Threat Rate	−3.84*** (1.22)	−7.96*** (1.13)	−7.36*** (1.14)
Maquila Employment	0.18 (0.21)	0.06 (0.19)	−0.07 (0.20)
Lag of PRI			−172.19*** (30.13)
Log of Population		−1,473.57*** (44.44)	−1,466.27*** (54.72)
Homicide		1.73*** (0.54)	0.78 (0.57)
GINI		2,480.49*** (97.66)	3,072.78*** (119.03)
Illiteracy		2,344.29*** (289.12)	3,809.58*** (416.22)
Unemployment		−8,099.54*** (1,026.37)	−15,450.53*** (1,660.88)
Observations	36,475	35,176	27,044
Groups	2398	2314	1954

*p<0.1; **p<0.05; ***p<0.01

Table 4.4: Arellano-Bond with CCT

	<i>Dependent variable:</i>		
	PROSPERA Beneficiaries		
	Model 7	Model 8	Model 9
Strike Rate	-2.016 (19.01)	-8.550 (18.79)	-5.429 (19.35)
Threat Rate	-0.989 (0.84)	-0.579 (0.73)	-0.856 (0.66)
Maquila Employment	0.076 (0.07)	0.136*** (0.04)	0.141** (0.04)
Lag of Benefeciarries	0.802*** (0.01)	0.775*** (0.01)	0.794*** (0.01)
Lag of PRI			-175.900*** (30.54)
Log of Population		-296.477*** (69.19)	-291.499*** (58.35)
Homicide		-0.433 (0.43)	-0.523 (0.43)
GINI		511.137*** (103.12)	175.582 (100.96)
Illiteracy		24.800 (389.00)	-1342.945** (440.24)
Unemployment		-5022.927*** (1330.35)	-340.441 (1649.31)
Presidential Election		-74.993*** (2.39)	-68.036*** (2.35)
Observations	15057	14572	12233
Groups	2429	2345	1969

*p<0.1; **p<0.05; ***p<0.01

Table 4.5: Arellano-Bond with Budgets

	<i>Dependent variable:</i>		
	Municipal Budgets per capita		
	Model 10	Model 11	Model 12
Strike Rate	-91.678** (34.74)	-58.123* (27.37)	-45.845 (26.45)
Threat Rate	-8.289** (2.87)	-5.559** (1.96)	-4.107** (1.28)
Maquila Employment	0.167 (0.24)	0.022 (0.24)	0.003 (0.24)
Lag of Budget	1.019*** (0.01)	0.872*** (0.01)	0.875*** (0.01)
Lag of PRI			-167.846*** (40.29)
Log of Population		267.694** (93.02)	327.861*** (93.51)
Homicide		-2.809*** (0.62)	-2.487*** (0.64)
GINI		3773.353*** (246.29)	3632.694*** (296.42)
Illiteracy		-490.843 (650.61)	472.113 (723.21)
Unemployment		-13401.043*** (2787.32)	-15265.807*** (3581.54)
Presidential Election		-33.672*** (7.17)	3.896 (8.47)
Observations	32134	31007	25079
Groups	2398	2314	1954

*p<0.1; **p<0.05; ***p<0.01

I used a 1 to 3¹² propensity score match using population, homicide rates, illiteracy, unemployment, and GINI scores as the main indicators. Prior to matching, I had 37 treated border municipalities, while after I had 148 total municipalities when including the 111 matched controls. Table 6 shows the mean differences between the matched and non-matched groups. It is clear that matching increased the size of the average municipality as well as explanatory variables like strike and treat rates.

Table 4.6: Means of Variables in Non-Matched and Matched Data

	Raw Mean	Matched Mean
Strike Rate	0.007	0.022
Threat Rate	0.730	2.183
Log of Population	9.357	10.288
Illiteracy	0.114	0.035
Unemployment	0.005	0.006
GINI	0.426	0.457
Homicide	5.108	16.425

Difference in Difference

Using matched data, I can now approximate a difference in differences approach. Labor is subject to a unique environment along the border, and I expect the PRI to respond to the exogenous economic shock here. I expect the PRI to target the border region for vote buying through public spending. Because the region experiences such a unique economic climate through the 1990s, it is far more vulnerable to political upheaval. The theory would suggest that this is due to collapsing union strength due to NAFTA, though there is only slight evidence for this in chapter 3. Figures 5 and 6, however show the expected geographic concentration of increased spending on the border. The time intervention of NAFTA gives me a unique opportunity to quasi-experimentally test this case. If the results show union strength is highly associated with additional border spending beginning in 1994, it would provide evidence that there was a political consequence for NAFTA partially driven by union declines.

¹²I began with 37 treated municipalities and many thousands of non-treated/non-border municipalities. In order to get a reasonable set of comparable controls, I used 3 to 1 matching, which produces 3 matched controlled unit for every treated unit. In this case it resulted in 111 non-border controls, making for 148 total municipalities.

