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Breaching Protocol: *Caciquismo* and Administrative Capacity in Rural Mexico

Diana Margarita Pallais

A dissertation submitted in partial fulfillment of the requirements for the degree of

Doctor of Philosophy

University of Washington

1999

Program Authorized to Offer Degree: Department of Political Science

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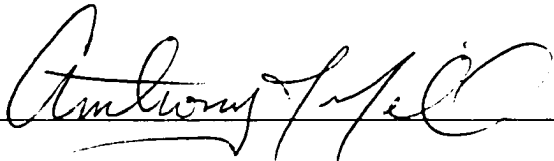
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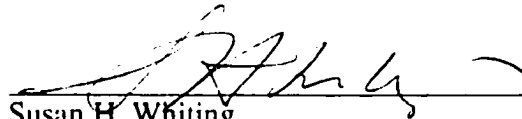
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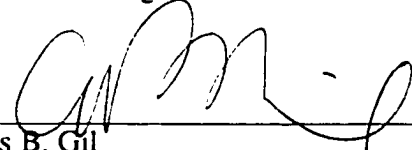


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Abstract

Breaching Protocol: *Caciquismo* and Administrative Capacity in Rural Mexico

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This study explores the internal struggles of the upper ranks of the political elite in the wake of the neoliberal economic reforms in Mexico. Since, until recently, the PRI had a monopoly over the political system, the party's internal squabbles were tantamount to an intra-institutional crisis. The competing currents can be characterized as (a) an agenda-setting, technocratic elite in control of the presidency and national leadership positions, and (b) a more traditional set of politicians, known as *caciques* in the countryside, who remain in charge of local institutions in remote states. The technocrats pushed for market liberalization, accelerated deregulation, and leaner public budgets. The *caciques* resisted the reforms, because the regulatory and budgetary largesse of the statist era was the key to their political *modus operandi*.

In the statist era, *Caciques* understood their primary role in politics to be the dispensation of patronage--and largesse facilitated the nurturing of these networks. They enjoyed great discretion in the implementation of federal programs and in the regulatory ambit. In contrast, the neoliberal reforms threatened to starve *caciques* of patronage opportunities since government intervention is selective, public benefits are targeted at particular constituencies, and the president wants to enhance administrative capacity and accountability.

This intra-institutional struggle has important consequences for the PRI's continued incumbency. As electoral competition became fiercer, the technocratic wing of the PRI made bold overtures to solidify the party's electoral ties to its most loyal constituencies.

The corn growers were one such group, but they required a special effort because the PRI-sponsored NAFTA reforms injured their sectoral interests. To make amends, the technocrats introduced Procampo, a policy of direct cash transfers to corn growers. But the implementation of the policy has been varied by region. In areas where *caciques* have a historic advantage, they obstructed its implementation and electoral volatility ensued. I propose a model of geographic isolation to explain the Mexican state's regionally-varied institutional capacity. The technocrats sought to promote institutional checks in the implementation of Procampo, and the *caciques* resisted this attempt to wrest their administrative discretion. Isolation gave *caciques* a formidable advantage.

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ACKNOWLEDGEMENTS

This work is the collective product of many generous and inspiring individuals who left indelible marks on my formal training and on my development as a human being. My commitment to understand politics and to nurture questions that may lead to the alleviation of some injustices in the developing world came from a singular source, my beloved maternal grandmother, Juanita Sampson de Argüello. But her humanist and intellectual guidance have been buttressed by the rigorous academic environment that my colleagues and mentors provided. Prof. Anthony Gill, the Chair of my Dissertation Committee, has been a fountain of encouragement and of enlightenment. Prof. James Caporaso saw me through most of the graduate school trajectory and his early votes of confidence have a great deal to do with where I am today. Prof. Susan Whiting has been a wonderful example of what an earnest academic should strive for.

I am very grateful to Prof. Carlos Gil for going beyond the call of duty to help me conclude this project, to Prof. Cynthia Steele for sparking my interest in Chiapas, and to Prof. Janice Thomson for her diligent feedback and for validating my "terse" style. Many fellow graduate students and an exceptional undergraduate gave me constructive feedback at different stages of the project: Karen Anderson, Carew Boulding, Cecilia Chessa, Lisa Conant, Stephanie Golob, Tom Lewis, Gregg Miller, and Lise Nelson. Judy Aks read every iteration of the entire manuscript and invariably provided priceless and encouraging feedback. I owe a great debt to Karin Stromberg who was the best advocate this graduate student could have hoped for. My undergraduate students enhanced my academic experience in unparalleled ways.

Many, many individuals and institutions in Mexico made the most concrete part of this project possible for me. For their safety, I cannot name some of them. Javier Camas Reyes was a wonderful friend and tutor. Chenoa Egawa made my research in San Cristóbal considerably less frightening. Joel Millman was a great resource and delightful company in Mexico City. Elsa Villareal and the entire staff of the *Biblioteca Miguel Lerdo de Tejada* made my gathering of ancient data possible. I am also very grateful to Diputado Luis Meneses Murillo; Julián García; Pepe Valencia; Margarita Rojas; Héctor Robles Berlanga; Porfirio Encina; Emiliano Cerros; Gabriela Blanco and Raimundo Sánchez; Andrés Aubry. Angélica Inda from the *Archivo de la Diócesis de San Cristóbal de las Casas*; Mercedes Osuna, Virginia Osuna and many of the international human rights observers at *Enlace Civil*; everyone at *Laneta*, especially Adolfo Dunayevich; Marcelo

Canales; Anabel Dávila Salas; Carlos Ruíz Abreu and his staff at the *Archivo General de la Nación*; and to Dr. Lourdes Camas Reyes for helping me restore my health.

All of these rich encounters could not have been possible had I not received the financial support of the following institutions and individuals. The *Woodrow Wilson National Fellowship Foundation* funded the first two years of my graduate training and has been a terrific resource ever since. They also sponsored my public policy training at U.C. Berkeley's Goldman School of Public Policy during the summer of 1990. This was one of the most important experiences of my academic development and I am very grateful to all that made it happen. At the Nicaraguan Ministry of Foreign Affairs, Ambassador Sandor Pallais Álvarez, gave me one of the most important opportunities to learn about international relations first hand during the summer of 1992. The *Gowen Endowment Fund* at the University of Washington funded my studies at El Colegio de México during the summer of 1994. Thanks to Prof. Caporaso's generosity, the *Virginia and Prentice Bloedel Endowed Chair* made a significant contribution toward my field research expenses in Mexico City and Chiapas in 1997 and 1998. *The Seafirst Bank Fellowship* allowed me the piece of mind to devote myself exclusively to writing for the 1998-1999 academic year.

Finally, I'd like to thank my family, especially my mother, Dolores Argüello de Pallais, who has been the most steadfast presence in my life, and my sisters Marcela and Irene for their loving support and friendship. The entire McEvoy family made me one of their own and gave me a magnetic anchor to Seattle the minute I landed here. Judy Aks has given me unparalleled support with her brilliant and versatile mind and her generous disposition. She is the best partner anyone can ask for.

EN MEMORIA DE MI ADORADA ABUELITA.
JUANITA SAMPSON DE ARGÜELLO

CHAPTER ONE
THE STATE, ECONOMIC RESTRUCTURING, AND POLITICAL STABILITY

1. Introduction

Starting in the late 1980s, with the advent of Carlos Salinas's presidential administration, the national leadership of the Party of the Institutional Revolution (PRI) of Mexico came to be dominated by a technocratic leadership bent on restructuring the economy along neoliberal lines. They promoted trade liberalization, macroeconomic discipline, and a general retrenchment of the state's role in the economy and the provision of public services to particular groups. Politically, these policy changes ushered in many formidable problems for the PRI--a party that had monopolized Mexican politics since 1929. For the purpose of this study, I concentrate on two such political challenges facing the PRI technocrats.

The challenges can be summarized as follows: the neoliberal policies alienated the corn growers and the rural political elite of remote regions--two sets of political actors who were critical for retaining the PRI's incumbency. The conundrum is that if the technocrats sought to make amends with one group, the other would be further alienated. Yet, the cooperation of both groups was necessary to effectively overcome the political challenges. The corn growers were important electorally for the PRI because they constitute the great majority of rural dwellers. This is significant because the PRI had historically, and into the early 1990s, drawn most of its electoral support from the rural voters. And, in light of the increasingly more competitive electoral environment, the PRI could not afford to alienate their most loyal electoral base.

The second problem, dealing with the rural elite of remote areas, stemmed from an internal division within the PRI. The economic reforms were vigorously advocated by President Salinas and by his successor, Ernesto Zedillo Ponce de León, but they did not have similar fanfare outside of the agenda-setting policy elite in Mexico City and in some state capitals. Indeed, the reforms were seen by many PRI politicians in the provinces as a threat to their power base. From the vantage point of these individuals, widely known as the party's "dinosaurs"¹ the reforms were tantamount to an assault on their clientelistic-style of political survival. The dinosaurs were accustomed to the fiscal and regulatory largesse of the statist era, because it had indulged them with the material resources and discretion to nurture their clientelistic networks. By extension, the neoliberal policies, which aimed to scale back the public budget and the state's regulatory scope, would have the opposite effect on the clientelistic networks. Such networks would be starved of the patronage opportunities that had become the defining characteristic of PRI politics in remote regions of the country.

This dissertation is concerned with the political conditions required for the technocrats to make amends with each of these two groups, the corn growers and the political elite in remote rural areas. To explore the constraints and opportunities facing the technocratic wing of the PRI, I focus on the electoral behavior of voters in the southern state of Chiapas. Chiapas is an appropriate case study because (a) its economy is very closely tied to the corn market; (b) it is a very rural state; and (c) the allocation of two electorally-motivated social policies for corn growers and rural dwellers, Procampo

¹In rural contexts, the dinosaurs are also known as "caciques," or local bosses.

and Solidarity,² placed Chiapas among the top three per capita state recipients in any given year that the programs have been in existence. These programs have been very effective electorally in most states where they were deployed as aggressively as they were in Chiapas.

Since the technocrats in Mexico City earmarked so much electorally-motivated federal resources for the corn growing citizens of Chiapas, the PRI's electoral share after 1988 should have remained relatively stable. Yet, Chiapas, one of the top recipients, exhibited the most volatility of any of the corn growing states. The volatility is striking when one notes that the PRI's electoral support had never dipped below 89% during the statist era, while the neoliberal era has ushered in returns of as low as 47%. The challenge is to explain why the voters in Chiapas, who were singled out to receive more federal funds per capita than most other states did not respond to the PRI's policy overtures with electoral gratitude.

The existing literature that treats the relationship between the electorally-motivated policies and the electoral returns has not been able to offer a structured answer to this puzzle. There have been some very impressive studies on the political turmoil of Chiapas, but they tend to focus on the uniqueness of the state.³ Thus, these studies are not generalizable to the broader political economy questions of economic adjustment in contemporary Mexico. This is precisely what I set out to do here. My research is

²Solidarity is also known as Pronasol, but, unless the latter is found in a quote, I will only refer to it as Solidarity in the text of the dissertation.

³See for instance the collective work of Jonathan Fox, and of Neil Harvey. In particular, see Neil Harvey, *The Chiapas Rebellion: The Struggle for Land and Democracy*. (Durham: Duke University Press, 1998); Jonathan Fox, "The Difficult Transition from Clientelism to Citizenship: Lessons from Mexico," in *World Politics*, Vol. 46, No. 2, January 1994.

animated by the Chiapas puzzle, but the goal is to offer a more comprehensive explanation of the institutional requirements to steward politically an ambitious neoliberal reform package.

The theoretical foundation of my inquiry is the neo-institutionalist literature which focuses on the state's ability to refract the adverse impact of policy change so as to stave off costly political repercussions for the sponsors of the reforms. This premise informed the majority of the existing literature on the political economy of Mexico's neoliberal economic adjustment. The empirical focus of this literature's analysis has singled out the political advantage that the social policies of the neoliberal era (e.g. Procampo and Solidarity) were likely to yield for the PRI technocrats. The work of Kathleen Bruhn, for instance, suggests that, with policies like Procampo and Solidarity, Salinas had hoped to (a) avoid the economic distortions of the era of unrestrained populism, and (b) court the electoral support of specific constituencies through greater efficiency of service.⁴ This is what made institutional intervention so critical in the political stewarding of the economic change. Even World Bank analysts acknowledge that "a high visibility [social] program [could] be very valuable in strengthening the social consensus behind other structural changes."⁵

My work shares with the neo-institutionalist literature on Mexico an interest in the political viability of economic reforms (e.g. neoliberal reforms) that tend not to have natural electoral majorities. As Bruhn pointed out, "if the governing coalition le[ft] the

⁴Kathleen Bruhn, "Social Spending and Political Support: The "Lessons" of the National Solidarity Program in Mexico," in *Comparative Politics*, Vol. 28, No. 2, p. 157.

⁵Santiago Levy, *Poverty Alleviation in Mexico*, Working Papers Series No. 679 (Washington, D.C.: The World Bank, 1991) p. 81, cited in Bruhn, p. 157.

distribution of economic gains entirely to the market, it risk[ed] undermining its electoral support."⁶ But I do not share with one of their critical (albeit tacit) assumptions: that the technocrats would be able to rely on a coherent administrative apparatus to implement their strategic social policies. My work makes administrative capacity an empirical question rather than a given.

However, my analysis retains a neo-institutionalist orientation as it draws from the work of other neo-institutionalist scholarship that does not feature Mexico substantively. In particular, I draw from the work of Margaret Levi, Robert Bates, Kiren Aziz Chaudhry, and Susan H. Whiting. These scholars have focused on empirical cases as diverse as the political economy of the Roman Empire, agricultural policy in contemporary Africa, the economic boom and bust of Middle Eastern countries, and the reforms sweeping post-Mao China. Yet, they all develop institutionalist themes that are critical for my analysis. Before delving into these works, I present an overview of the neo-institutionalist literature that has focused on the political economy of the neoliberal reforms in Mexico. Then, I provide a critique of this literature and propose theoretical adjustments along with suggestions as to how to synthesize some of the most pertinent insights of the larger neo-institutionalist scholarship with the existing analysis on Mexico. I conclude the chapter with a discussion of one of the most compelling explanations of the paradoxes of the Mexican political system. This discussion should shed light, for instance, on the question of why a political system that has been so resilient and adaptable for seven decades has also exhibited pronounced weakness in the realm of

⁶Bruhn, "Social Spending and Political Support," p. 151.

public policy administration. The explanation of the paradoxes is key to this dissertation because it outlines some of the political limitations that the technocrats inherited from the statist era.

The dissertation is comprised of six chapters. The present one is concerned with setting out the theoretical tools for the subsequent analysis. What does the existing literature tell us? How can it be improved? The second chapter offers a detailed version of the empirical puzzle, and all the relevant historical information for understanding the full scope of the changes underway in Mexico between 1988-1997, and, in many respects, are still unfolding today. In chapter three I operationalize my independent variable, institutional capacity, using original archival sources that span the last 110 years of Mexican history. Chapter four operationalizes the dependent variable, electoral volatility in the PRI's share of the vote in two eras, the statist era which ended with the 1988 presidential election, and the neoliberal era which began with that same presidential administration. In chapter five, I conduct an in-depth analysis of how the independent and dependent variable interact in the critical case of Chiapas. Chapter six presents the general conclusions that can be drawn from the analysis.