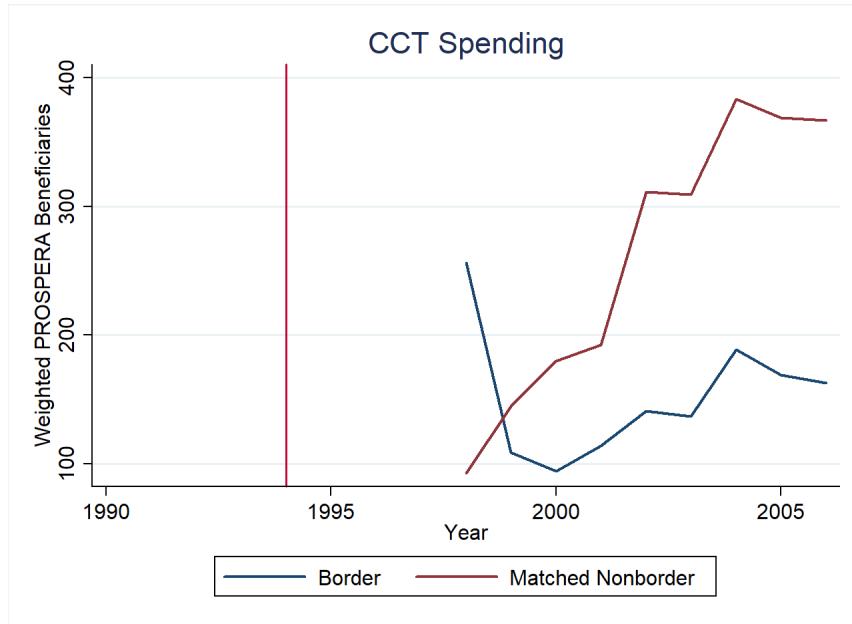


Figure 4.7: Border and Matched Nonborder PROSPERA Spending

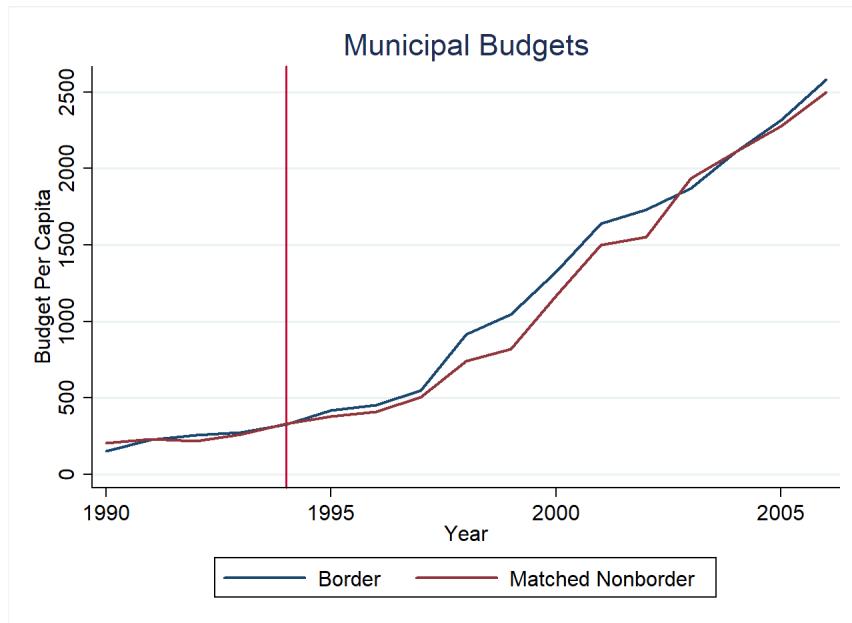


Figure 4.8: Border and Matched Nonborder Municipal Per Capita Budgets

Prior to assessing any effect, I must first contend with the assumptions of difference in difference. The first assumption necessary is to establish parallel trends between groups before and after the intervention. NAFTA went into effect in 1994, so I use this as the time of interaction with the border treatment. Unfortunately, the PROSPERA data only goes back to 1998, so I can only proceed with the full analysis on the municipal budget data. I have included a parallel trend of the PROSPERA data as a comparison. Figure 7 shows the timeline of average CCT spending in border and non-border groups. After 98 or 99, CCT spending bottoms out in border states, where it rises almost continuously in matched non-border cities. There does not appear to be a simple parallel trend after 1998. Because this data does not interact with the NAFTA year, I can not use the desired difference in difference approach. For PROSPERA, Figure 8 shows the average municipal budget of the two groups. Here we do see a parallel trend before 1994, with both experiencing nearly identical changes until the mid 90s. There's a slight uptick in border budgets after 1994, but there's a clear break by 1996 or 1997. This trend disappears by 2003. Parallel trends definitely exist among border and non-border budgets, but it is still not clear whether NAFTA increased spending in municipalities.

Difference in difference also requires that three other assumptions hold. The second contends that the allocation of the intervention was not determined by the outcome. The time intervention in this case is NAFTA, which is not caused by border spending after the fact. The third assumption requires that the composition of treatment and control groups remain stable throughout the repeated cross-sectional design. Both border and non-border matched units are included in all time periods, and no observations or municipalities pass into the other group during the period of interest. The final assumption assumes no spillover effects occur, which means that treatment assignment can not affect potential outcomes in non-border municipalities. While it is safe to say that treatment assignment does not affect PRI vote share in non-border municipalities, there is some chance that border status in the post-NAFTA period affects non-border labor mobilization. Commuter communities may affect mobilization outcomes here, as social spending is based on where these individuals live and mobilization is based on where they work. It is also true that the proximity and distinction of the border interacts with NAFTA in an entirely unique way. NAFTA creates a largely one way economic relationship where goods on the border are created in Mexico

and shipped into the United States. Supply chain interaction is largely limited to the border region, though it is likely that some economic spillover occurs.

Table 7 presents fixed effects models using the interaction between border treatment and 1994 as explanatory variables along with the labor and usual control variables. Each model includes municipal and year fixed effects, which eliminates both the single treatment and year variables. The main dependent variable is municipal budgets per capita, which was the only dependent variable from this chapter that was available throughout the 1990s. If the hypothesis is correct, I should see a strong association between the treatment in 1994 and social spending in municipalities. The expectation follows the logic that the PRI is moving resources to back up a vulnerable coalition partner. Model 13 shows a simple regression with just the border interaction. This is both negative, and fails to reach statistical significance. Model 14 includes the basic battery of controls with the same basic result. Negative and not significant, while many controls are both significant and of a high magnitude. Finally, Model 15 includes the labor variables. The interaction remains negative and not significant. Threat Rate is significant and negative, which is consistent with the finding in table 3, but does not conform to the theory. Once again I fail to reject the null hypothesis. There is not strong evidence that the PRI responds to exogenous shocks to coalition partners by shifting state resources to affected areas. There is some evidence, especially in the budget models, to suggest the opposite may be true.

Conclusions

This chapter set out to explain whether or not the PRI was using public spending as a way to support their local coalitions. I expected the PRI to use CCT funds and federal budget transfers to bolster their support among regions that experience high union mobilization. Regions with this high union strength, measured as the strike rate and threat rate, would receive funds in an attempt to turn out core areas of support. This expectation is neither confirmed using the universe of national data, nor in more narrow data matched to border municipalities. While the matched strike rate does appear to be positively associated with CCT spending, this does not hold for budgets. Moreover, most other results go in the opposite direction predicted by the theory. Strikes and Threats are negatively associated with budgets per capita in the matched and unmatched data. Maquiladora employment is positively associated with CCT spending, but that does not carry over

to the matched data. If there is a relationship between union activity, vote buying, and public spending in Mexico it is neither straightforward, nor can it be simply captured through the use of these measures.

Table 4.7: Difference in Difference using Municipal & Year Fixed Effects

	<i>Dependent variable:</i>		
	Municipal Budgets per capita		
	Model 13	Model 14	Model 15
Border in 94	−56.59 (155.55)	−48.30 (143.65)	−56.64 (143.32)
Strike Rate			−84.44 (163.01)
Threat Rate			−24.13*** (5.07)
Maquila Employment			0.08 (0.24)
Log of Population		−891.12*** (196.43)	−1,121.05*** (201.61)
Illiteracy		30,927.92*** (4,979.47)	29,986.91*** (5,001.25)
GINI		6,091.70*** (449.57)	6,315.71*** (453.58)
Homicide		0.92 (1.05)	1.23 (1.06)
Unemployment		41,243.36*** (8,157.03)	41,775.41*** (8,178.91)
Observations	2,152	2,091	2,063
R ²	0.0001	0.18	0.19
Adjusted R ²	−0.08	0.11	0.12
F Statistic	0.13	70.29***	50.07***

*p<0.1; **p<0.05; ***p<0.01

In my failure to comprehensively reject the null hypotheses, I do not find empirical support for the theory that the PRI maneuvered various state funds toward political goals. In fact, there is strong evidence that union strength results in fewer economic resources for municipalities. This result is potentially interesting and leads to a number of other questions. If strong coalition partners or core supporters cannot attract these funds, then who can? Given the decentralized decision process, it makes some sense that the CCT money is not politically concentrated. Budgets, however, consist of mostly direct transfers allocated by the executive branch. This could be initial evidence that by the 1990s, the PRI had fully moved away from a union-centric coalition, even at the local level. It may also signal that budgetary wealth was spread in order to attract new coalition partners. In any case, the true relationship is likely complex.

CHAPTER 5

CONCLUSION

Throughout this dissertation, my intention was to show how coalitions in Mexico contribute to the persistence of subnational authoritarianism. In chapter 2, I built a theoretical framework to explain this relationship. Subnational autocrats rely on coalitions to maintain local support. In order to persist into a period of national democracy, local autocrats must maintain these coalitions through economic shocks and national political upheaval. In this work, I examined the Mexican Institutional Revolutionary Party, a historically autocratic party that continues to maintain power and support subnationally. My theory proposed that labor contributed to the success of PRI as a coalition member, and that successful local autocrats in Mexico were located in areas where organized labor was not severely affected by economic shocks like NAFTA.

In chapter 3, I empirically examined the relationship between the PRI and the mobilization capacity of organized labor. First, I looked at factors leading to higher PRI vote share in local mayoral races. I could not determine that PRI vote share was higher in municipalities where unions were likely to engage in strikes or threats to strike. Similarly, maquiladora presence does appear to have some association with PRI vote share, though it is a positive association and not negative as the theory suggests. I then used a difference in difference approach to determine whether the economic shock of NAFTA negatively affected PRI affiliated unions (especially those along the U.S border) in their capacity to mobilize. Neither PRI-affiliated nor Non PRI-affiliated unions appear to have been significantly affected by NAFTA in their ability to strike or threaten to strike. Despite occurring simultaneously among two electorally linked groups, the electoral decline of the PRI and the mobilization decline of unions is not clearly linked.

In chapter 4, I examined whether or not areas with high union mobilization were specifically targeted by social spending policies in order to sway the electorate. I looked at two common forms of social spending: conditional cash transfers, and federal-municipal budget transfers. In both cases, there was some prior evidence to suggest that this spending may have been used by centralized PRI incumbents to sway the vote locally. Moreover, much research suggests that

targeted electoral spending and vote buying goes primarily toward ideological allies. First I used a simple associational approach, which showed no strong connections between union mobilization and social spending. Second, I used a difference in difference approach to determine whether the economic shock of NAFTA affected the concentration of social spending in areas with high union mobilization. I found little evidence that NAFTA convinced decision makers to spend more in areas with declining unions. In fact, the scant evidence that does show an association actually suggests that municipal budgets are higher where labor is *less* prone to mobilization.

The Mexican case I have attempted to explain under this theoretical framework is complex. The 1990s were a period of economic, political, and social upheaval, and while I believe I have accounted for these factors to the best of my ability, they may still present theoretical or practical complications. This section seeks to conclude by offering some potential explanations and extrapolation from this research. First, I will grapple with the results given what other scholars have written about the relationship of labor in Mexican politics. Second, I will discuss a variety of theoretical and practical complications that may have influenced the lack of results. The third section will discuss the value and contributions of this study in the context of multiple areas of research. The final section will conclude.

Previous Research

The theory section built off the works of other scholars commenting and researching the role of labor in politics and the persistence of subnational authoritarianism. This dissertation represents, to my knowledge, the first empirical study of the role of labor mobilization on local politics across all of Mexico during the period of democratic transition. My empirical results find no strong association between labor mobilization and electoral support for PRI mayors. While other scholars do not endeavor in a national empirical study, this goes counter to what many scholars would suggest during the period.

Collier and Collier, Bensusan, and Middebrook suggest that labor formed a critical part of the PRI's coalition until the early 2000's (R. B. Collier, 1992; Bensusán & Middlebrook, 2012). Those and other authors suggest that the PRI exchanged privileged political positions, favors, and policy, in exchange for the electoral support of historically supportive union groups like the CTM, CROM, and CROC (R. B. Collier, 1992; Camp, 2010; Bensusán & Middlebrook, 2012; J. K. Langston,

2017). If this relationship were critical, then the simultaneous electoral decline of the PRI and the reduced capacity of labor unions to mobilize would be associated in the same way. While chapter 3 confirms that declines did occur among both the PRI and labor mobilization during the 1990s, it is impossible to say if these two declines are related. Given the reasonable and straightforward empirical approach, it is difficult to say that the conjecture posited by the above authors is entirely correct.

Moreover, NAFTA did not appear to shock the organized labor environment in ways predicted by the theory. The theory is built off of work exploring how the changing economic environment affects the traditional relationships between labor, employers, and politicians (J. Teichman, 1997; Murillo, 2000; Fairris & Levine, 2004; Holman, 2017). Chapter 3 uses a difference in difference approach to examine the impact of NAFTA on the mobilization of PRI affiliated unions. In even the simplest models, where only the interaction is included among municipal and year fixed effects, I find almost no association between NAFTA and the raw number mobilized to strike or the mobilization rate. Including controls eliminates the significance at .05 of the one result in the correct direction. What little results exist are not robust to other specifications. Thus, other authors may not be capturing the whole story.

Chapter 4 rests on an assumption I make in the theory section, namely that when the PRI engages in vote buying, they seek to reinforce their own base by offering resources in exchange for votes. I base this assumption off previous theoretical work suggesting that incumbent parties risk less when they offer voting incentives to politically aligned supporters (Cox & McCubbins, 1986; Dixit & Londregan, 1996). Others, like Stokes, suggest that resources may actually be targeted at weakly opposed voters, as these voters are cheap and result in a net positive electorally (Stokes, 2005). If this is correct then the general assumptions of where vote buying should take place, namely in strong union districts, may be wrong. There could be a relationship where money goes to areas that actually *lose* union strength or support. If Stokes is correct, the PRI may have moved resources toward other marginal groups just outside of the coalition. In any case, the assumption I make about where the PRI is most likely to expend resources could be wrong.