2. Existing Scholarship on the PRI's Challenge and its Policy Responses

As the economic reforms were being introduced, and some of its most painful repercussions were starting to be felt, it became clear to most PRI strategists that something had to be done to deter a massive defection from the PRI ranks. Neoliberal policies were then tempered with pragmatic policies to ease the transition by absorbing some of the adjustment shocks for voting blocs that the PRI deemed indispensable. As is

clear from the following statement from two World Bank analysts, this pragmatism was well received in the wider development policy community:

Improving income distribution and alleviating poverty cannot be left to trickled down consequences of economic growth. ...As Mexico is discovering, stabilization programs have a better chance of succeeding if political peace can be secured with the help of safety nets.⁷

The neo-institutionalist framework informs the majority of the scholarly literature focusing on the necessity to procure political stability with the economic reforms. These scholars critique the neoliberals because their faith in the stabilizing potential of long term macroeconomic payoffs tends to unduly overshadow the politically disruptive potential inherent in the short term costs that befall sensitive sectors. Neo-institutionalists are less optimistic that the bridge between the short term challenges and the long term payoffs is as reliable as the neoliberals seem to think. Thus, among neo-institutionalists, there is a keen concern with the *interstitial* policy mechanisms designed to absorb the shock and thus restructure the incentives of those adversely affected in the interim.

The basic theoretical tenets of the neo-institutionalist model are the following. First, as defined by Douglass North, institutions are understood to be "the rules of the game in society or, more formally, are the humanly devised constraints that shape human

⁷Shahid Burki and Sebastián Edwards, "Latin America After Mexico: Quickening the Pace," World Bank document (Washington, D.C.: World Bank, 1995) p. 6. Cited in Jonathan Fox and Josefina Aranda, *Decentralization and Rural Development in Mexico: Community Participation in Oaxaca's Municipal Funds Program*. (La Jolla: Center for US-Mexico Studies, UCSD, 1996) p. xviii.

interaction. In consequence they structure incentives in human exchange, whether political, social or economic."⁸ Institutions are thus understood as intervening variables that structure, constrain, and influence individual choices and preferences.⁹ Other neo-institutionalist studies focus on how control over institutions themselves becomes the object of political struggles.¹⁰ In this dissertation, I study both of these concerns. I am concerned with the extent to which we can expect institutions to function as effective interest-restructuring agents when the institutional mission is itself being disputed by powerful political agents who control different parts of the political system.

In contrast, the existing literature on the Mexican economic reforms has spotlighted only the mediating effect that institutions, such as the policy incentives inherent in social policies like Procampo and Solidarity, may or may not have on the electoral choices of their target constituencies. The majority of the existing studies on Mexico's neoliberal adjustment focus on whether a set of policy features--the policy's demographic scope, the political spin and visibility given to the programs, and the amount of resources per capita allocated to different states--can influence the electoral choices of the target group, namely the corn growers. The assumption is that the more effective programs will be those that have a narrower target, are more visible, and depend on a more plentiful endowment base. Policy "success" was determined in these studies

⁸Douglass C. North. *Institutions, Institutional Change, and Economic Performance*. (Cambridge: Cambridge University Press, 1990) p. 3.

⁹See, Sven Steinmo, Kathleen Thelen and Frank Longstreth, eds. *Structuring Politics: Historical Institutionalism in Comparative Analysis*. (Cambridge: Cambridge University Press, 1992).

¹⁰See Kiren Aziz Chaudhry. *The Price of Wealth: Economies and Institutions in the Middle East*. (Ithaca, NY: Cornell University Press, 1997); and Susan H. Whiting. *Power and Wealth in Rural China: The Political Economy of Institutional Change*. (Cambridge University Press, forthcoming).

by calculating the relative electoral returns for the incumbent party, per peso spent in the region.

For peasants and farmers, as mentioned above, there have been two important policy outreach programs to help cushion the dislocations associated with the neoliberal economic reforms: (a) Pronasol, or Solidarity (as it came to be widely known), which was introduced during Salinas's first official act in December, 1988 and lasted through 1997; and (b) Procampo which was introduced in 1993 to coincide with the North American Free Trade Agreement (NAFTA) adjustments and is to remain in place for fifteen years after its inception.¹¹ According to leading observers, the programs have "two basic foci: material (social services/infrastructure provision; poverty alleviation), and institutional (the rearrangement of state-society relations, and of the coalition supporting the ruling PRI)."¹²

Two leading concerns in this literature are the political motivations and consequences of the two programs. Both have sparked heated controversy in academic and political circles. Of Solidarity, the following questions have been asked:

[Is it a] new type of demand-based, carefully targeted, poverty reduction program? An effort to buffer social class conflicts? A strategy for re-legitimizing the regime? A reassertion of centralized, authoritarian presidential rule? A cosmetically improved form of populism and

¹¹Most of the pertinent literature has featured Solidarity, but, for reasons discussed below, my own analysis will single out Procampo. Procampo has been seen among many scholars and in Mexican conventional wisdom as Solidarity's twin policy. Thus, the analysis on the older program is assumed to apply to Procampo as well.

¹²Wayne A. Cornelius, Ann L. Craig, and Jonathan Fox, "Mexico's National Solidarity Program: An Overview," in Wayne A. Cornelius, Ann L. Craig, and Jonathan Fox, eds. *Transforming State-Society*

clientelism? An infusion of U.S.-style, constituency-sensitive pork barrel politics? The "new mass politics" of a highly urbanized, modernized Mexico? A "new grassroots movement" which empowers citizens through[, in Salinas's words,] "an experience of direct democracy" and gives preexisting, local-level popular movement new leverage in their dealings with the state?¹³

The Solidarity record lends itself to many of the above interpretations. It is a large and amorphous program. The services provided included no-interest credit to peasants, social infrastructure programs (e.g. building schools and community centers), utility programs, transportation infrastructure programs, legal aid, public housing access, ecological projects, agricultural projects, and support to small businesses). By 1993, the constituencies served by the program comprised 95% of the country's municipalities.

Neo-institutionalists have studied trends in the allocation of Solidarity funds to systematically gauge the possibility that electoral considerations were the guiding rationale behind the allocation of funds. In one such study, John Bailey found Solidarity to be an effective institutional scheme to bolster political capital for the incumbent party, and around the president in particular.¹⁴ In a separate study, Denise Dresser also concluded that Solidarity "provide[d] the political conditions necessary to sustain the

Relations in Mexico: The National Solidarity Strategy. (La Jolla: Center for US-Mexican Studies at the University of California, San Diego, 1994) p. 3.

¹³Cornelius, Craig, and Fox, "Mexico's National Solidarity Program," p. 5.

¹⁴John Bailey, "Centralism and Political Change in Mexico: The Case of National Solidarity," in Wayne A. Cornelius, Ann L. Craig, and Jonathan Fox, eds. *Transforming State-Society Relations in Mexico: The National Solidarity Strategy.* (La Jolla: Center for US-Mexican Studies at the University of California, San Diego, 1994) In this article, Bailey was particularly interested in exposing some of Solidarity's policy tactics which he interpreted as strategies to reign in center-periphery power struggles in favor of the presidential center.

neoliberal model. [It] helped rebuild the state's constituencies."¹⁵ The discretionary nature of the program, according to Dresser, provided a sufficiently fungible resource base to spin "new patronage networks with low income groups across the country, particularly those with electoral weight."¹⁶ Once the programs reached the targeted constituencies, Dresser argues, the PRI relied upon the electoral gratitude of the beneficiaries to constitute "the backbone of a neocorporatist structure."¹⁷ Dresser attributed the program's electoral success to its apt targeting of key population segments, and to the emphasis given to the programs as they reached their destination.

To be sure, government officials in the Salinas and Zedillo administration have vigorously denied all insinuations that Solidarity and Procampo are electorally motivated. However, among scholars and political observers, there is a near consensus that the electoral considerations trumped the official goals of poverty alleviation. There are countless accounts and anecdotes that support this claim. One instance involving Procampo is an incident in the state of Zacatecas in 1994, just after the program had been instituted and just before the presidential and national elections of August 1994. The Mexico City newspaper *La Jornada* reported that approximately 500 Procampo recipients staged a sit-in and later blockaded the entrance to the municipal government offices in Zacatecas City to call attention to their frustrating experience with the distribution of their Procampo benefits. According to this report, the peasants exposed the local

¹⁵Denise Dresser, "Bringing the Poor Back In: National Solidarity as a Strategy of Regime Legitimation," in Wayne A. Cornelius, Ann L. Craig, and Jonathan Fox, eds. *Transforming State-Society Relations in Mexico: The National Solidarity Strategy*. (La Jolla: Center for US-Mexican Studies at the University of California, San Diego, 1994) p. 144

¹⁶Dresser. "Bringing the Poor." p. 147.

¹⁷Dresser. "Bringing the Poor." p. 147.

authorities for threatening to delay the distribution of checks until after the August 21 elections, and for threatening to withhold the checks altogether if the PRI candidates did not win in that community.¹⁸

While there is no dearth of such anecdotes all over Mexico, the first rigorous study corroborating the conventional wisdom that there is a significant correlation between electoral strategies and the allocation of social policy funds was Juan Molinar Horcasitas and Jeffrey A. Waldon's statistical analysis of the allocation of Solidarity funds just before the midterm elections in 1991. They found that the states with more people earning the equivalent of one minimum wage or less were the states where the federal government spent the least Solidarity money.¹⁹ This indicates that the official objective of the policy, to reach the poorest, was generally ignored in favor of some other imperative.

Their evidence suggests, instead, that the new social policies targeting farmers were guided by strategies of either "buying back the defectors," or rewarding PRI loyalists more in those states where the opposition had grown stronger (presumably to demonstrate what could be gained through loyalty to the PRI).²⁰ Moreover, a *Los Angeles Times* poll established that the program's electorally-motivated funding worked well for the PRI. The pollsters found that the perception of having "personally benefited by Solidarity" did factor in as a significant variable in explaining who voted for the PRI

¹⁸Angel Amador Sánchez. "Exigen barzonistas en Zacatecas entrega de cheques de Procampo." in *La Jornada*. Mexico City. August 9, 1994. p. 14.

¹⁹Juan Molinar Horcasitas and Jeffrey A. Waldon, "Electoral Determinants and Consequences of National Solidarity," in Wayne A. Cornelius, Ann L. Craig, and Jonathan Fox, eds. *Transforming State-Society Relations in Mexico: The National Solidarity Strategy*. (La Jolla: Center for US-Mexican Studies at the University of California. San Diego, 1994) p. 128.

in 1991.²¹ This general finding lends credence to the popular hypothesis, as articulated by Molinar Horcasitas and Weldon, that *the states that received the most funds generated more PRI votes per Solidarity peso spent than their counterparts.*²² In sum, these studies indicate that Solidarity was not only "electorally driven, but that it [was] also electorally effective."²³

While most of the relevant literature on this issue has featured the efficacy of Solidarity disbursements, my analysis singles out Procampo for several reasons. The first is that Procampo's data base is more amenable to my design: since the funding level/per capita is based on a largely static original roster of eligible beneficiaries in each state, the funding levels across states and through time do not vary much²⁴: the only variable across states is my independent variable: the quality of the local institutions. In contrast, Solidarity exhibited more variation on other variables. As Molinar Horcasitas and Weldon found, Solidarity funding was linked to concerns such as whether a state was holding concurrent state and federal elections on any given year.²⁵ A second reason for the exclusive focus on Procampo is that this is a more targeted program than Solidarity. Not only does it target farmers exclusively, over 79% of the eligible beneficiaries are

²⁰Molinar Horcasitas and Weldon. "Electoral Determinants," p. 131.

²¹Cited in Bruhn, "Social Spending," p. 167.

²²Molinar Horcasitas and Weldon. "Electoral Determinants," p. 137.

²³ Molinar Horcasitas and Weldon. "Electoral Determinants," p. 139. Other authors who have studied either the Mexican case or other Latin American cases employing neo-institutionalist premises are: Bailey, 1994; Bruhn, 1996; Dresser, 1994; Haber, 1994; Levitsky and Way, 1998; Molinar Horcasitas and Weldon, 1993; Morris, 1995; Niles, 1995; Roberts and Arce, 1998; and Ward, 1993. Their research agenda focuses on the challenge of incumbent governments attempting to refashion clientelist links through side payments and relief policy for disadvantaged groups deemed crucial in the electoral process.

²⁴I compared the Procampo funding levels in all states across two consecutive years (1996 and 1997), one of which was an election year, and found that the largest variation in funding from one year to the next was a mere seven percent, and this only happened in three states: Baja California Sur, the Federal District, and

corn growers, who happen to be the group under consideration in this study. Indeed, Procampo was designed with the NAFTA-induced corn sector adjustment costs in mind. The overlap with my design could not be better since I examine the adjustment costs for this sector. Solidarity, by contrast, while also intended as a poverty alleviation program, also includes a significant urban orientation.

2. The Empirical Puzzle and Outline of Explanation

Despite the demonstrable success that the Procampo and Solidarity have had in deterring a precipitous decline in electoral support among recipients, there are some important anomalies that the existing scholarship cannot account for. The most egregious example is the steep decline in the PRI's share of votes in Chiapas, one of the states that received the most Solidarity and Procampo funds per capita. Chiapas's support for the PRI went from consistent pro-PRI returns of 90 percent and higher to returns of below 47 percent in less than one decade. To explain this variation from the conclusions found, I draw on neo-institutionalist works that have not focused on Mexico but offer important insights about institutional capacity. My contribution is to adapt this literature to the Mexican case in a systematic fashion. I argue that the electoral effectiveness of the policies is contingent upon the administrative capacity of the local institutions entrusted with their administration. And, administrative capacity is largely a function of the degree of intra-institutional struggles that may have been unleashed by the reforms in that region.

Querétaro. The smallest variation was one percent, which manifested itself in two states, Zacatecas and Michoacán.

²⁵Molinar Horcasitas and Weldon. "Electoral Determinants," p. 130.

I define institutional capacity as the bureaucracy's ability to perform its administrative duties according to a hierarchically codified set of functional procedures assigned to individual civil servants, who, in turn, face strict sanctions against the misuse of their office's authority. According to this definition, a civil service corps has administrative capacity when the whole operating structure of the organization is imbued with universalistic, achievement-oriented criteria that result in the faithful implementation of policy guidelines. I then propose that institutional capacity is likely to be weakest in regions that are more isolated geographically. Isolation is important because it hinders the process of institutional checks on the behavior of local administrators. Moreover, the information asymmetries between citizens in isolated areas and their local rulers favor the rulers.

In the hinterlands, citizens tend to lack information, opportunities to seek institutionalized redress for official abuses, and the ability to attain economic independence from the local strongmen. Isolation then reinforces the persistence of authority structures that are not fully subsumed under the centralized authority of the national state. In other words, isolation is likely to yield advantages to the local elite as they struggle with political agents of the political system's center. I illustrate this center-periphery dynamic with a detailed case study of Chiapas. However, to measure the relative isolation level of different regions in Mexico, I constructed a composite index comprised of 53 variables that point to the economic, social, linguistic, and political isolation of a region. In this analysis, Chiapas is by far the most isolated state of the top eleven corn growing states.

I labeled this index the "cacique index" because isolation can be interpreted as a proxy for the persistence of cacique rule. According to Wayne Cornelius, a cacique can be described as "a strong and autocratic leader in local and/or regional politics whose characteristically informal, personalistic, and often arbitrary rule is buttressed by a core of relatives, "fighters," and dependents, and is marked by the diagnostic threat and practice of violence."²⁶ A cacique retains his preponderance of power through skillful clientelistic practices that either co-opt his opponents or significantly deter them from contesting his. The largesse of the statist era facilitated the clientelistic practices of caciques because they exercised exclusive control over who had access to federal funds, and under what terms. Moreover, since the regulatory scope of the state was so vast, and since the political goals of the revolutionary rhetoric were so amorphous, they felt justified in expanding and re-configuring their authority as they saw fit.