As very few large national studies exist that examine the relationship of organized labor and local politics in Mexico, researchers and commenters on the subject may be seeing two simultaneous but ultimately unrelated declines; one in the electoral prospects of the PRI and one in the mobilization

capacity of labor. It is no wonder why theory and commentary suggests these two declines are related. Organized labor and the PRI had been tied for decades, both had suffered electoral and economic setbacks in a changing Mexico, and both dealt with a new reality of campaigning in a technologically advancing world. The empirical approaches in chapter 3 and 4, however do not establish enough evidence to suggest these events are related. Mobilization declines may be due to international factors, for example, as many OECD union groups experience similar declines in union density and union mobilization. Mexico's domestic political change may too be a result of broader international factors, as many other Latin American autocracies fell during the 1980s and 1990s. Ultimately it does not appear as if the claims of many authors (that the decline of unions, caused or exacerbated by neoliberal reforms, is associated with the political decline of the PRI) is as straightforward as expected.

Theoretical Complications

In the theory section, I make several assumptions that allow me to derive discernible implications for labor and the PRI. While these assumptions are reasonable given prior theory, if they are inaccurate it threatens the foundations on which I build my expectations. One assumption posits that unions are a critical coalition member for the PRI. The PRI has a wide and ideologically diverse coalition, but organized labor remains an important player from after the Mexican revolution through the rest of the 20th century. It could be the case, however, that dynamics change enough for the PRI to abandon labor as a critical part of its electoral strategy. If organized labor is not critical for electoral success, then their quid-pro-quo would decline in ways my theory does not predict. The PRI's tactics in a changing Mexico likely depend on cost and certainty. I made the assumption that a prior and century long relationship with organized labor both reduced costs and increased certainty for the PRI. Moreover, I suggested that this relationship was critical, and losing labor would result in election loss. It is certainly possible that this assumption is wrong, if not inaccurate. As Stokes and others point out, dealing with a coalition through a party machine requires monitoring (Stokes, 2005; Frye et al., 2014). It could be the case that labor is either costlier to monitor, or a more uncertain coalition partner than expected. Other factors pressuring the PRI to change may have exacerbated uncertainty over time, convincing PRI leaders to abandon labor as a major coalition partner. Labor groups, after all, do appear to decline in mobilization capacity

in the period of interest and these declines are not clearly due to PRI induced economic factors like NAFTA. If this is true, then much of my theory as it applies throughout the 1990s is incomplete.

Complexity of the Time Period

There are also a number of temporal wrinkles in this story that may complicate the labor-PRI relationship to a degree not easily described by a predictive theory. First, the 1990s is a period of significant economic change. My theory predicted that NAFTA would have a great affect on labor in 1994, which is not apparent. Other, less geographically acute, shocks occur throughout the decade. A year after NAFTA, a peso crisis drained the economy leading to lost savings and heavy inflation for over a year. 1998 too saw economic uncertainty as lingering effects of the Asian financial crisis spread to interconnected economies in Latin America. Second, electoral change sweeps Mexico in 1996 as the Federal Electoral Institute begins the non-partisan operation of national elections. In this new environment (only 5 years into the period where I have data), the PRI may have changed their electoral strategy, attempting to forge a new electoral coalition without regard for organized labor. Third, the longtime leader of the CTM, Fidel Velázquez Sanchez, died in 1997. Fidel Velázquez was a labor strongman in the mold of the charro, a corrupt, but a powerful leader entrenched with over 50 years in labor and PRI politics (R. B. Collier, 1992). Many new PRI technocrats acquiesced to his demands due to his consolidated power over labor groups and his willingness to let them strike, but this changed after his death. A succession of old 'dinosaur' labor leaders followed him in death, leading to new leaders without the decades long experience necessary to influence politicians. The position of labor in the PRI coalition was almost certainly affected by the passing of the older generations in some way. Finally, my ability to track the relationship of labor and the PRI is subject to the whims of data availability. My labor data begins in 1991, while much of the decline of labor is likely occurring in the 1980s during the administration of Miguel de la Madrid. Due to these limitations I am unable to witness this relationship in its modern entirety; from the economic peak of the PRI in the 1970s, to the chaos of the Latin American debt crisis, to the first neoliberal response in the mid 1980s. My inability to see how labor declines are associated with these events leaves me with an incomplete version of this development.

Measurement

In addition to issues concerning the complicated timeline in the 90s, there is still some question as to whether or not the measures I use capture the intended concepts. My theory outlines a concept of interest as the strength of labor unions. I posit that their strength is threatened by changing economics due to privatization and the toleration of union busting firms. Strength, however, remains a nebulous term. As it relates to the PRI strength is theorized as the ability to marshal resources in electoral support. For unions, this means putting union members, their families, and their social networks in the ballot box in favor of PRI candidates. It also means indirect electoral activity like providing information and organizing rallies. While I believe that my mobilization measures, the rates of strikes and threats, is the best possible measure given the constraints of the study, there is some question as to whether or not this captures the concept of strength. Striking and threatening to strike are activities motivated by the employer union relationship. While strikes are a significant tool at the disposal of employees, large unions that strike frequently may not mobilize politically in the same way. The incentives behind striking are somewhat different than mobilization politically, especially for labor groups like the CTM with long histories of activity with a single party. Strikes and Threats represent at best a proxy measure of union strength and their use throughout this dissertation may result in an inaccurate conclusion about the true relationship between the PRI and labor activity.

Contributions

While this study did not provide sufficient empirical results to support the theory, I do believe that it adds value to the field. This study has provided a framework for future research on labor and political interaction in Latin America. It has also provided a framework and some introductory theoretical work on how autocratic coalitions change and persist into periods of democracy. As research into subnational and national authoritarianism continues, future research can benefit from the foundations set through this work.

I believe the most valuable contribution of this work to the field is the data. To my knowledge, this dissertation is the first English language political science work to compile and use data on labor mobilization in the study of subnational authoritarianism. This data could serve useful to a variety of approaches in political science or other fields examining subjects like collective action, labor

politics, Latin America, municipal politics, or authoritarianism. The data is also disaggregated at a unique level (municipality) that could provide insights to local, state, and national scale studies. Other fields like sociology, business, economics, or public administration may also find this useful in comparative or subfield work. My dataset is fully documented and can be found on Harvard Dataverse under the name Replication Data for Democratic Blind Spots.

Conclusion

Political change in Mexico has been rapid in some areas and slow in others. The state of Tabasco, a traditional PRI stronghold, elected its first non-PRI governor ever in 2018 alongside the landslide national victory of the MORENA presidential candidate Andrés Manuel López Obrador. Other PRI strongholds like Oaxaca, Puebla, and Veracruz elected their first non-PRI governors in 2010, 2011, and 2016 respectively. The largest state in the country, Estado de México, has still never had a non-PRI governor. The tumultuous recent history of the PRI remains a unique and fascinating case of a civilian autocratic party hanging on into democracy. Frequently referred to as a 'dinosaur' party by commenters and researchers alike, their political survival despite massive social, economic, and political change is impressive by Latin American standards (J. K. Langston, 2017). Of course much of their historical and recent success has been built off of fraud, corruption, and vote buying, but even with their decades old authoritarian reputation, PRI candidates continue to win public office (Camp, 2013; J. K. Langston, 2017).