All of this discretionary power came under assault with the neoliberal reforms. Whereas the statist policies indulged their clientelistic needs, the neoliberal policies starved them of opportunities for social control. The reforms have streamlined political goals, imposed budgetary discipline, and curtailed the state's regulatory jurisdiction. These changes aim at the heart of the critical ingredients of cacique power. The rule of caciques, as Cornelius explains, was always contingent on an utilitarian patron-client relationship where the patron (i.e. the cacique) secured his preeminence by guaranteeing a "continued flow of material benefits to the community and individual residents within

²⁶Wayne A. Cornelius, Jr., "Contemporary Mexico: A Structural Analysis of Urban Caciquismo," in Robert Kern, ed. *The Caciques: Oligarchical Politics and the System of Caciquismo in the Luso-Hispanic World*. (Albuquerque, NM: University of New Mexico Press, 1973) p. 138.

it."²⁷ Not surprisingly, the caciques have resisted the technocratic agenda of the new PRI leadership. Their resistance has led to a great deal of administrative dissonance at the grassroots level. In other words, the targeted constituency (e.g. the corn growers) in remote regions did not receive their Procampo benefits in the efficient manner that they were supposed to. Instead, many caciques in remote regions made access to the federal funds contingent on individual beneficiaries' compliance on the cacique's particularistic prerogatives. Often this entailed sharing large portions of their entitlements with the caciques. These violations were rampant in regions of the country where the beneficiaries were geographically, linguistically, economically, or politically disconnected from the supra regional system of authority. As long as that isolation was not broken, the cacique was in a position to trump the new objectives of policies like Procampo, which sought to forge more direct ties between the PRI's grassroots support and the national leadership of the party. Therefore, isolation can be considered the Achilles heel of the Salinas plan to win support through greater efficiency of public service to key constituencies.

What makes this turn of events more interesting is that Salinas was thoroughly aware of the deviant possibility, and his policy team had built this contingency into the design of the policy. As a doctoral graduate student of political economy in the 1970s, he researched the relationship between policy benefits and regime (i.e. PRI) support in rural areas. He found that peasant support for the PRI did not correspond to the endowment levels of the social programs designed for them. He argued that the key was in the implementation *infrastructure* of a policy, which he found to be at least as important as

²⁷Cornelius. "Contemporary Mexico," p. 138.

the substantive support that the policy may offer its constituency. Specifically he concluded that the more directly involved the recipient community was in the program's administration, the more likely it was to support the PRI regime.²⁸

These findings were not lost on Salinas's team of reformers when he became president in 1988. They designed Procampo with a novel implementation infrastructure intended to forge more direct ties between the president and the constituents who receive the program's benefits. Consequently, the aim of the Salinas administration's interstitial policies was not just to dispense "pork" to favored constituencies, but also to engage in more narrowly defined and strategic targeting, and work on improving the policy delivery mechanisms in order "to get results in the short term, with the hope of regaining credibility and thereby defusing potential or actual political opposition"²⁹ among voting blocs that were deemed indispensable for the incumbent party. The concrete administrative goal was to minimize the role of *caciques* or intermediaries³⁰ and thus assure a more accountable administration of the funds earmarked for peasants.

The most important measure taken to circumvent intermediaries was to make checks out directly to the individual recipients, rather than to their *ejido*³¹ (which had been the recipient of public credit during the statist era), or to the regional bureaus of the federal agencies funding the programs (which had been the *modus operandi* of all other

²⁸ See Carlos Salinas de Gortari. *Producción y Participación Política en el Campo*. (Mexico City: Fondo de Cultura Económica, 1992).

²⁹ Neil Harvey. *The Chiapas Rebellion: The Struggle for Land and Democracy*. (Durham: Duke University Press, 1998) p. 170.

³⁰ In the book that emerged from his dissertation, Salinas spends a great deal of time discussing the detrimental effects of *caciques* or intermediaries on the functioning of the administrative apparatus, and consequently on the provision of public goods and services. All of Chapter IX is a good place to explore his thinking on the subject. See, Salinas, 1992.

³¹ An *ejido* is a communally held plot of land. It is discussed at length in chapter two.

programs). Another pioneering step was to print and disseminate extensive information explaining the procedures, rights and requirements for the recipients. The information was packaged in different media at different levels of accessibility. For instance, there was a comic book version of the procedures. For peasants who have a more advanced reading ability, there were posters intended to be displayed in the local Procampo offices. One such poster conveys the following message:

Let's be up front with each other, and we'll have a long friendship.³² Here at SAGAR [the Agriculture Secretariat] we are your friends and we wish to preserve this friendship for a long time. That is why we want transparency in all affairs. All of your transactions to re-register or to pick up your Procampo check here are completely free. Do not let yourself be fooled. Our job is to serve you. That way, we all benefit. Please call toll-free to denounce any anomaly to the following offices and numbers.

Jonathan Fox has characterized these administrative efforts on the part of the Salinas reformers as an attempt to move state-peasant relations in Mexico "from clientelism to citizenship."³³

All of this conscientious attention to the possible obstacles, only makes the anomalies more puzzling: why did the policies not produce the expected result in a place like Chiapas even when the policy designers took great pains to pre-empt the disruptive potential of the *caciques'* meddling? These questions require an explanation of the

³²The actual text in Spanish reads "Cuentas Claras, Amistades Largas." This is a common idiom.

Mexican political system that disaggregates the central state's administrative capacity from its agenda-setting and resource allocation ability. After this discussion, I re-introduce relevant neo-institutionalist works that will help complete the theoretical foundation of this study.

3. The Mexican Political System: Corporatist or Regionally Fragmented?

To understand the state's ability to enact contested policy change in Mexico, it is important to take into consideration two seemingly conflicting facets of the modern political system. Observers of the same political system (1917-1991) in Mexico have arrived at contradictory characterizations. The dominant view, among academics in the US and in Mexico, is that the system is centralized, authoritarian, corporatist, and steered by a strong president.³⁴ The alternative perspective, and the one that is gaining a scholarly momentum, is that the system is characterized by a de-centralized, accommodative, personalistic system presided by a weak executive.³⁵ At first glance both are plausible because the system's corporatist authoritarian structure suggests that power is centralized, whereas the pervasiveness of personalistic organizational norms points to a decentralizing tendency in the system's architecture. This section is intended

³³Jonathan Fox. "The Difficult Transition from Clientelism to Citizenship: Lessons from Mexico," in *World Politics*, Vol. 46, No. 2, January 1994.

³⁴For recent scholarly incarnations of this perspective see for instance, Eduardo R. Huchim. *El Sistema Se Cae: Últimos Escenarios de la Crisis Política*. (Mexico City: Editorial Grijalbo, S.A. de C.V., 1996). According to Huchim (p. 15), the Mexican president has been the "alpha and the omega of power, of the government, and of the system." See also, Soledad Loaeza, "Contexts of Mexican Policy," in Laura Randall, ed. *Changing Structure of Mexico: Political, Social and Economic Prospects*. (Armonk, NY: M.E. Sharpe, Inc., 1996).

³⁵Jeffrey W. Rubin. "Decentering the Regime: Culture and Regional Politics in Mexico," in *Latin American Research Review*, Volume 31, No. 3, 1996; Jan Rus. "The Comunidad Revolucionaria Institucional": The Subversion of Native Government in Highland Chiapas, 1936-1968," in Gilbert M. Joseph and Daniel Nugent, eds. *Everyday Forms of State Formation: Revolution and the Negotiation of Rule in Modern Mexico*. (Durham: Duke University Press, 1994); and, Eric Van Young, ed. *Mexico's*

less to settle this debate in favor of one or another, than to understand how the two may coexist and which aspects of that mix impact the state's capacity to execute the controversial neoliberal reforms.

Stephen D. Morris offers one of the most thorough analyses of this dichotomous representation of the Mexican political system. He reconciles the coexistence of these contradictory regime attributes by compartmentalizing the functions of the state and assigning different system labels to them. For instance, he finds that the system is strong and centralized with regard to political and administrative recruitment, as well as policy initiative. Conversely, the state is highly decentralized with respect to policy implementation.³⁶ The following two subsections discuss each of these functional facets and the implications for state capacity to enact the contested change of the neoliberal reforms.

3.1 A Corporatist Account of Authority Structures

Much of twentieth century Mexican politics can be understood through the corporatist framework that was erected during the Lázaro Cárdenas administration (1934-1940) and maintained for more than five decades. The corporatist arrangement has been credited with the long enduring stability of Mexico's single party post-revolutionary regime.³⁷ If we use Philippe Schmitter's definition of corporatism, it is easy to see how

Regions: Comparative History and Development. (La Jolla: Center for US-Mexican Studies, University of California, San Diego, 1992).

³⁶Stephen D. Morris. *Corruption and Politics in Contemporary Mexico.* (Tuscaloosa: University of Alabama Press, 1991). For a concurring, though less developed assessment of the Mexican administrative system, see Lawrence S. Graham. "Public Policy and Administration in Comparative Perspective," in Howard J. Wiarda, ed. *New Directions in Comparative Politics.* (Boulder: Westview Press, 1991) p. 175.

³⁷The PRI has the singular distinction of having presided over the longest-running, uninterrupted single party political system of the twentieth century.

this regime type contributed to stability. According to Schmitter, corporatism can be defined as

a system of interest representation in which the constituent units are organized into a limited number of singular compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not credited) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.³⁸

In the Mexican context, the corporatist structure comprises several government-controlled unions, such as the Mexican Federation of Labor (CTM) or the National Peasant Confederation (CNC), or professional organizations like the National Federation of Popular Organizations (CNOP). Using a corporatist conception of the way groups relate to the state, Leopoldo Gómez and John Bailey attribute to the corporatist design at least two important contributions to the PRI's resiliency. First, from the political weight of the corporatist peak organizations, the nationalist state-builders (e.g. President Cárdenas) mustered the tenacity to displace the feuding revolutionary "warlords."³⁹ Second, as Schmitter would predict, the corporatist structure neutralized the mobilizing potential of the masses, or at least the three "corporate" mass sectors, namely the urban workers, peasants or *campesinos*, and public servants.

³⁸Philippe Schmitter, "Still the Century of Corporatism?" in Frederick B. Pike and Thomas Stritch, eds. *The New Corporatism: Social and Political Structures in the Iberian World*. (Notre Dame: University of Notre Dame Press, 1974) pp. 93-94.

To retain the loyalty, or at least the acquiescence of the masses, the different presidents of the statist era in Mexico rationed power more or less evenly among the leaders of the peak corporatist organizations. For instance, in lieu of a primary system, access to elected office was funneled through a selection process whereby the president or his top aides would distribute party nominations across the different corporatist sectors. Since the PRI was more or less assured victory, the nomination was tantamount to the granting of an office. In return, the sectoral leaders not only mobilized their followers in support of the PRI, but they kept their demands under check and actively sought to squelch the emergence of rival parties from within their ranks.⁴⁰ But most scholars agree that the corporatist bargain alone was not responsible for the system's stability: they note that corporatism was made viable by the long period of economic growth known as the 'Mexican Miracle' (1945-1975) because it allowed the government to meet, albeit selectively and strategically, some of the demands from below.

But, how exactly did it work? Many Mexican observers have treated the corporatist edifice as a monolithic and totalizing entity. This is consistent with Gómez and Bailey's characterization of the corporatist era as a "virtuous circle" that was both "cause and effect" of its resiliency.⁴¹ Along similar lines, Ilán Bizberg notes that the Mexican brand of corporatism was characterized by a dearth of autonomy between the political and the administrative system, and between the political system and the state.⁴²

³⁹Leopoldo Gómez and John Bailey. "Transición Política y Dilemas del PRI," in *Foro Internacional*, Vol. XXXI, July-September, 1990, No. 1. p. 61.

⁴⁰Gómez and Bailey, p. 61.

⁴¹Gómez and Bailey, p. 58.

⁴²Ilán Bizberg, "La Crisis del Corporativismo," in *Foro Internacional*, Vol. XXX, April-June, 1990, No. 4, pp. 700-701

All of this overlap, he continues, led to the state's usurpation of the country's entire political space.⁴³ For Bizberg, the totality of the political 'space' consisted of the ability to define the viable political actors, and to set and change the rules of the game according to a systemic proclivity to maintain a healthy equilibrium across the different sectors.⁴⁴

For society and for social mobilization, Bizberg explains, this arrangement meant that any group's attempt to organize independently of the state was considered a threat to the PRI's hegemony and was done away with. In light of such heavy-handed tactics, the system's legitimacy could not have emanated from the rule of law, which is the rational-legal source of legitimacy in Max Weber's model for modern state power.⁴⁵ Instead, like Gómez and Bailey, Bizberg points to the legitimizing potential of the expanding economy where social mobility, or "at least the widespread perception of its universal attainability"⁴⁶ nurtured the aspirations of the masses and kept them invested in the system.

If the system was indeed endowed with such comprehensive social control capabilities, this study's question--whether the PRI-controlled state has the capacity to steward contested policy change--seems almost moot. But, once we consider the political limitations inherent in the neoliberal model, it is clear that the state's social control capabilities are diminished. Thus, it is important to bear in mind that the PRI's political grip depended on the massive disbursement of subsidies and the strict regulation of a vast number of productive activities.

⁴³Bizberg, p. 701.

⁴⁴Bizberg, p. 702.

⁴⁵See, H.H. Gerth and C. Wright Mills, ed. *From Max Weber: Essays in Sociology*. (New York: Oxford University Press, 1946). especially the section entitled "Bureaucracy and Law," pp. 216-221.

Once civil society had begun to seize the opportunity for greater mobilization, especially after the 1988 presidential elections, the PRI was put in a position to seek new legitimacy bases and came to depend increasingly on competitive electoral processes for its support.⁴⁷ Therefore, efforts had to be made to "'offer a better [governing] product' under the exigencies of an increasingly more competitive electoral market."⁴⁸ This is the post-corporatist competitive context that engendered targeted social programs like Solidarity and Procampo. Thus, to understand the impetus behind the technocrats' initiative to reconfigure the party's relationship to its electoral base along less mediated lines, it is useful to keep in mind that the breakdown of the corporatist bargain made such a move an exigent condition to salvage the PRI's incumbency. However, the corporatist framework is less useful as we attempt to gauge whether the social programs used to attract voters can be implemented with accountability and in accordance with the exigencies of the new more competitive electoral market. The regionalized perspective, which takes center-periphery issues very seriously, is more appropriate to assess the implementation process and the central state's capacity to enact change in remote areas.

3.2 A Regionally Fragmented Account of Authority Structures

The most important concern for this framework is the nature of the power dynamic between the system's political center, as managed by the executive branch in Mexico City, and the administrative periphery in the different states of the country. The importance of corporatist organizations in Mexico is not ignored by this approach, but the

⁴⁶Bizberg, p. 705.

⁴⁷Alain de Janvry, Gustavo Gordillo, and Elisabeth Sadoulet. *Mexico's Second Agrarian Reform: Household Community Responses, 1990-1994*. (La Jolla: Center for US-Mexican Studies, University of California, San Diego, 1997, p. 11

functioning of the corporatist structure is understood to vary from region to region. The socio-political confines of geographic spaces are the key characteristics of this approach. The relevant geographic delineations are understood as byproducts of long socio-historical processes that contribute to the regional systems of economic exchange and political contestation.

For instance, in regions where oligarchy has reigned, most non-oligarchic members of society participate in politics according to the arbitrary terms of access set by the local oligarchs set. Thus, as long as oligarchic families control the systems of political and economic exchange, there will be very little space for independent economic pursuits and grassroots political organization. In such a case, federal officials would have a difficult time penetrating the viscous regional layer of oligarchic control to reach the masses directly. Not surprisingly, in remote regions of the country, during most of this century, the Mexican political system has been sustained and filtered by the tacit support of intermediaries at the local and regional levels who administer local institutions under the partisan auspices of the PRI. However, they administer public resources and local institutions according to discretionary practices. Their discretion comes at the expense of administrative coherence on a national scale, but the national officials also gained from it because the administrative discretion they granted to local bosses, or *caciques*, neutralized their recalcitrance *vis-à-vis* the central state. This is the institutional backdrop that has governed public administration in many regions of the country. The problem of this spatially variegated administrative system is that it is very difficult to enact change, especially when the local bosses are opposed to it.

⁴⁸Gómez and Bailey, p. 58.

This framework calls for a historical analysis which is sensitive to regional differences, especially the nature of the center-periphery elite settlements that materialized during the state-building era of the post revolutionary period (1917-1940). The assumption is, as articulated by Eric Van Young, that the strength of today's institutions is a direct function of the perennial tug between regionalist and nationalist tendencies--a struggle that was most prominent during the early years of the post-revolutionary era.⁴⁹ The regionalist strand consists of a strategy by regional elites in oligarchic areas to retain a weak class structure. The nationalist agenda is advanced by reform-minded state managers to deepen the class system and the economic division of labor and to weaken the oligarchic arrangements in regions where these have persisted. From the standpoint of the revolutionary era's state-builders, the stakes involved the competing interests of three sets of actors--the state-builders, the regional or local bosses, and the organized popular bases. For our purposes, these interest groups can be labeled the federal state-builders, the regional bosses or *caciques*, and the peasants.

The following scheme illustrates in dyads their respective interests *vis-à-vis* each other.

Table 1.1 Demands and Concessions of Federal State-Builders and Peasants

Federal State-Builders	Peasants
<u>Demand</u> : mass electoral support	<u>Demand</u> : redistributive policies (e.g. land reform)
<u>Offer</u> : sweeping redistributive legislation	<u>Offer</u> : electoral support under the close supervision of the CNC, the peasant corporatist organization

⁴⁹Eric Van Young, "Introduction: Are Regions Good to Think?" in Eric Van Young, ed. *Mexico's Regions: Comparative History and Development*. (La Jolla: Center for US-Mexican Studies, University of California, San Diego, 1992).

Table 1.2 Demands and Concessions of *Caciques* and Peasants

Regional Bosses/<i>Caciques</i>	Peasants
<u>Demand</u> : social deference and economic servitude	<u>Demand</u> : independent economic base for subsistence or economic mobility
<u>Offer</u> : discretionary, paternalistic attention to subsistence needs	<u>Offer</u> : social deference

Table 1.3 Demands and Concessions of Federal State-Builders and *Caciques*

Federal State-Builders	Regional Bosses/<i>Caciques</i>
<u>Demand</u> : acquiescence to central government's national authority claims	<u>Demand</u> : continued discretionary authority and jurisdiction over regional affairs
<u>Offer</u> : political and material resources to furtively retain their regional socio-economic preeminence, even though the official party rhetoric publicly assails it.	<u>Offer</u> : ostensible acquiescence to rhetorical authority claims by central government in region

From the vantage point of the state-builders the task was to find a way to reconcile the mutually exclusive sets of interests espoused by the peasants and the regional bosses. It is important to note, however, that this concern was compelling only in those regions where oligarchic arrangements had survived the revolution in all their vigor. But, these regions were not few. They are important for our purposes because state builders resolved the impasse by publicly proclaiming radical reforms to please the peasants but devolved administrative discretion to the *caciques*--who had a vested interest in the status quo. The result was that the potential for reform was compromised at the outset.

A less well understood byproduct of the same devolution process is the administrative handicap that the state-builders institutionalized at this early stage of the post-revolutionary era. It essentially surrendered the efficacy of the state's administrative apparatus to the regionalized interests of staunch oligarchic regimes that predated the revolution and continued to reproduce their orbits of influence with public funds and under the regulatory auspices of the political institutions that they occupied. Together with the corporatist tactics outlined in the previous section, this kind of behind-the-scenes compromise is what earned the PRI's characterization as a "form of political organization in order... to demobilize."⁵⁰

Specifically, the core goals of each set of interests were effectively settled in the following bargains. First, the federalist state-builders offered the peasants populist reforms such as land reform and massive subsidies for production inputs. In return, the peasants agreed to receive all these benefits through membership in a single peak peasant organization, the corporatist CNC, which also ensured that the peasant base contributed to favorable electoral results for the PRI. With regards to the most recalcitrant regional bosses in the most oligarchic regions, the state-builders offered them ample discretion over the implementation of the populist policy reforms sponsored by the PRI leadership in Mexico City. Noting that the PRI's policy goals were negotiable enough at the implementation stage, the *caciques* reciprocated by formally espousing the PRI's objective to consolidate power and authority and retain it as long as possible. Table 2.4 below is a visual illustration of the settlements described above.

⁵⁰José Luis Reyna and Richard Weinert, eds. *Authoritarianism in Mexico*. (Philadelphia: Institute for the Study of Human Issues, 1977) p. 161. Cited in Morris, 1991, p. 25.

Table 1.4 The rural quid pro quo in post-revolutionary rural politics

		DEMANDS		
		STATE BUILDERS	CACIQUES	PEASANTS
C O N C E S S I O N S	STATE BUILDERS		Caciques demanded regional autonomy from federal policy prerogatives. Federal state builders conceded admin. discretion.	Peasants demanded redistributive reforms. State builders conceded nominally but entrusted implementation to caciques.
	CACIQUES	State builders demanded acquiescence to federal authority claims. Caciques ostensibly acquiesced.		Peasants demanded independent economic base. Caciques resisted.
	PEASANTS	State builders demanded mass electoral support through corporatist organization, which peasants delivered.	Caciques demanded social deference and economic servitude. Peasants only conceded social deference.	

In essence, the policy implementation process in remote regions was driven underground through excessive regulatory discretion at the hands of local or regional bosses or *caciques*. The *caciques*, in turn, tended to appropriate public resources and institutional authority as leveraging tools to continue to subordinate the local peasant population according to their idiosyncratic prerogatives. For the federalist state-builders of the post-revolutionary era, the challenge was to recast the old regional-oligarchic authority structures along corporatist-populist lines that ensured a reliable electoral base. The result in these regions was that peasants gave their votes to the PRI in hopes of attaining the populist promises of the revolution. But the actual implementation of these reforms was largely contingent upon the regional power landscape and how politically and economically isolated the region was from the rest of the country. In the worst cases, semi-feudal regional arrangements prevailed as the *caciques'* political control over the

public resources allowed them to set the terms of peasant access to the benefits according to their personalistic prerogatives. The leadership in Mexico City normally turned a blind eye to these corrupt and economically inefficient administrative practices so long as the PRI continued to draw electoral support from these regions.

The underlying political dynamic of these arrangements has been explained thoroughly in Robert H. Bates's neo-institutionalist analysis of agricultural policy in Tropical Africa. According to Bates,

economically suboptimal programs... can be politically attractive [because] those in charge of the farm input program achieve the capacity to ration[, and thus] employ the program to build an organization. They can target the program's benefits to the politically faithful and withhold them from political opponents. They can also use the program to disorganize.⁵¹

In the case of Mexico, the PRI did use the largesse of its agricultural policies as a resource to build a political machine. Those in charge of the program could selectively grant access to the resources according to political criteria that ensured electoral continuity for the PRI. However, in the areas where the government could not override the extra-institutional jurisdiction of oligarchic bosses, the central government allowed them to become intermediaries and share in the 'machine-building' benefits of the policy implementation system--so long as they did not neglect the imperative of procuring

⁵¹Robert H. Bates, "The Political Framework for Agricultural Policy Decisions," in Carl K. Eicher and John M. Staatz, eds. *Agricultural Development in the Third World*. (Baltimore: The Johns Hopkins University Press, 1990) p. 158.

favorable electoral returns for the PRI. The losers in those cases were the targeted constituencies, the peasants, who received material benefits at the expense of political autonomy from the ruling party and its local accomplices, the bosses or *caciques*. Whenever the *caciques* prevailed, the federal state builders and all the subsequent federal state managers were also partial losers.

3.2.1. Norms Undergirding the Regionally-Fractured Authority System

In light of the surreptitious nature of the bargain between the *caciques* and the federal state builders, the norms that undergird this pillar of the PRI-state edifice are necessarily informal and highly personalistic. The outcome of a highly personalistic system is often widespread corruption in the public sector, but this dissertation does not propose that corruption is a cultural norm that determines the output of the administrative system. Instead, I draw from Stephen Morris's analysis of the microfoundations of the Mexican bureaucracy and the kinds of institutional incentives that individual bureaucrats face before they decide to 'free-lance' on the job.

According to Morris, the way in which the sum of the bureaucracy's parts come together will determine the collective strength and effectiveness of the organization. The collective mission of the bureaucracy is only realized when the incentives of individual bureaucrats are institutionalized in such a way that it is rational for each bureaucrat to uphold the collective goals. In other words, there has to be a concerted institutional effort to align the pursuit of personal gain and institutional goals. Institutional strength is then defined as the ability to offer, effect and control the opportunities for each bureaucrat's

social mobility.⁵² Margaret Levi's institutional analysis of intra-institutional coherence also concludes that internal compliance within institutions requires active inducements.

Levi explains that

the maintenance of compliance is crucial to the maintenance of institutions[, because] the power of institutional decision-makers rests on their ability to offer benefits in exchange for compliance and on their ability to monitor and coerce the noncompliant. Also crucial is their ability to evoke trust through demonstrating that the social bargain is a good one and through demonstrating that the bargain is being kept.⁵³

This is hardly how institutions were constituted in Mexico. Instead, the organizing logic was that of patron-client networks where individual bureaucrats were usually tied vertically to a powerful patron and a host of clients through *equipos* (teams) and *camarillas* (team-network).⁵⁴ In an elaborate "pyramid of patronage"⁵⁵ where superiors extract loyalty from subordinates in exchange for individualized patronage, political careers revolve around personal loyalties. The clientelistic *modus operandi* was particularly strong in isolated regions of the country.

Morris explains the conditions under which clientelistic practices can yield either integrative or destabilizing possibilities for the political system. As for the integrative tendency of the personalistic system, Morris notes that through its *ad hoc* accommodative

⁵²Morris, p. 15.

⁵³Margaret Levi, "A Logic of Institutional Change," in Karen Schweers Cook and Margaret Levi, eds. *The Limits of Rationality*. (Chicago: The University of Chicago Press, 1990) p. 417.

⁵⁴Morris, p. 29.

potential, clientelism can play an *integrative* role for the Mexican political elite who might otherwise feel alienated by the populist policies that the PRI espoused until 1991. He explains that personalistic norms are only a small step removed from the accommodative requirements of a system of corruption, and as such, "corruption functions to integrate a divided elite, [by] facilitat[ing] the hidden political influence of a nonsanctioned group."⁵⁶ A nonsanctioned powerful group operating in a system of spoils can thrive because personalistic norms and incentives "emphasize the divisible over the shared, the tangible over the intangible and the immediate over the long term."⁵⁷ The immediate and concrete nature of rewards facilitates the spoils trade and, in this personalistic *quid pro quo*, most participants can seek the advancement of their particularistic interests even as they officially endorse the implementation of policy on behalf of societal goals. The personalistic norms that govern the public administration system "helps the elite escape the rough edges of public policies by altering their implementation. Basically, corruption facilitates the co-optation of political support."⁵⁸

There is no better example of accommodative governance in the countryside than the widely known abuse of the land reform legislation's legal injunction, or *amparo*, clause. In Merilee Grindle's terms, the landed elite "get along with the regime by coming to private and individual[--as opposed to public and universal--]terms with office holders"⁵⁹ like judges who, for a fee or a favor, grant exemptions from the land reform

⁵⁵Morris, p. 29.

⁵⁶Morris, p. 17.

⁵⁷Morris, p. 17.

⁵⁸Morris, p. 69.

⁵⁹Merilee Grindle. *Bureaucrats, Politicians and Peasants in Mexico: A Case Study in Public Policy*. (Berkeley: University of California Press, 1977) p. 75.

legislation. By 1979, the abuse had become so widespread and blatant that a cabinet member of the López Portillo administration publicly assailed the practice. He noted that the practice had resulted in more than five thousand agrarian amparos without legal basis."⁶⁰

Thus, personalism and its attendant corruption can promote the *status quo* and stability--which disproportionately benefit the elite--by altering government programs at the implementation stage and rewarding important government clients, or powerful administrators who seek to adjust the implementation process according to their particularistic interests. As the elite assert their preferences on administrators who are susceptible to personalistic influence peddling, this dynamic contributes to elite satisfaction and, therefore, to intra-elite cohesion. Second, since the accommodation of particularistic interests happens behind closed doors, the government can publicly promote populist policies and "evince the appearance of supporting change[, ...while] changing nothing,"⁶¹ because the implementation mandate is left open to the interpretation of the site administrators, or their powerful regional patrons.

On the other hand, Morris warns that the personalistic system can also erode the political system's legitimacy. The widespread inefficiency and waste that accompanies the functioning of an undisciplined bureaucracy can take a heavy toll on the political system's legitimacy.

By promoting organizational ends contrary to those defined by the legitimizing ideology, corruption negates the impact of government

⁶⁰Morris, p. 68.

⁶¹Morris, p. 19.

programs. ...[And, b]y engendering distrust and thwarting the realization of societal goals, the constant abuse of authority has the potential to undermine authority to such an extent that there may no longer be authority, that is legitimate power, to abuse.⁶²

Indeed, in recent polls measuring the public's confidence in social and state institutions, the state institutions were the least esteemed.

Table 1.5 Legitimacy of the Mexican State: Confidence of Citizens in Institutions.

	Percentage of Respondents Giving a Positive Evaluation in 1991
Family	84
Church	62
Schools	60
Television	37
Law	32
Army	32
Newspaper/media	25
Businesses	22
Congress	16
Unions	14
Politics	12
Police	12

Source: Roderic Ai Camp. *Politics in Mexico*. (Oxford: Oxford University Press, 1993) p. 57.

Moreover, by the late 1980s, a survey showed a great deal of cynicism in the citizenry. When asked if they thought that government officials were working for their own interests or for the interests of the majority, nearly two-thirds of the respondents said that the former was the case.⁶³

Despite this dormant disruptive potential, however, "the feature of Mexico that has most intrigued students of comparative politics is the stability of its political system

⁶²Morris, p. 18.

⁶³Roderic Ai Camp. *Politics in Mexico*. (Oxford: Oxford University Press, 1993) p. 60

...--an accomplishment unmatched by any other third world country."⁶⁴ Moreover, the post-revolutionary Mexican political system has, at least since 1930, put to rest any threat to its civilian supremacy. According to Morris, the longevity of the post-revolutionary system--despite its personalistic flaws and the resulting corruption--can be explained by two conditions. First, corruption was kept within reasonable limits; Second, the PRI was able to diffuse the likely distrust because, through the statist policies and a long period of economic growth, the party relied on "copious state-controlled resources as a source of spoils"⁶⁵ that facilitated the co-optation of increasing numbers of political participants.

The first condition, that corruption was contained within tolerable limits, required that the PRI consciously manipulate the normative side of corruption as a "'scarlet letter' tactic to purge government officials who have either lost political favor or excessively abused their privileges."⁶⁶ This strategy gave the government an opportunity to ostensibly take the moral high ground and scapegoat the targeted individuals for the shortcomings of policy initiatives. Even a center-right Mexico City newspaper printed public comments on the ulterior motives of the periodic anti-corruption crusades that tend to accompany the beginning of each new administration: "the accusation of corruption has other ends than to terminate with corruption. It is simply the utilization of a political weapon against someone who is to be politically destroyed."⁶⁷ According to Morris, the PRI's objectives during the periodic purges were to "personalize" the problem in order to

⁶⁴Camp, 1993, p.14.

⁶⁵Morris, p. 80.