This dissertation attempted to explain how this notably authoritarian party continued their success despite the upheaval of the 1990s and early 2000s. While my theory, that labor plays a distinct role in local survival, does not appear to explain the whole story, labor still plays a distinctive role in PRI and Mexican politics today. Mobilization of industrial labor, teachers, and other public sector workers have drawn international attention to the various grievances of Mexican workers (Camp, 2013). The OECD records Mexican workers as some of the hardest working and least paid workers on earth. Most corporatist labor confederations survive in some organized form into the present, including industrial groups like the CTM, peasant and campesino groups like the CROC and CROM, and teachers groups like El SNTE and La CNTE. Ultimately, labor still influences Mexican politics in ways that are both profound and complex.

APPENDIX A

ELECTION CYCLES, IMPUTATION, AND NONLINEARITY

PRI Losses & Strike Threats: Nuevo Leon

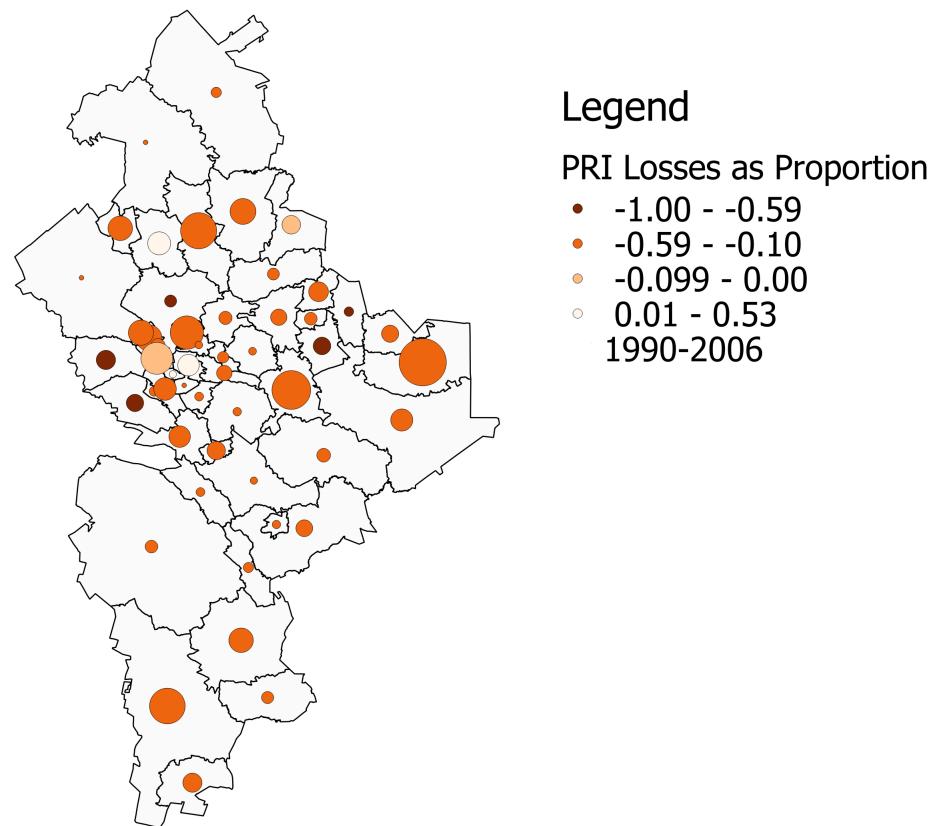


Figure A.1: PRI Municipal Vote Share Average by Year: Nuevo Leon

PRI Losses & Strike Threats: Sonora

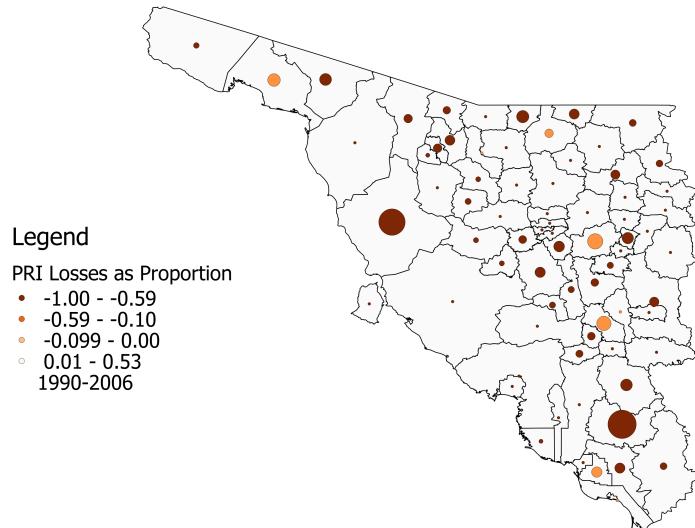


Figure A.2: PRI Municipal Vote Share Average by Year: Sonora

PRI Losses & Strike Threats: Veracruz

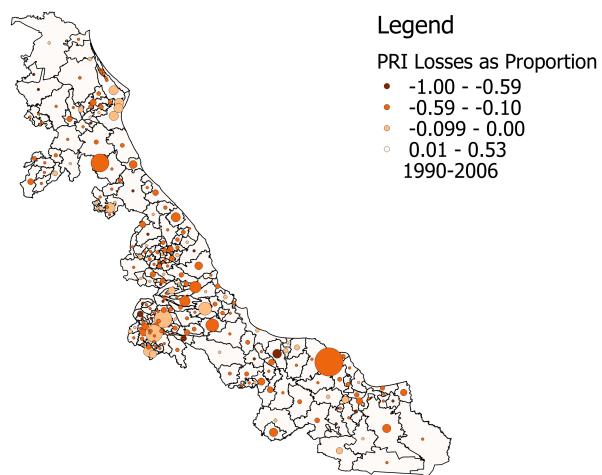


Figure A.3: PRI Municipal Vote Share Average by Year: Veracruz

PRI Losses & Strike Threats: Yucatan

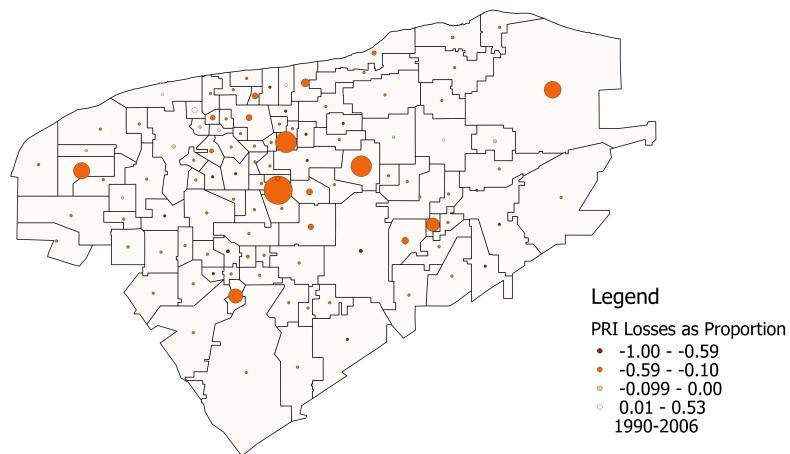


Figure A.4: PRI Municipal Vote Share Average by Year: Yucatan

PRI Losses & Strike Threats: Mexico

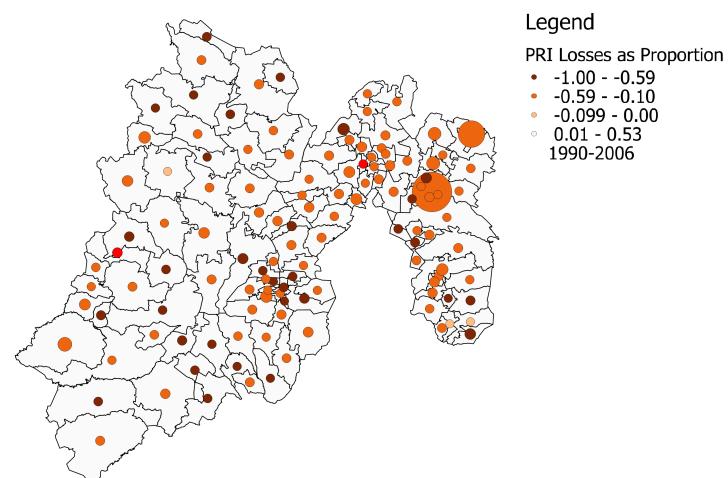


Figure A.5: PRI Municipal Vote Share Average by Year: State of Mexico



Figure A.6: PRI Vote Share by State Election Years



Figure A.7: Average Strikes per Year by State



Figure A.8: Average Strike Threat per Year by State

Imputed States

Table A.1: Municipal & Year Fixed Effects with Imputed Jalisco & Guerrero Years

	<i>Dependent variable:</i>			
	PRI Voteshare with missing Jalisco & Guerrero Imputed			
	Model 1	Model 2	Model 3	Model 4
Strike Rate	0.0108 (0.0169)			0.0129 (0.0169)
Threat Rate		−0.0011** (0.0005)		−0.0012** (0.0005)
Maquila Employment			0.000003 (0.00002)	0.000003 (0.00002)
Population	−0.0182 (0.0201)	−0.0219 (0.0201)	−0.0185 (0.0201)	−0.0216 (0.0201)
Homicide	0.0002 (0.0002)	0.0002 (0.0002)	0.0002 (0.0002)	0.0002 (0.0002)
GINI	−0.1832*** (0.0501)	−0.1800*** (0.0501)	−0.1832*** (0.0501)	−0.1800*** (0.0501)
Illiteracy	0.5054*** (0.1512)	0.4894*** (0.1513)	0.5033*** (0.1512)	0.4910*** (0.1513)
Unemployment	−1.1894* (0.6420)	−1.2040* (0.6417)	−1.1939* (0.6419)	−1.1976* (0.6418)
Observations	9,704	9,704	9,704	9,704
R ²	0.0038	0.0046	0.0038	0.0047