⁶⁶Morris, p. 79.

⁶⁷*Excelsior*, March 23, 1978, p. 10. Cited in Morris, p. 80.

camouflage its systemic character, and to rejuvenate faith in the system just as a new administration enters the political scene.

The second condition, or the availability of plentiful public resources, facilitated the accommodation game because "the public's threshold of acceptability of corruption tends to be high during prosperous economic periods. In other words, the excesses of the political elite are more permissible when certain elements of society are also enjoying the fruits of the system."⁶⁸ Howard J. Wiarda also noted that the system "requires a constantly expanding economic pie so that new 'pieces' can be handed out to the rising groups without the old ones being deprived."⁶⁹ The accommodation game in Mexican politics thus contributed to stability and regime continuity only because distribution of spoils did not involve a real *redistribution*. This approach made most sense when the economy was growing at an average of six percent a year between the years 1940 and 1970, but there were other ways to sustain it without a significant economic expansion. For instance, between 1970 and 1982 the rate of economic growth slowed slightly, but the state's reach into the economic realm (through regulation or social policy) actually expanded quite considerably. Thus, through a growing public debt and undisciplined macroeconomic policy, the resources available for the accommodation game did not shrink because the state retained a statist development orientation. After the onset of the debt crisis in 1982, the PRI leadership desisted its statist tactics, but it was not until the Salinas administration (1988-1994) that the state's role in the economy was significantly

⁶⁸Morris, p. 81.

⁶⁹Howard J. Wiarda, "Mexico: The Unraveling of a Corporatist Regime?" in *Journal of Interamerican Studies and World Affairs*, 30 N°4, 1988-89, p. 3.

curtailed. With scarce or dwindling state resources available to the PRI cadre to co-opt key actors, greater elite competition and divisiveness followed.

The neoliberal reforms finally unleashed the previously dormant turbulent potential within the system and the heterogeneous "official" party. Indeed, even President Salinas himself made public pronouncements acknowledging the possible outlet of the disruptive potential:

Economic restructurings inevitably affect the interests and privileges of groups and individuals. Social changes imply community mobilizations that dismantle rigidity, political bosses, and influence peddling. Political changes eliminate power realms, open space for criticisms, and modify the terms and the expectations of institutional struggles for power.⁷⁰

So there is a near consensus that with the advent of the neoliberal reforms, the dwindling state resources available to the PRI have triggered intra-elite unrest and loosened the party's grip on the elite and the masses. The new economic policies effectively starved the clientelistic networks of the caciques.

3.3. Implications of a Regionally Fractured System for Stewarding Contested Change

Two long term implications of this highly mediated governing arrangement are (a) a growing sense of alienation between the peasant masses and the federal authorities, and (b) the inability to enact change independently from the powerful local interests that beset the regional institutions. The old system was held together by a personalized

⁷⁰Carlos Salinas de Gortari, cited in Martin C. Needler. *Mexican Politics: The Containment of Conflict*, Third Edition. (Westport, CT: Praeger, 1995) p. 23.

system that rewarded the caciques' vote drawing ability and their party service. But this service, which was never based on accountability, does not mesh well with the new administrative imperatives of the neoliberal era. The new imperatives call for administrative accountability where the caciques were accustomed to discretion. This is the source of the intra-institutional struggle that hinders the faithful implementation of policies like Procampo. The problem is that the technocratic wing of the PRI which effectively set a new economic policy agenda for the country, could not rely on an accountable bureaucracy to deliver strategically targeted public goods and services in order to steer the incentives of key constituencies. The administrative apparatus was significantly steeped in the personalistic politics of the old system. This did not bode well for the state's capacity to implement the contested change.

To understand the regionally varied outcome of the contemporary center-periphery struggles, I use the region's relative isolation as a point of departure. The PRI technocrats encountered the most resistance to its reforms in those areas where the state's administrative apparatus had been historically weak because it was co-opted by oligarchic, regional bosses. The bosses resisted the reforms because the new social policy delivery mechanisms were for the first time designed to circumvent caciques and forge a *direct* relationship between the targeted constituencies and the reformers in Mexico City, in particular the President.

This approach contrasted with the discretion-laden policies of the statist era where the local authorities in recalcitrant regions had grown accustomed to setting the political terms of constituents' access to the social entitlements while policy makers in Mexico City turned a blind eye to it. Through this extra-institutional process, they were able to

convert public resources into personal weapons to perpetuate and consolidate their traditional power base. Indeed, the local caciques had come to understand their primary political function to be the dispensation of patronage which would benefit primarily themselves. The larger PRI organization would also benefit because these individuals would guarantee (through fraud if necessary) favorable electoral returns for the PRI. This pattern created a situation of institutional capture in the regions in question.

To explore questions of the varying levels of administrative capacity, I draw on the work of other neo-institutionalists who have studied issues related to (1) the political benefits of rent-seeking: (2) the implications of abrupt changes to clientelistic arrangements: (3) the inertia inherent in institutional path-dependence and its implications for institutional change: (4) and the inducements required for intra-institutional output coherence. The first of these issues is relevant to the Mexican case because the extent to which the old clientelistic networks in isolated regions benefited the caciques is likely to determine the intensity of their resistance to change. As noted above, Robert H. Bates posited that economically suboptimal policies often serve political purposes that allow politicians to forge elite alliances that are critical for governing. Bates noted that "noncompetitive rents or inefficient projects, for example, may be politically attractive in that they offer tools for building loyal organizations."⁷¹ This explanation will be substantiated with ample empirical evidence in chapter two, which details the extent to which the PRI permitted inefficiency and waste in order to keep its heterogeneous and all-encompassing political foundation intact.

The second issue involves the political ramifications of any concerted move to change the opportunities for caciques to seek rents. The most obvious response is that the changes would not be welcome. A less discussed response is the impact of that discontent on the internal coherence of the local institutions and the political system at large. Kiren Aziz Chaudhry has studied a similar dynamic in Yemen and Saudi Arabia as these countries experienced the momentous change that the oil boom and bust triggered politically. She notes that in the leaner years,

political relationships forged in the boom years broke down, generating intense conflicts over the future shape of domestic institutions. Scarcity bred a new politics centered explicitly on who would design the institutions that governed the national market. Conflict reentered the [political scene], engaging groups constituted during the boom.⁷²

The two remaining issues, dealing with the inertia of institutional path dependence and the required inducements for accountable institutional performance, are closely related. Their connection stems in the degree of institutional adaptability that is required for accountable administration. To the extent that accountability was trumped by clientelistic practices in the past, the new institutional imperatives will require a formidable institutional change. And, institutional change is only possible when path dependence is not an overwhelming obstacle. The stability of institutions, or their path

⁷¹Robert H. Bates, "The Political Framework of Agricultural Policy Decisions," in Carl K Eicher and John M. Staatz, eds. *Agricultural Development in the Third World*, Second Edition. (Baltimore: The Johns Hopkins University Press, 1990) p. 159.

⁷²Kiren Aziz Chaudhry. *The Price of Wealth*. p. 7.

dependence has been likened to the inertia properties of matter which dictate that, all things being equal, an object in motion tends to stay in motion and one which at rest tends to stay so. According to Claus Offe, institutional path dependence emerges because "institutions generate vested interests in their own preservation, sometimes to the extent that the endogenous rise of effective preferences for an alternative arrangement becomes virtually inconceivable."⁷³ This internal bias for continuity explains why different sets of institutions which may have been exposed to the same stimulus produced very different responses and results. Susan H. Whiting, for instance, has studied the remarkably varied transformative process of rural industrial development in three Chinese locales, Wuxi, Shanghai, and Wenzhou. She notes that the cross-regional variation may appear puzzling at first because they are all responding to the same catalyst for change. She explains that the resulting differences in regional industrial ownership forms can be attributed not to the source of change but to the unique conditions that characterized each area's resource endowments and institutional differences constituted during the Maoist era. These differences "combined to create path dependence in the trajectories" of the change for each region.⁷⁴

This dynamic--where path dependence determines the unique characteristics of different responses to the same catalyst for change--is what I employ to explain the regionally varied institutional performance in the wake of the neoliberal reforms in Mexico. I propose that the region's isolation will determine the degree of "path"

⁷³Claus Offe, "Designing Institutions in East European Transitions," in Robert Goodin, ed. *The Theory of Institutional Design*. (Cambridge: Cambridge University Press, 1996) p. 208.

⁷⁴Susan H. Whiting. *Power and Wealth in Rural China: The Political Economy of Institutional Change*. (Cambridge: Cambridge University Press, forthcoming). p. 2.

resilience to change. Isolation can be considered a stability-enforcing mechanism because it confers leveraging advantages to local actors with sufficient bargaining strength to block the implementation of change according to external prerogatives. In the case of Procampo, if a cacique in an isolated region finds the policy repugnant to his particularistic interests, he is likely to mount a formidable resistance to the change. He may not prevail in the long term, but his resistance in the short term is likely to result in significant intra-institutional struggles that can cause costly electoral losses to the PRI. Thus, the inducements⁷⁵ for intra-institutional coherence need to take into account the pre-existing power alignments that characterize each region and its institutions.

4. Conclusion

This chapter outlined the outer parameters of this dissertation's inquiry. The primary concern is to gauge the Mexican state's institutional capacity to steward contested change. To understand this, it is important to understand the sources of resistance to the change. Most studies have identified specific sectoral groups, such as corn growers, whose interests may have been damaged by the economic reforms. A

⁷⁵Institutional analyses of compliance inducements, or "institutional capacity," have been studied by Margaret Levi (as suggested above), by Peter Evans and by Barbara Geddes. Evans takes a Weberian approach to institutional integrity and suggests that the myopic interests of individual bureaucrats is likely to be aligned with the collective goals of the bureaucracy when their incentives are structured by the prospect of a respectable social status, desirable pecuniary rewards, and meritocratic recruitment and promotion. See, Peter Evans. *Embedded Autonomy: States and Industrial Transformation*. (Princeton: Princeton University Press, 1995). Barbara Geddes explores the political and regime conditions most conducive to civil service reforms. She concludes that the margin for change is often smothered by a conundrum she calls the "politician's dilemma," which consists of crosscutting incentives that new presidents face as they enter office. A president concerned with his or her long term success needs to get his or her economic policy programs passed by the legislature and faithfully implemented by the bureaucracy. This requires two conditions that may be untenable simultaneously. First, the president needs a reliable and accountable bureaucracy staffed by competent personnel. Second, the president needs to court the support of his or her would-be rivals through patronage concessions which often involve non-meritocratic appointments to the administrative corps. Thus, it seems that the president cannot enact civil service reforms without alienating critical political allies. See, Barbara Geddes. *Politician's Dilemma*:

source of resistance which has been neglected by the literature on Mexico is the intra-institutional source of disharmony which may have been unleashed by the reforms. I study both of these possibilities and propose that in those regions where intra-institutional sticking points arise, the technocratic leadership of the PRI is unlikely to succeed in making amends with groups like the corn growers because this nexus cannot be forged without enlisting the support of local administrators.

The stakes are very high for the PRI technocrats. To a large extent the source of their political problems lies in the nature of the economic reforms themselves. Since neoliberal reforms unleash market forces and injure the interests of previously protected sectors, the sponsors incite formidable political opponents and enlist no countervailing support (because the benefits of the reforms are diffuse). Thus, their economic reforms tend to rest on a much narrower political base than during the statist era. The challenge for the incumbent sponsors of the reforms is to win-back some of the disenchanting groups to at least neutralize their oppositional vengeance. To do so, they need to court them with narrowly targeted social benefits (e.g. like Procampo benefits for corn growers). Moreover, the incumbents need to effectively deliver such selective compensation to the constituencies that will be called upon to form a critical mass of reliable electoral support despite having incurred some reform-related injury to their economic interests. In turn, these political maneuvers are mediated by the relative administrative capacity of public institutions. If the performance of these institutions

Building State Capacity in Latin America. (Berkeley: University of California Press, 1994).

falls short of expectations during the crucial economic adjustment period, then the incumbent sponsors may be among the first political casualties of economic change.

CHAPTER TWO THE PUBLIC ADMINISTRATION OF ECONOMIC RESTRUCTURING IN MEXICO

1. Introduction

This chapter introduces empirically the political repercussions of state retrenchment and economic liberalization in agricultural policy, particularly in the corn sector. It also explains the guiding rationale of the research design and the case selection. In the wake of the reforms, the corn sector's relationship to the economic reforms and to the most visible sponsors was one of hostility, because the liberalization of input subsidies and of the the post-NAFTA price of corn required formidable adjustments of corn growers intent on remaining competitive. At the same time, the PRI could not afford to ignore the discontent of this sector, because, up to the onset of the reforms, corn growers and rural dwellers in general constituted one of the most reliable sources of electoral support for the PRI.¹ Thus, the difficult adjustments of the PRI-sponsored neoliberal reforms were likely to alienate a historically valuable voting block.

From the PRI's vantage point, the challenge of staving off a major electoral defection from this sector was only compounded by the more competitive electoral climate in which the economic reforms unfolded. In particular, the center-left opposition Party of the Democratic Revolution (PRD) had made decisive overtures to court the disenchanted rural voters. The PRI, in response, countered these attempts with side payments, or specifically targeted social policies (e.g. Solidarity and Procampo) aimed to retain as much of the rural vote as possible despite the farmers' generalized discontent with the neoliberal economic policy climate. This strategy, however, did not work as expected.

¹There are numerous studies indicating that had it not been for the rural vote, Carlos Salinas would have lost the 1988 presidential election decisively. See for instance, Julia Preston, "Ruling Party, Fading in Cities, Relies on Rural Mexico," in *The New York Times*, July 6, 1997. Juan Molinar Horcasitas and Jeffrey Weldon, "Elecciones de 1988 en México: Crisis del Autoritarismo," *Revista Mexicana de Sociología*, Vol. 52, N° 4, p. 251; Arturo López, ed. *Reporte: Geografía de las elecciones presidenciales de México, 1988*. (Mexico City: Fundación Arturo Rosenblueth, 1988).

In this chapter, I focus on the issue of institutional capacity to explain the shortcomings of the PRI's strategy to shore up its agricultural electoral support in the wake of the neoliberal reforms. My argument is that Procampo and Solidarity, the social policies that targeted farmers and rural dwellers, should have worked as a hedge against drastic electoral loss for the PRI *except* in those geographically isolated regions where historically the administrative record of local institutions had been erratic or worse. Public institutions in remote rural regions of Mexico have tended to function according to the particularistic demands of local power brokers, or oligarchic cliques. Thus, the explicit policy prerogatives of the decision-makers in Mexico City were filtered through and often trumped by the localized and opaque interests of the elite in remote regions. The result of this historically entrenched pattern of local discretion in certain regions of the country was the misadministration of public goods, as the targeted constituencies (e.g. farmers who received their benefits or only a fraction thereof) according to the particularistic imperatives that prevailed in remote regions of the country.

Despite the potential for mass discontent with the regime, as described above, the PRI-controlled political system prevailed for over six decades for two reasons. First, national leaders nurtured their relationship with their rural and urban mass bases through populist policy measures. Second, they also took care not to alienate the regional elite who might disagree with the revolutionary rhetoric that fueled the populist policies. But, these two sets of interests are mutually incompatible: how is it that both were courted by the same regime? The answer is that they were reconciled during the implementation phase of a policy cycle. As repugnant as policies like land reform might have appeared to large estate owners, or *latifundistas*, in the aftermath of the revolution, the state-builders of the era enlisted their support because it entrusted the local elite with the administration of these ambitious policies. This meant, for instance, that powerful individuals could exempt

themselves from the reform, or profit personally from the regulation through extortionary practices or worse.²

Therefore, as long as the administration of public policy was granted to the regional elite with great discretionary powers, the PRI tacitly enlisted their support. Moreover, during the statist era of Mexican development policy (1934-1982), the ever increasing public budgets always seemed to stay one step ahead of the increasing demands for government outlays. It was thus relatively easy to accommodate the diverse interests of the organized sectors of the corporatist machine (e.g. farmers, workers, and urban service sector/bureaucrats), as well as the demands from tacit key supporters of the regime, such as the regional bosses who benefited from the discretionary *carte blanche* that the statist policies afforded them. For them, the statist era represented an abundance of opportunities to consolidate their personal authority behind the mantra of the revolutionary rhetoric that they nominally adhered to.