Adjusted R ²	−0.2558	−0.2548	−0.2558	−0.2551
F Statistic	4.9389***	5.9227***	4.8748***	4.5186***

Note:

*p<0.1; **p<0.05; ***p<0.01

Nonlinearity

Theoretically it could be the case the relationship between labor and the PRI is non-linear. Campaigns for office rely on a variety of factors, even under autocracy. Media campaigns, get out the vote operations, and rallies can all be used to convince voters to vote in a particular way. As strikes and threats can be disruptive to the daily lives of citizens, they may be used as a persuasive tool politically. Certain forms of labor mobilization in Mexico, like teachers strikes, continue to be lightning rods of polarization with many scandals during Peña Nieto's administration stemming from his relationship with the cantankerous teachers union.

Municipalities that experience much higher rates of strike behavior may have a different relationship with the PRI than municipalities that experience only one or two (by far the most common positive observation). More frequent strike behaviors mean that unions are in the news more frequently, which likely boosts the political relevance and salience of labor issues. Thus municipalities where strikes or threats occur more often may be much more likely to support the PRI, as unions get a pedestal all year round to express their message. This compared with cities that experience only one strike or threat per year, where they are less relevant to daily lives. I expect there to be a quadratic relationship between strike behavior and support for the PRI. Municipalities that experience many strikes are likely to experience a significant or exponential boost in their support for the PRI at the municipal level.

Tables 9 and 10 present fixed effects and Arellano-Bond models that explore this non-linearity. Both models are run using the matched data. I have included quadratic terms for both strike rate and threat rate in either table. Table 9 presents a fixed effects model with municipal and year effects. In no model do any of the explanatory variables of interest reach significance. Table 10 presents the Arellano Bond with a lagged dependent variable lagged for one election cycle. Here we do see some movement on threats, but once again there is an unexpected result. The threat rate variable is positive and significant conforming to expectations, while the quadratic term on threats is negative and significant (though noticeably small). This could be driven by the fact that larger cities tend to have more strikes and tend to be less PRI friendly overall than the hinterlands. It was in large cities like Mexico City, Guadalajara, Tijuana, and Guanajuato where the opposition parties like the PAN and PRD first found political success.