In contrast, the neoliberal era of leaner governments and de-regulation represents a threat to their political way of life. As the reformists in the government sought to forge more direct ties with particular constituencies, the role of the regional intermediaries was conspicuously written out of the administrative script. Absent a massive personnel purge in the regional institutions, the discontent of the regional intermediaries could become a sticking point in the transition process, since their resistance may impinge on the faithful implementation of the targeted policies of adjustment. For the PRI reformers the resistance of local bosses, or *caciques*, presents a formidable challenge because there has never been a more urgent need to introduce accountability in the delivery of public goods to farmers, a constituency that is crucial to the political viability of the economic reforms.

²For instance, many landowners who were entrusted with the task of redistributing part of their estates and that of other landowners in their region profited handsomely because they assigned considerably higher than market value to the properties distributed and thus prescribed large compensations for themselves of their allies. Other landowners only distributed the land that was least desirable. And in other cases, they circumvented the mandate to distribute their land by legally dividing their estates as the property of their children or associates, while, functionally, the estates remained intact.

In many respects, then, this chapter is about the institutional prerequisites for enacting contested policy change, especially when the reforms in question tend not to generate majority support, of focused pockets of sectoral supporters. In other words, since the neoliberal economic reforms are an unlikely platform to engage in populist tactics to lure votes from organized mass interests, they are more difficult to carry out politically. This is so in the best of circumstances, when the administrative apparatus of the state works with accountability. This dissertation exposes the problems that are likely to emerge when the state's institutional capacity to mobilize society in a concerted fashion is not there. In the process, the analysis will illustrate some of the institutional prerequisites of *laissez-faire* economics. Specifically, it will become clear that the quality of the local institutions, and the degree to which authority is consolidated in the public institutions rather than dispersed throughout different pockets of powerful social agents, will determine the effectiveness of state initiatives that involve contested change.

2. The Political Stakes for the PRI

The implications of reduced farm input subsidies and the phasing out of price supports for the corn sector could theoretically have resulted in two diametrically opposed outcomes for the PRI's electoral base. On the one hand, the PRI stood to benefit: since the reforms entailed a downward adjustment in corn prices as the considerably lower international price was allowed to displace the distorted domestic price, and since corn is the primary staple of the Mexican diet, then lower prices could have translated into widespread support for the party associated with the reforms. On the other hand, the PRI was more likely to lose because diffused benefits such as lower consumer prices seldom galvanize reliable political support, whereas concentrated costs, in this case the lower commodity prices affecting corn farmers, almost always elicit a forceful response against the reforms and reformers in question. In other words, the reforms could have triggered resistance by corn producers who would be inclined to register their electoral preferences by voting against the PRI: at the same time, the diffused benefits of the reforms were less

likely to result in countervailing political support for the PRI. Moreover, since the pre-reform voting record of farmers and rural dwellers makes them the most loyal constituency base for the PRI, it is safe to say that the neoliberal reforms with regard to agricultural policy are politically costly to the PRI because they advance interests that are inimical to a key constituency of the reformers.

This kind of concern is precisely what led the Salinas administration (1988-1994) to devise new agricultural policies to help stave off political turbulence as the PRI championed the politically costly economic reforms. In particular the policy package known as Procampo was designed largely to prevent a precipitous decline in the electoral support of corn growers by cushioning farmers' adjustment costs with direct income transfers. This chapter assesses Procampo's potential impact on corn grower's electoral choices.

In many respects, then, this dissertation constitutes a very traditional study because it highlights one of the most fundamental political exchanges between incumbents and supporters, namely the exchange of political support for benefits. As Peter Evans describes this relationship,

[t]o survive, incumbents require political supporters, and these in turn must be provided with incentives sufficient to prevent their shifting support to other potential officeholders. Incumbents may either distribute resources directly to supporters--through subsidies, loans jobs, contracts, or the provision of services--or use their rule-making authority to create rents for favored groups by restricting the ability of market forces to operate.³

This is the kind of pork-barrel exchange relation with which much of the existing literature on Mexico's reforms is concerned. To some extent, then, my project can also be grouped under the neo-institutionalist rubric.

³Peter Evans. *Embedded Autonomy: States and Social Transformation*. (Princeton: Princeton University Press, 1995) p. 23

But, I differ from the mainstream studies on Mexican adjustment politics because I challenge their tacit assumption that the state is inherently capable of executing the policy objectives set by its policy planners. Instead, I treat the state's capacity as a variable contingent upon the quality of the regional institutions entrusted with the administration of the program. In Mexico, there is significant variation in the regional state structures and administrative capacity: some function with considerable accountability to the agenda setters in Mexico City, while others are characterized by oligarchic capture. In the latter case, the excessive regulatory discretion at the hands of local elites results in arbitrary administrative practices as the local leaders utilize their position to regulate the public's access to the local institutions and the resources that they manage. In the process, these bosses have amassed considerable personal power that parallels rather than reinforces the state's (and the "official" party's) claims to legitimate authority. This regionally-contingent distribution of state capacity and its implication for the state's ability to steward the reforms is the primary concern of my study. The next section surveys the different models used to understand the strength and cohesiveness of the Mexican state.

3. Case Justification and Research Design

As Chapter one suggested, when studying the question of targeted policies and their impact on specific constituencies' realignment of electoral choices, the existing literature has tended to focus on the strategic rationale behind the allocation of funds.⁴ That is, the scholars in question have assessed the effectiveness of the PRI's overtures to key constituencies by examining questions such as the appropriateness of the amounts allocated and the timing of the policy announcements for generating electoral support. I will focus instead on the policy's on-site administration and the quality of the local institutions

⁴See for instance every chapter in Wayne A. Cornelius, Ann L. Craig, and Jonathan Fox, eds. *Transforming State-Society Relations in Mexico: The National Solidarity Strategy*. (La Jolla: Center for US-Mexican Studies at the University of California, San Diego, 1994); Kimberly Niles. "Compensatory Measures and Economic Adjustment: Why Governments Protect Unorganized Groups," paper presented at the 1995 meeting of the Latin American Studies Association, Washington, D.C. September 28-30, 1995; and Kathleen Bruhn, "The Seven-Month Itch?" 1997.

entrusted with its delivery. For this purpose, the most important characteristic of the Mexican bureaucracy is its uneven performance record from region to region. In Chapter three I propose a standardized explanation for the varying capacity of the local institutions. For this chapter, it is sufficient to note that the cross-regional unevenness is not unrelated to the PRI's long-standing practice of garnering elite support on a region-by-region basis, using public resources and institutions, in the most recalcitrant regions, as a reservoir of spoils to stave off regionalized elite resistance to national policy initiatives. This empirical approach is useful to explore analytically the nature of the administrative nexus that has developed across time between the regime's center and the different regions of the country.

The strong regional currents that had traditionally resisted supra-regional attempts to organize public authority should help us understand the regional rarification of administrative authority that accompanied the grandiose nationalist policy projects of the early post-revolutionary era. What is less noticeable from this historically entrenched pattern, is the cumulative effect that the attenuation of authority would have on the state's administrative apparatus, especially in those regions where the state and the rule of law manifested only a nominal presence due to the powerful intermediation of local bosses and oligarchic authority structures. I found that these oligarchic regions were empirically coterminous with rural, geographically remote, commercially isolated, and socially dislocated agricultural areas. The demographic characteristics that tend to accompany those regions are a considerably higher level of illiteracy, extreme poverty, and the disproportionate presence of indigenous people who often cannot speak Spanish.

Thus, my study of the state's role as the steward of the economic reforms requires a design that highlights the implementation of state policies in those geographic areas of potential administrative weakness, namely the more rural and geographically remote states. In light of the rural geographic focus, my study necessarily focuses on the changes in the policy issue area that is most relevant for these regions, namely agricultural policy and in particular corn policy. Although all the states featured in my study are important corn

growers, they have different levels of geographic isolation. Not too long ago, some of them resembled nearly autarchic, semi-feudal entities, while others have long been very well integrated into the national economy and have enjoyed a well differentiated division of labor.

I chose to study the changes in policy toward corn growers for five reasons. First, corn is grown throughout the country and it provides the cross-regional exposure that my research design requires. Second, by virtue of the large number of subsistence farmers that participate in corn production, the corn sector is disproportionately associated with one of the populations most vulnerable to *caciques*. Third, the corn sector is perhaps the most vulnerable sector in the neoliberal reform package because the U.S. and Canadian prices are significantly cheaper than the average Mexican price. The implication is that corn producers are driven out of their market niche by the reforms, and, consequently, were very good candidates to abandon the PRI in punishment for their reform-related economic adjustment costs. Fourth, and related to the third point, the PRI simply could not afford to lose this constituency, as it had traditionally provided one of the most reliable electoral returns in favor of the PRI. Finally, because of its electoral importance, this is one of the sectors where the PRI strategists--most notably President Salinas--devoted a great deal of creative energy to reconfigure the *nature* of the relationship between the PRI and its constituency bases. The most important policy tool in this strategy was the implementation of the program Procampo which was intended to cushion the adjustment costs to vulnerable farmers, especially corn producers, through a more direct administrative nexus than any other agricultural program in the past.

Thus, my dissertation focuses on the PRI reformers' attempts to bypass the *caciques* to redefine the party's relationship with corn growers--one of the most important PRI constituencies--through more accountable (and less accommodative) administrative mechanisms. Specifically, the Salinas administration sought to substitute *direct* income transfers to farmers (e.g., the program Procampo) for the heavily mediated public services

provided by those agencies that historically influenced almost all economic activities in rural Mexico. This contrasts with the pre-reform relationship between the same sector and the PRI because the old regime attempted to accommodate a wide array of particularistic interests (including those of the local and regional elite, and opportunistic peasant leaders working under the auspices of the regional bosses). This study evaluates the technocrats' challenges as they seek to implement policy in remote regions where the local elite are not accustomed to being held accountable to policy sponsors in Mexico City.

Since the independent variable is institutional capacity, which I link to regional isolation, is a relative value, I focus broadly on the institutional circumstances present in the eleven most important corn growing states: Chiapas, Jalisco, México, Puebla, Veracruz, Oaxaca, Michoacán, Guerrero, Guanajuato, Sinaloa, and Tamaulipas. To operationalize the socio-historical variation across the country, I created an index of geographic isolation or exposure that called a *cacique index*, because it can function as a proxy to capture information that is nearly impossible to obtain, namely the degree to which *caciques* can assert their particularistic prerogatives and defy federal authority with relative impunity. Geographic isolation serves as a proxy variable to detect rampant *caciquismo*, a phenomenon that by its very nature is hidden, because the more isolated a region is, the less likely it is that the federal authorities can effectively supervise local officials and enforce institutional counterweights against local abuses of public authority.

With the index of isolation, or cacique index, I should be able to capture the regional multiformity of the Mexican administrative system and classify the different administrative spaces according to the degree of accountability with which a bureaucracy functions. This methodological step is important because it permits an assessment of institutional capacity without any tautological reference to the dependent variable, electoral volatility in the wake of the reforms. Moreover, geographic isolation and the occurrence of *caciquismo* should be closely related with the independent variable, namely the regionally varied ability to realize policy objectives through different administrative media. Once the

index is introduced and developed in Chapter three, it will be possible to discuss the regionally varied political impact of the agricultural policy changes. For instance, Chapter five is devoted exclusively to these processes in the state of Chiapas, the state which has the highest score on the cacique index. In the remainder of this chapter, I take a more general approach to present the contrasts in the agricultural policy environment before and after the reforms. The discussion begins with a specific look at the challenges inherent in the reforms for corn producers.

4. The Corn Sector and Economic Liberalization

The corn sector is and has been highly heterogeneous in terms of the producer's relationship to the market. The sector's membership includes every kind of productive arrangement from that of large commercial farmers using modern irrigation systems and other production technology, to the tenuous processes of subsistence farmers cultivating arid land with no irrigation system and no access to other technological advantage like improved seeds. In such a diverse group, the impact of economic liberalization will vary significantly. Nonetheless, with the advent of the neoliberal reforms, members of every sub-sector were subjected to costly production adjustments as their relationship to the state changed. To understand the differences between these policy environments it is useful to note that the generation of farmers that is now approaching retirement age used to rely on state transfers for up to 80% of their fixed income.⁵ The new generation is instead being told to prepare for international competition almost overnight and with considerably less state tutelage and financial support.

Table 2.1 illustrates the recent downward turn in subsidies and for corn growers in general. It also illustrates the pronounced role of Mexico's public sector in comparison with its trading partners in North America and the European Community (EC). This shows

⁵The 80% level of dependence held true from 1940 to 1969. In 1970, the Echeverría administration (1970-1976) considerably *increased* spending, but I do not have access to exact figures illustrating the increase in peasant dependency on government outlays. See, Secretaría de la Reforma Agraria. *La Transformación Agraria: Origen, Evolución y Retos*. (Mexico City: Secretaría de la Reforma Agraria, 1997) p. 65.

that, prior to the neoliberal reforms, only the notoriously large public subsidies of the EC surpassed Mexico's. In the post-reform policy environment, the Mexican government aims to emulate the relatively thrifty disposition of its North American neighbors.

Table 2.1 Comparative subsidies for corn: dollars per ton of corn produced

	1987	1988	1989	1990	1991
Mexico	124.0	114.2	45.2	99.1	92.0
USA	54.3	45.1	27.1	24.1	27.5
Canada	23.4	17.3	130.6	14.6	21.4
EC	157.7	91.6	82.6	126.5	162.2

Source: Luis Téllez Kuenzler. *La Modernización del Sector Agropecuario y Forestal*. (Mexico City: Fondo de Cultural Económica, 1994) p. 111.

Of all the changes facing the corn sector in the neoliberal era, the most widely discussed one was NAFTA's downward impact on corn prices in light of growing access to cheaper US and Canadian corn. Since in a liberalized environment price is largely determined by productivity, the productivity difference within NAFTA should be a good indicator of how large the price "correction" will be in the least efficient country, Mexico, once the market regime phases out the distorted price environment. The following table illustrates the combined grain⁶ yield per hectare for each of the NAFTA members from 1995-1998.

Table 2.2 Average grain yield (in tons) per hectare in NAFTA countries

	1995/1996	1996/1997	1997/1998
USA	6.24	6.97	6.95
Mexico	2.43	2.55	2.43
Canada	3.46	3.51	3.33

Source: *Boletín Semanal de Información Agropecuaria*, Nº 273, Vol. VI, December 1, 1997. Centro de Estadística Agropecuaria-SAGAR, p. 4.⁷

Figure 2.1 below confirms that the productivity gaps did translate into large commercial disadvantages for Mexican producers selling in their home market. Starting in 1994, the year that NAFTA went into effect there has been a marked and growing increase of corn imports into Mexico. Since nothing has changed that dramatically in the demand

⁶This includes corn, barley, sorghum, oats, rye, millet, and hard grains.

⁷These figures were in turn derived from figures of the United States Department of Agriculture. Note that the figures entered for 1997/1998 were projections rather than actual figures.

for corn (at least since 1990),⁸ this implies a significant drop in market share for Mexican corn growers (in favor of US corn producers).