Table A.2: Municipal and Year Fixed Effects with Quadratics

	<i>Dependent variable:</i>		
	PRI Model 5	Coalition Model 6	Voteshare Model 7
Strike Rate	-0.191 (0.141)		-0.156 (0.144)
<i>StrikeRate</i> ²	0.054 (0.080)		0.036 (0.082)
Threat Rate		-0.003 (0.003)	-0.002 (0.003)
<i>ThreatRate</i> ²		-0.00000 (0.0001)	-0.00001 (0.0001)
Maquila Employment			0.00001 (0.00003)
Log of Population	-0.127* (0.068)	-0.125* (0.068)	-0.133* (0.069)
Homicide	0.0004 (0.0004)	0.0004 (0.0004)	0.0004 (0.0004)
GINI	-0.667*** (0.167)	-0.658*** (0.168)	-0.648*** (0.168)
Illiteracy	-3.085* (1.841)	-3.191* (1.854)	-3.246* (1.855)
Unemployment	1.158 (2.997)	1.144 (2.996)	1.241 (3.002)
Observations	681	681	681
Observations	138	138	138

Note:

*p<0.1; **p<0.05; ***p<0.01

Table A.3: Arellano-Bond on Matched Observations with Quadratics

	<i>Dependent variable:</i>		
	PRI	Coalition	Voteshare
	Model 8	Model 9	Model 10
Lag of PRI Coal. Voteshare	0.264** (0.10)	0.264** (0.10)	0.264** (0.10)
Strike Rate	-0.533 (0.30)	-0.166 (0.13)	-0.579 (0.30)
<i>StrikeRate</i> ²	0.615 (0.36)		0.652 (0.37)
Threat Rate	0.009* (0.00)	0.014* (0.01)	0.016** (0.01)
<i>ThreatRate</i> ²		-0.000* (0.00)	-0.000** (0.00)
Maquila Employment	0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)
Log of Population	-0.011 (0.08)	0.010 (0.08)	0.003 (0.08)
Homicide	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)
GINI	-0.177 (0.17)	-0.186 (0.17)	-0.176 (0.17)
Illiteracy	2.794 (1.91)	2.897 (1.91)	2.855 (1.92)
Unemployment	4.851 (2.68)	4.408 (2.64)	4.655 (2.67)
Pres. Election Year	-0.023 (0.02)	-0.019 (0.02)	-0.021 (0.02)
Observations	374	374	374
Groups	121	121	121

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

APPENDIX B

PRI INCUMBENCY AND NONLINEARITY

Strike Threats in Central Mexico 1992

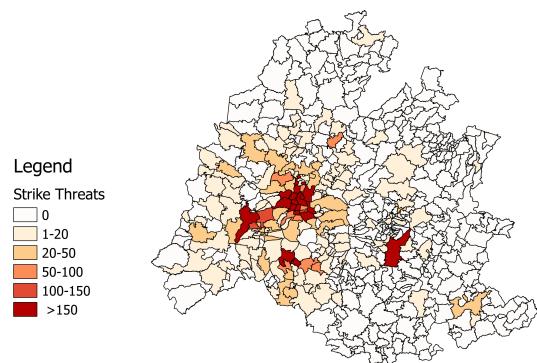


Figure B.1: Number of Strike Threats in Mexico City, Estado de México, Hidalgo, Puebla, Morelos, and Tlaxcala (1992)

Strike Threats in Central Mexico 2002

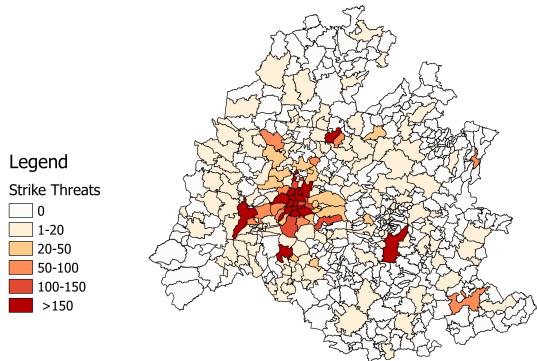


Figure B.2: Number of Strike Threats in Mexico City, Estado de México, Hidalgo, Puebla, Morelos, and Tlaxcala (2002)

Limiting Observations to Before the Year 2000

Table B.1: CCT with Municipal & Year Fixed Effects Before 2000

	<i>Dependent variable:</i>		
	PROSPERA Beneficiaries		
	Model 1	Model 2	Model 3
Strike Rate	33.26 (81.51)	36.71 (79.57)	35.86 (67.14)
Threat Rate	−0.53 (2.28)	−2.15 (2.38)	−2.69 (2.22)
Maquila Employment	−0.85 (1.38)	−0.36 (1.35)	−0.30 (1.13)
Lag of PRI Voteshare			−116.40*** (42.19)
Log of Population		−1,545.62*** (170.28)	−1,352.65*** (173.64)
Homicide		1.50 (0.92)	1.14 (0.85)
GINI		−46.36 (76.76)	21.06 (76.58)
Illiteracy		883.58*** (267.49)	1,172.43*** (315.08)
Unemployment		1,444.58* (850.84)	578.86 (1,072.99)
Observations	5,617	5,435	4,432

Note:

*p<0.1; **p<0.05; ***p<0.01

Table B.2: Budgets with Municipal & Year Fixed Effects Before 2000

	<i>Dependent variable:</i>		
	Budget per Capita		
	Model 4	Model 5	Model 6
Strike Rate	-58.97*** (20.43)	-64.94*** (19.00)	-63.07** (27.37)
Threat Rate	-1.13* (0.64)	-1.62*** (0.60)	-1.22* (0.65)
Maquila Employment	0.17 (0.13)	0.43*** (0.12)	0.40*** (0.14)
Lag of PRI Voteshare			24.42 (20.90)
Log of Population		-632.26*** (38.94)	-752.99*** (52.72)
Homicide		0.45 (0.32)	0.44 (0.38)
GINI		1,930.34*** (88.63)	2,653.24*** (113.24)
Illiteracy		337.30 (247.66)	1,547.05*** (367.98)
Unemployment		-2,511.83*** (918.21)	-6,411.60*** (1,524.55)
Observations	22,108	21,304	15,333
R ²	0.001	0.05	0.08
Adjusted R ²	-0.12	-0.06	-0.06
F Statistic	4.62***	134.52***	128.52***

Note:

*p<0.1; **p<0.05; ***p<0.01

Matched Data

Table B.3: CCT with Municipal & Year Fixed Effects Before 2000 (Matched)

	<i>Dependent variable:</i>		
	PROSPERA Beneficiaries		
	Model 7	Model 8	Model 9
Strike Rate	74.24 (288.23)	73.03 (293.05)	91.47 (210.51)
Threat Rate	1.94 (4.01)	1.53 (4.01)	1.37 (2.87)
Maquila Employment	-0.44 (0.84)	-0.40 (0.88)	-0.23 (0.64)
Lag of PRI Voteshare			-231.22 (182.95)
Log of Population		-1,183.07*** (446.30)	-598.46* (325.08)
Homicide		0.44 (1.70)	0.37 (1.22)
GINI		-229.24 (235.60)	-226.68 (169.47)
Illiteracy		3,640.05 (3,151.87)	-3,802.31 (2,383.09)
Unemployment		-1,670.47 (3,934.90)	-4,388.02 (2,834.57)
Observations	195	189	185
R ²	0.01	0.11	0.15
Adjusted R ²	-0.85	-0.76	-0.68
F Statistic	0.20	1.47	1.86*

Note:

*p<0.1; **p<0.05; ***p<0.01

Table B.4: Budgets with Municipal & Year Fixed Effects Before 2000 (Matched)