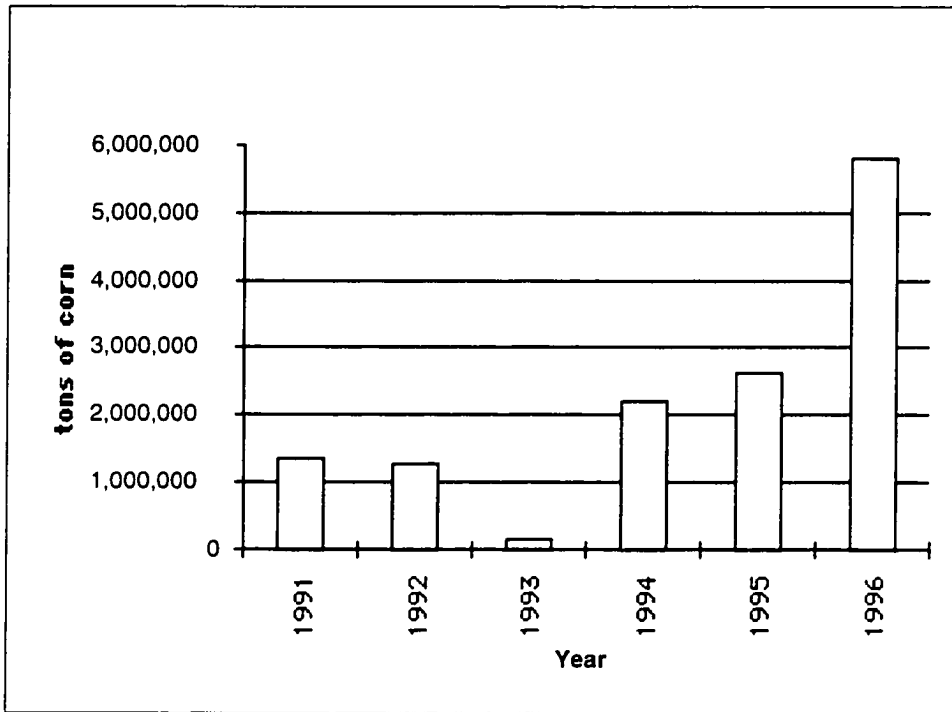


Figure 2.1 Tons of Imported Corn, 1991-1996.

Source: Sistema de Información México, SECOFI.⁹

Since full exposure to international competition under NAFTA will only materialize when quotas and tariffs are completely eliminated in 2008, Mexican corn growers are left with the binary choice of retooling their productivity base and competing with US and Canadian growers, or dropping out of this market completely. The PROCAMPO income transfers only buy temporary reprieve from having to make this choice. The following chart is the official 15 year NAFTA liberalization schedule.

⁸Demand went up considerably this year because there was a regulatory change in the laws affecting the content of animal feed. Prior to this, there was a decree that prohibited the use of corn to feed animals. Interview with José María Hernández Alarcón, the subdirector of special studies on basic products in SECOFI's General Dirección of Basic Products and Sectoral Links. Mexico City, November 1997.

⁹It was made available to me by Lic. José María Hernández Alarcón, the SECOFI subdirector of special studies on basic products. General Dirección of Basic Products and Sectoral Links, SECOFI. Mexico City, November 1997.

Table 2.3
NAFTA Liberalization Schedule for Corn

	Duty-free quota (in tons)	Tariff Base in 1994=215%
Year	Quota	Tariff for Imports Outside Quota
1994	2,500,000	206.4%
1995	2,575,000	197.8%
1996	2,652,300	189.2%
1997	2,731,800	180.6%
1998	2,813,800	172.2%
1999	2,898,200	163.4%
2000	2,985,100	145.2%
2001	3,074,700	127.1%
2002	3,166,900	108.9%
2003	3,261,900	90.8%
2004	3,359,800	72.6%
2005	3,460,000	54.5%
2006	3,564,400	36.3%
2007	3,671,300	18.2%
2008	no quota	0.0%

Source: SECOFI

But, as the introduction to this section suggested, the corn sector is a varied one and this entails different levels of vulnerability to the increasing competition from the North. Figure 2.2 below illustrates which states are most closely associated with corn production (based on the number of hectares devoted to corn production).

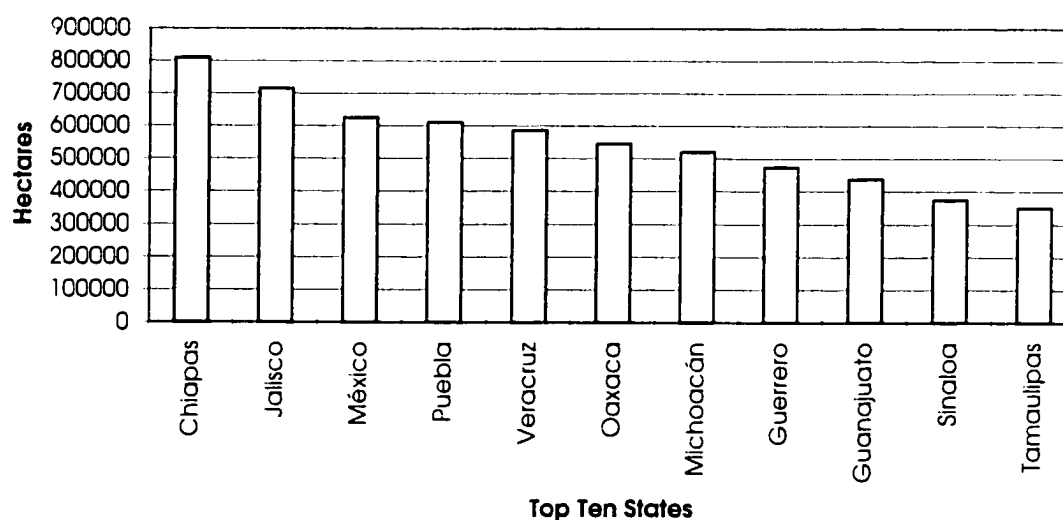


Figure 2.2 Surface Devoted to Corn Production.

Source: Centro de Estadística Agropecuaria-SAGAR.

For instance, the state of Chiapas ranks first with regards to the total land surface cultivated with corn, but Chiapas is in the eighteenth place with regard to its productivity levels, with a meager production average of 1.9 tons/hectare. In strictly economic terms, then, it makes little sense that so much land is being cultivated with inadequate technological access and yielding production levels that put it in the eighteenth place nationwide. This inefficient productive environment points to a significant market distortion (undoubtedly sustained by the government's populist policies). And, as is the fate of all distortions when confronted with an unfettered competitive market, they do not survive very long.

While it is true that states like Chiapas are significantly vulnerable to the pro-market changes in corn prices ushered in by NAFTA, it is important to bear in mind that not all subsectors of corn growers were adversely affected by trade liberalization because not every corn producer is involved in the capitalist exchange of the corn economy. For instance, many producers grow corn for home consumption. In those cases, NAFTA is not the source of vulnerability, but as Table 2.9 below suggests, there are other sources that impact various subsectors of corn production.

Table 2.4 Source of vulnerability by corn sub-sector

corn sub-sector	% of corn sector	vulnerability source
sellers/buyers of corn	40.8%	NAFTA
buyers of corn	27.9%	none
self-sufficient producers (home consumption) (animal feed)	31.2% 22.8% 8.4%	changes in the broader scheme of government support (insurance, credit, marketing, access to subsidized production inputs, & storage)

Source: Alain de Janvry, Elisabeth Sadoulet, Benjamin Davis, and Gustavo Gordillo de Anda. "Ejido Sector Reforms: From Land Reform to Rural Development," in Laura Randall, ed. *Reforming Mexico's Agrarian Reform*. (Armonk, N.Y.: M.E. Sharpe, 1996) p. 81

This table suggests that the lower corn prices introduced by NAFTA adversely affect only 40.8% of the corn growers. Nonetheless, NAFTA's impact is important for two reasons. First, it accounts for the largest share of the vulnerability source in the corn sector. Second, the *perception* throughout the country, especially in the corn growing

regions, until the mid 1990s was that NAFTA would have a devastating impact on the corn producers. Many peasant leaders who opposed the reforms used this perceived threat as the galvanizing force behind their organization. Moreover, many scholarly accounts in Mexico and in the United States have substantiated this perception.¹⁰ It is also worth noting that while NAFTA does not impact every corn grower, all the non-NAFTA reforms are correctly perceived as part of the same neoliberal reorientation of agricultural policy.

To better understand each subsector's ability to make the necessary adjustments, I turn to a 1997 study that the Undersecretary of Agriculture for Rural Development commissioned.¹¹ I gleaned several important points from the report. The first is that productivity levels vary widely from region to region and from subsector to subsector: from 0.5 tons per hectare in the most arid rainfed *ejidos* in Chiapas, to 6 tons per hectare for farmers that use advanced agro-technological packets such as irrigation systems, improved seeds, and fertilizers.

Table 2.5 Corn production and technology available, 1996-1997

Technology used:	Production average: tons/hectares	Net income per hectare (based on pre-NAFTA corn price)
Rainfed land, unimproved seed, fertilizer	2.08 tons/hectare	\$831
Rainfed land, improved seed, fertilizer	2.88 tons/hectare	\$2,082
Humid land, improved seed, fertilizer	4.93 tons/hectare	\$3,561
Rudimentary irrigation, improved seed, fertilizer	4.93 tons/hectare	\$3,740
Advanced irrigation system, improved seed, fertilizer	6.00 tons/hectare	\$4,938

Source: Subsecretaría de Desarrollo Rural. "Niveles Tecnológicos, Minifundio y Pobreza Rural en México: ¿Qué futuro para los campesinos minifundistas?" Internal document of the Subsecretaría de Desarrollo Rural. (Mexico City, August, 1997).

¹⁰See, for instance: José Luis Calva. *Probables Efectos de un Tratado de Libre Comercio en el Campo Mexicano*. (Mexico City: Distribuciones Fontamara, 1991); Sherman Robinson, Mary Burfisher, Raul Hinojosa-Ojeda, and Karen Thierfelder. "Agricultural Policies and Migration in a United States-Mexico Free Trade Area: A Computable General Equilibrium Analysis." Berkeley: Department of Agricultural and Resource Economics, University of California. Both of these works and the critique above are cited in De Janvry, et. al. "Ejido Sector Reforms," 1996.

¹¹Once the pessimistic conclusions of the analysis were in, the complete study never went any further than the Undersecretary. A copy of the study was made available to me in Mexico City by the official who authored it. All translations of this text by present author.

Table 2.10 above indicates that there is a very strong relationship between the technology available to corn producers and their output levels. The chart also suggests that the production yield affects the producers' income levels, which only underscores the importance of technology available to producers. This has important policy implications for the livelihood of corn farmers that do not move out of this sector. If the state is interested in helping farmers attain a subsistence income level--which according to official calculations is attained when an individual earns double the rural minimum wage--two policy avenues come to mind: (a) expand access to technology that can maximize productivity in a limited land surface, or (b) grant more land so that producers can compensate for their backward technology and attain the same income levels. According to the internal study consulted, access to productive technology allows the producer to reach a subsistence income by cultivating a mere four hectares of land. In contrast, producers who only have access to traditional production methods would need to cultivate 25.1 hectares of corn, or 627.5% more land, in order to achieve the same subsistence level income that the more technologically endowed procured with only four hectares.¹²

It is worth noting that the statistics cited above have all been based on the pre-liberalization, or domestic, price of corn. There is a dramatic change if one were to use the international price of corn (which NAFTA is gradually phasing in during its first fifteen years starting in 1994). This contrast makes the point very clear: The same farmer that would require 25.1 hectares to reach a subsistence income level in the pre-NAFTA price environment, would need 40.56 hectares in the post-NAFTA environment. Figure 2.4 shows this.

¹²Subsecretaría de Desarrollo Rural. "Niveles Tecnológicos, Minifundio y Pobreza Rural en México: ¿Qué futuro para los campesinos minifundistas?" internal document of the Subsecretaría de Desarrollo Rural. (Mexico City, August, 1997).

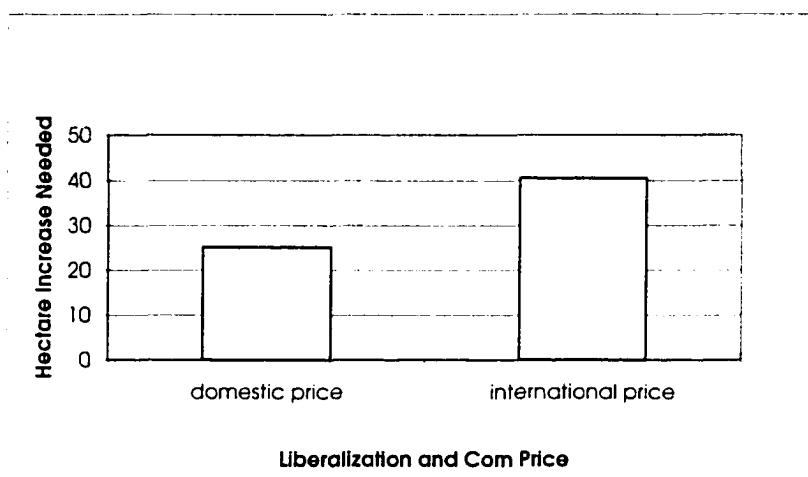


Figure 2.3 Reaching subsistence incomes: producers who lack technology

Source: Subsecretaría de Desarrollo Rural. "Niveles Tecnológicos, Minifundio y Pobreza Rural en México: ¿Qué futuro para los campesinos minifundistas?" internal document of SAGAR's Subsecretaría de Desarrollo Rural. (Mexico City, August, 1997).

The study also identified a subcategory of producers that could *never* achieve a minimal subsistence wage regardless of how much technology was made available to them; there is *no* feasible way for producers that only work with two hectares, or a *minifundio*, to generate enough income¹³ from their land to reach the subsistence level. This suggests that such producers have to seek alternative sources of employment to supplement their incomes.¹⁴ This fact would not be so compelling if the category of *minifundistas* was a marginal group, but, in fact they constitute 62% of all corn growers.¹⁵

It is also important to note that this study did not take into account the problems faced by producers who work with arid, rainfed land, where the propensity for droughts is very high and productivity rate can reach a low of 0.5 tons per hectare. Yet, this

¹³In 1997, the year that this study was completed, the subsistence level for rural areas was the equivalent of two minimal wages, 16,000 pesos a year.

¹⁴Some of the most common activities are: raising cattle in one's backyard, seasonal migration, family production of home products for sale, wage labor in nearby farms, minor commercial activities, exploitation of forests, or manufacture and sale of handicrafts.

¹⁵*Minifundistas* also make up 53% of wheat growers--illustrating that the problem of minifundios is not confined to the corn sector.

unfortunate group constitutes 51% of all corn producers in Mexico. In other words, the pessimistic conclusions that the official report arrived at were based on the productive data of the most successful half of all Mexican producers. Although the study included technologically deprived farmers who relied on rain for irrigation, it excluded producers whose land is so unproductive and the climate so inclement that their yields (as low as 0.5 tons per hectare) are considerably below that of the most disadvantaged producers in the top half who yield an average of 2.08 tons per hectare.

For the top 49% of the production base,¹⁶ the Agriculture Undersecretary's study offers three policy recommendations to help *minifundistas* attain the subsistence income level. The first one, and the one deemed most plausible and productive, was mentioned above: facilitate greater access to technological packages. The second one is to make more land available to producers with less access to technology. Another would be to raise or subsidize the price of corn. For producers employing the most traditional production methods, the price hike necessary to reach a subsistence income would have to reach 264%, whereas for those with access to the most advanced technology, the price or subsidy hike required is only 38%. Both the second and the third options are unrealistic remedies, because they carry costly political and economic costs. Land reform would inevitably provoke resistance from landowners. And, the subsidy/price hike approach brings significant, though quite different economic costs: access to higher subsidies would undermine the neoliberal requisite of leaner public budgets, and, perhaps most importantly, a price increase in corn would trigger inflation, since corn consumption is the primary staple in the Mexican diet. With these alternatives, the provision of credit or subsidized access to technology seems like the most viable policy alternative to address the problems of *minifundistas* in the new neoliberal policy environment.¹⁷

¹⁶With the exception of *minifundistas* who only have two hectares to work with.