	<i>Dependent variable:</i>		
	Budget Per Capita		
	Model 10	Model 11	Model 12
Strike Rate	90.49 (132.30)	18.30 (124.74)	85.05 (189.60)
Threat Rate	-2.26 (4.13)	-6.74* (3.92)	-3.60 (4.22)
Maquila Employment	-0.16 (0.18)	0.19 (0.18)	0.10 (0.20)
Lag of PRI Voteshare			183.97* (102.84)
Log of Population		-535.12** (211.55)	-408.07* (238.10)
Homicide		0.52 (0.69)	0.79 (0.74)
GINI		4,570.96*** (461.71)	4,623.90*** (478.17)
Illiteracy		18,049.34*** (4,805.52)	29,529.82*** (5,325.49)
Unemployment		22,842.91*** (8,067.43)	22,852.09*** (8,465.79)
Observations	1,290	1,241	1,065
R ²	0.001	0.15	0.18
Adjusted R ²	-0.13	0.03	0.05
F Statistic	0.57	23.68***	22.14***

Note:

*p<0.1; **p<0.05; ***p<0.01

Nonlinearities

Table B.5: CCT with Municipal & Year Fixed Effects with Quadratics

	<i>Dependent variable:</i>		
	PROSPERA Beneficiaries		
	Model 13	Model 14	Model 15
Strike Rate	−12.54 (66.74)	−9.84 (62.75)	−12.17 (53.20)
<i>StrikeRate</i> ²	−8.98 (41.99)	−4.09 (39.47)	−2.51 (33.44)
Threat Rate	5.11*** (1.39)	2.31* (1.34)	3.32*** (1.19)
<i>ThreatRate</i> ²	−0.02*** (0.01)	−0.01 (0.01)	−0.02** (0.01)
Maquila Employment	0.52*** (0.16)	0.38** (0.15)	0.36*** (0.13)
Lag of PRI Voteshare			−60.43*** (15.03)
Log of Population		−756.53*** (36.53)	−592.55*** (36.12)
Homicide		1.34*** (0.43)	0.65* (0.37)
GINI		232.44*** (61.88)	322.12*** (62.81)
Illiteracy		2,808.12*** (173.36)	1,076.06*** (218.43)
Unemployment		812.63 (687.78)	1,212.89 (881.21)
Observations	19,945	19,269	16,034

Note: *p<0.1; **p<0.05; ***p<0.01

Table B.6: Budgets with Municipal & Year Fixed Effects with Quadratics

	Dependent variable:		
	Budget per Capita		
	Model 16	Model 17	Model 18
Strike Rate	199.09** (79.72)	19.23 (73.51)	5.59 (84.49)
<i>StrikeRate</i> ²	-111.88*** (23.58)	-58.35*** (21.70)	-63.15** (29.42)
Threat Rate	-11.98*** (2.17)	-21.88*** (2.04)	-21.19*** (2.11)
<i>ThreatRate</i> ²	0.04*** (0.01)	0.08*** (0.01)	0.07*** (0.01)
Maquila Employment	0.19 (0.21)	0.07 (0.19)	-0.06 (0.20)
Lag of PRI Voteshare			-173.37*** (30.10)
Log of Population		-1,494.28*** (44.55)	-1,497.69*** (54.92)
Homicide		1.87*** (0.54)	0.93 (0.57)
GINI		2,480.90*** (97.58)	3,071.25*** (118.89)
Illiteracy		2,275.71*** (289.05)	3,689.57*** (416.19)
Unemployment		-8,221.50*** (1,025.38)	-15,521.26*** (1,658.88)
Observations	36,475	35,176	27,044
R ²	0.002	0.10	0.10
Adjusted R ²	-0.07	0.03	0.03
F Statistic	12.49***	345.48***	259.97***

Note:

*p<0.1; **p<0.05; ***p<0.01

Matched Data

Table B.7: CCT with Municipal & Year Fixed Effects with Quadratics (Matched)

	<i>Dependent variable:</i>		
	PROSPERA Beneficiaries		
	Model 19	Model 20	Model 21
Strike Rate	18.74 (89.48)	−8.20 (88.18)	−21.72 (66.85)
<i>StrikeRate</i> ²	−4.10 (37.68)	6.79 (37.08)	12.17 (28.10)
Threat Rate	9.80* (5.35)	5.84 (5.35)	7.92* (4.11)
<i>ThreatRate</i> ²	−0.40 (0.27)	−0.32 (0.26)	−0.37* (0.20)
Maquila Employment	0.16* (0.09)	0.13 (0.09)	0.10 (0.07)
Lag of PRI Voteshare			−32.52 (33.92)
Log of Population		−173.94** (83.91)	−343.39*** (65.10)
Homicide		0.68 (0.72)	0.60 (0.55)
GINI		101.10 (186.75)	60.93 (141.81)
Illiteracy		4,820.66** (2,238.52)	298.52 (1,768.80)
Unemployment		−13,609.20*** (2,946.09)	−13,015.41*** (2,242.05)
Observations	979	961	916

Note:

*p<0.1; **p<0.05; ***p<0.01

Table B.8: Budgets with Municipal & Year Fixed Effects with Quadratics (Matched)

	Dependent variable:		
	Budget Per Capita		
	Model 22	Model 23	Model 24
Strike Rate	417.20 (371.03)	-408.35 (341.76)	-381.07 (349.47)
<i>StrikeRate</i> ²	-147.56 (181.55)	178.48 (166.74)	171.82 (168.94)
Threat Rate	-1.63 (10.40)	-20.35** (9.62)	-17.39* (9.80)
<i>ThreatRate</i> ²	-0.08 (0.18)	-0.06 (0.16)	-0.09 (0.16)
Maquila Employment	0.14 (0.27)	0.08 (0.24)	0.04 (0.24)
Lag of PRI Voteshare			-537.08*** (135.35)
Log of Population		-1,124.82*** (201.65)	-796.46*** (217.88)
Homicide		1.21 (1.06)	1.53 (1.08)
GINI		6,344.50*** (454.31)	6,590.17*** (463.10)
Illiteracy		30,179.34*** (5,004.45)	48,146.26*** (5,410.65)
Unemployment		41,729.35*** (8,180.88)	45,617.82*** (8,451.07)
Observations	2,124	2,063	1,845
R ²	0.001	0.19	0.23
Adjusted R ²	-0.08	0.12	0.16
F Statistic	0.51	45.17***	46.13***

Note:

*p<0.1; **p<0.05; ***p<0.01

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BIOGRAPHICAL SKETCH

John Griffis was born in the Smoky Mountains of East Tennessee. He studied Political Science at Lee University from 2008-2012. John later accepted an assistantship in the Political Science PhD program at Florida State University in 2013, where he specialized in comparative politics and international relations. His primary region of interest is Latin America.