¹⁷Another option would be to promote the growth of industry in rural areas, as the Chinese leadership has done since 1980, but this option has not been pursued at all in Mexico.

This section exposed the magnitude of the challenge facing the corn sector in the wake of the neoliberal reforms. To understand the government's ability to help farmers cope with this challenge (and thus stave off an electoral exodus), it is imperative to understand the administrative environments through which agricultural policies are delivered.

5. The Old Agricultural Policy Environment

Many observers have noted that the close relationship between the Mexican government and the PRI was reinforced by the government's large role in the economy¹⁸ during most of the twentieth century. The comprehensive reach of the state's intervention in economic affairs afforded the PRI many opportunities to indulge its political supporters and discourage opposition. This was particularly true with the agricultural sector. Historically, the PRI used its near monopoly control over state institutions and public resources to sustain the highly personalistic spoils system and prevent intra-elite conflict, and through corporatist organizations it effectively contained resistance from the functionally organized masses. This section describes in some detail how the strong corporatist system mixed with the highly diluted, personalistic administration system, and the implications of this mix for farmers.

5.1 Building Blocks of the Old System

This section discusses the budgetary and legal foundations of the old agricultural policy environment.

5.1.1 Budgetary Largesse

In the name of very ambitious social commitments that followed the revolutionary rhetoric, the Mexican state intervened in every aspect of the production cycle of peasants. Prior to the neoliberal reforms, the state intervened in the productive activities of farmers through 103 different public agencies and an aggregate budget equivalent to 30% of the

¹⁸See for instance, Soledad Loaeza. "Contexts of Mexican Policy." in Laura Randall, ed. *Changing Structures of Mexico: Political, Social and Economic Prospects*. (Armonk, N.Y.: M.E. Sharpe, Inc., 1996).

total gross domestic product of the agricultural sector. As such, the state functioned as intermediary and advocate in matters involving access to research and development, land, credit, seeds, fertilizers, agrotechnology, and other agricultural inputs. Moreover, the state was the exclusive agent with jurisdiction over important services like the marketing of agricultural output produced in "socially" held land.¹⁹ In short, the state was involved as an intermediary in the process of accessing every input required by the agricultural production cycle: the *flow* of public resources and the *use* of those resources were all closely regulated by the state. Administration after administration in the post-revolutionary period relied on the populist revolutionary goals of creating a more equitable society for peasants to justify the elephantine task that they assigned to the state in agricultural policies. At the same time, this extensive role provided state leaders with unprecedented social control opportunities. For example, either the Agriculture Secretariat or the Agrarian Reform Secretariat were involved in *every* production decision, at every stage of the agricultural process.

5.1.2 Legal Basis of Old Agrosystem

Agriculture is the only major sector that uses the land surface as an essential input into its production function.²⁰ Thus, when a state launches an ambitious land reform project and retains exclusive jurisdiction over the regulation of land property rights, then the state has made itself a primary player in the agricultural sector. This is precisely what happened in Mexico in the wake of the revolution. The first step was the legal decree, enshrined in Article 27 of the 1917 constitution, that land in Mexico is originally the property of the state, and that henceforth only the state can grant private access to it. This became the legal foundation of the state-peasant relationship. The most common

¹⁹"Socially" held land is made up of ejidos and the land that indigenous communities use and live on. In both cases, those entrusted with the land enjoy the right to cultivate their plots, to live on it, and to pass on their rights to one heir. Until 1991, however, they were constitutionally enjoined from engaging in commercial transactions such as selling, renting, or using the land as collateral.

²⁰ C. Peter Timmer, "The Agricultural Transformation," in Carl K. Eicher and John M. Staatz, eds. *Agricultural Development in the Third World*. (Baltimore: The Johns Hopkins University Press, 1990) p. 61.

arrangement for peasant land tenure after the revolution was the distribution of land to peasants through the *ejido* system,²¹ a communally held and administered right to reap the usufruct of the land, and to bequeath such a right to an heir. This land reform initiative was given such a high priority, especially during the Cárdenas (1934-1940) administration, that the current landscape of land ownership is unrecognizable when compared to the 1910 distribution. The land reform comprised more than half of the national territory and resulted in an impressive process of tenure de-concentration.

Ambitious as the land redistribution initiative was, the transfer of rights stopped with usufruct. *Ejido* rights, as defined by the post-revolutionary legal structure, did not include the right to sell, rent, or claim the land as collateral for private commercial ventures. Since 1991, the Salinas administration introduced an amendment to this law, known as the reform to Article 27 of the Constitution, allowing the option for *ejidatarios* who previously held land in usufruct to own it as full-fledged individual proprietors. The political and economic impact of this change will be discussed later. For now, it is important to establish that the *ejido* was the centerpiece of the peasant-state relationship between 1917 and 1991.

The significance of the *ejido* for the peasant-state relationship is that it was utilized to channel and mediate the flow of all the resources from the state to the peasant base. The proscription to sell, rent or use the *ejido* land as collateral also served as the official catalyst and justification for the state's role in the provision of other services and subsidies. For instance, if an *ejidatario* could not use the land as collateral to acquire credit at a commercial bank, then he or she would require a public source of credit. Hence, financial institutions, such as BANRURAL, that provided highly subsidized credit to *ejidatarios* came into existence. Once the state was in the business of issuing credit, the other functions were a natural extension to the state's role because it was in the state's best interest to minimize

²¹In 1991, just before the reform of Article 27, there were around 30,000 ejidos with a total surface of 103.3 million hectares, or more than half of the area of the country.

risk on its loans by requiring and issuing state-owned insurance, by facilitating access to technical consultants, to fertilizers, improved seed, and finally, providing help in marketing, and selling the products. Each agency in the list of parastatals below had a corresponding function and subsidy to support the productive cycle.

Table 2.6 Parastatals and their functions in the pre-reform policy environment.

Parastatal Agency	Function
CONASUPO	to subsidize marketing and storage
FERTIMEX	to subsidize fertilizer
PRONASE	to subsidize seeds
BANRURAL	to subsidize credit
ANAGSA	to subsidize insurance

De Janvry, Sadoulet, Davis, and Gordillo de Anda summarized the pre-reform role of the *ejido* as "a complex institution incorporating a repressed peasant economy through a set of constraints and obligations on the organization of production."²² The constraints on the decision-making mechanisms were the most noteworthy: for instance, no *ejido*-wide or individual-based decision could be made unless it was discussed and approved by the executive committee of the *ejido*, or *comisariado ejidal*, and a "quorum" for such a decision to be valid always required the physical presence and written approval of a designated official from the Secretariat of Agrarian Reform (SRA). Thus, the individual *ejidatario* had almost no freedom from the *comisariado ejidal*, and this committee, in turn, could not act without the approval of a state official. In addition, *ejido* rights were subject to a very detailed list of constraints and responsibilities of land ownership such as the proscription to hire wage laborers, to rent, sell or to use the land for collateral in return for credit.

Since all state services and subsidies (insurance, credit, fertilizers, technical expertise, seeds, price support programs, marketing services, and crop storage) were channeled through the *comisariado ejidal*, there was ample room for free-lancing intermediarism. In the worst cases, the relationship between the state and the individual

²²Alain de Janvry, Elisabeth Sadoulet, Benjamin Davis, and Gustavo Gordillo de Anda, "Ejido Sector Reforms: From Land Reform to Rural Development," in Laura Randall, ed. *Reforming Mexico's Agrarian Reform*. (Armonk, NY: M.E. Sharpe, 1996) p. 71.

farmer was saddled with a chain of particularistic interests that, after fifty years, had become so entrenched that the *ad hoc* accommodation of all those interests had become an intrinsic part of the policy delivery system. It is worth noting that all the points of contact between *ejidatarios* and officials were often mediated by the discretion of the official in question. This is where the personalistic side of the Mexican political system manifested itself. The implication for policy implementation is that the programs would be applied unevenly throughout the different regions in the country. Moreover, as Morris has pointed out, "[t]hrough certainly not all personalistic politics are corrupt, the pattern brims with the potential for corrupt transactions."²³ De Janvry et. al would agree as they noted that the hyper-regulated nature of state support in the Mexican countryside led to the emergence of countervailing responses and "black" or secondary markets.

For instance, the proscription to sell or rent land created a very active illegal market, especially in irrigated areas. An actual sale would go through a feigned process of elimination and new assignment²⁴ with the tacit approbation of all the state officials in charge of enforcing the land tenure regulations in that particular *ejido*. The demand for these 'secondary' transactions was substantial enough that the prospects for profit were sufficiently compelling that the "secondary market generated its own political and economic agents."²⁵ It became a well choreographed informal organization of complicity that involved actors from the general *ejido* population, the *comisariado ejidal*, the representative of the Secretariat of the Agrarian Reform assigned to that *ejido*, the different representatives of all the state agencies serving this sector, and the private individuals who were interested in participating in the illicit transaction. At every step of the chain of administration, there was a concrete payoff.

²³Morris, p. 30.

²⁴The legal terms in Spanish are respectively: "Depuración" and "Nuevas Adjudicaciones".

²⁵Alain de Janvry, Gustavo Gordillo, and Elisabeth Sadoulet. *Mexico's Second Agrarian Reform: Household and Community Responses*. (La Jolla: Center for US-Mexican Studies at the University of California, San Diego, 1997) p. 6.

And, "since all black markets break the law, it was necessary for these agents to legalize law breaking."²⁶

The state agents who served as intermediaries in the *ejidos* quickly understood a golden rule that has sustained political elites throughout Mexico's history: if wealth is not inherited, it is acquired through good fortune, and the best good fortune for social mobility is landing a government or political position. Many of the political and economic agents in the secondary markets were commissioners and government agents taking advantage of their good fortune.²⁷

Anecdotal evidence of the prevalence of this disposition abounds. For instance, I interviewed a mid-level official of the Secretariat of Agrarian Reform (SRA) who charged that all of his colleagues who were sent on a policy implementation mission to Chiapas, one of the states where the secondary markets thrive the most, came back the proud owners of a plot of land or even a ranch.²⁸

The example below illustrates the dynamics of a common pattern involving the SRA official designated to supervise all the transactions in any given *ejido*.

The *ejido* assembly, which had to be held monthly in the presence of a government official, was frequently conducted without the official's presence, although the latter nevertheless established his presence *ex post facto* to obtain favors and perquisites. Sometimes assemblies that had never taken place were invented, with the consent of the government representative. In this way, credit, insurance, roads, and schools could be obtained. The method also served to expel *ejido* members, incorporate new *ejidatarios*, and dismiss *ejido* executive commissioners.²⁹

²⁶De Janvry, Gordillo and Sadoulet. *Mexico's Second Agrarian Reform*, p. 7.

²⁷De Janvry, Gordillo, and Sadoulet. *Mexico's Second Agrarian Reform*, p. 7.

²⁸Interview with official at the Division of Indigenous Property of the Secretariat of Agrarian Reform in Mexico City, November, 1997.

²⁹De Janvry, Gordillo, and Sadoulet. *Mexico's Second Agrarian Reform* p. 7.

To be sure, the scenario depicted above covers the most extreme cases of extra-institutionalism where the institutions of the state became multi-purpose reservoirs of resources for any enterprising agent willing to craft or broker an alternative to the highly regulated policy climate of the state. In those extreme cases, usually in the most isolated areas of the country where accountability is hard to impose, the *ejidatarios* who were the officially "targeted" beneficiaries of a given policy would only see a fraction of what was earmarked for them in Mexico City. Yet, this was a sustainable system as long as the state's inflated role in the economy was accompanied by ever-expanding public budgets that could, in turn, accommodate as many opportunistic agents as possible.

All the same, these scenarios of administrative profligacy suggest that the post-revolutionary administrative system in Mexico did not resemble the strong, coherent and highly institutionalized and centralized system that the corporatist model proposes. There are, however, some very important characteristics of the Mexican administrative system that support a corporatist interpretation. For instance, until the mid 1980s all recipients of state support in the countryside were required to belong to the "official" peasant organization, the National Confederation of *Campeños*, or peasants, (CNC) which was one of the three corporatist "branches" of the PRI. CNC membership and all the myriad opportunities of social control that the *ejido* provided the state became the foundation of the elaborate state-peasant relationship.

In return for the *ejidatarios'* right to cultivate and live on a plot of land, the state reserved and exercised the right to regulate access to every productive factor of the agricultural enterprise. This was the fulcrum of the corporatist bargain exercised so skillfully by the PRI in the countryside. The explanation that I propose, which is based on a regionally-fractured conception of authority structures, would not deny that this is an instance of corporatism, or that the PRI benefited from it. Rather, my argument would be that the corporatist arrangement, albeit mediated by a single peak organization, took on different political functions across the different regions of the country. Thus, the more

remote and geographically isolated the region, the more dissonance we can expect to find between the policy design and the policy implementation.

6. The New Agricultural Policy Environment

By the late 1980s and early 1990s, the old statist agricultural policy system was untenable for many reasons. First, its paternalistic ideology was thoroughly inconsistent with the neoliberal reforms which were animated by market-oriented models where the competition of free agents is assumed to yield a superior standard of living for everyone. Second, the costs of sustaining the old system of supports was too high for the austere national budgets of the post-debt crisis era. Finally, there was abundant evidence that the largesse of the old system amounted to great inefficiencies. As Philip Martin noted,

[a]griculture is not a Mexican success story. ...Between 1966 and 1979, farm output rose by only 2.2 percent per year, less than the population growth rate, and Mexico switched from being a net food exporter to a net food importer. The Mexican government isolated agriculture from both the domestic and international economies, and by maintaining an overvalued exchange rate, discouraged ...exports of Mexican farm commodities.³⁰

Through the reforms, especially the amendment of Article 27's proscription to transact *ejido* land--a constitutional passage which had constituted the legal foundation and catalyst for the old system--President Salinas opened the door to a great deal of political and economic change. Economically, the state was freed from the responsibility to continue to provide subsidized credit, insurance, and all the other services that it had historically provided. Now the peasants were free to pursue all those things on their own merit, through market access, but with the risks that accompany any market venture. Politically, the state (or more accurately the PRI) lost its ability to control the political behavior of the peasant population. By the same logic of largesse that sustained the old agrosystem, a

³⁰Philip L. Martin. *Trade and Migration: NAFTA and Agriculture*. (Washington, D.C.: Institute for International Economics, 1993) p. 97.

smaller state with a shrinking resource base for the distribution of spoils could complicate the task of partisan cohesion-building for PRI strategists. Thus, the PRI would now have to "earn" its votes in the countryside. For both sides of the corporatist bargain, this was a whole new game. Among the few constants was the entrenched system of personalistic administration in some regions of the country. And as was mentioned earlier, the administrative problems had the potential to result in formidable handicaps as the PRI attempted to reconfigure its outreach strategies to key constituencies.

6.1 Changing Agricultural Institutions and Budgets

The easiest way to trace the sequence of market-oriented changes is to start with the changes in the financial sector. The fall of the first domino happened in 1988 when the financial system underwent a radical transformation which led to the re-privatization of commercial banks in 1992. The banking sector had been under state control since 1982. This affected the relative lending weight of commercial versus development banks: it involved a reduction in the total lending share of development banks down to around 20% in 1994, from 50% in 1988.³¹ With the decline in public sector credit, alongside the trade liberalization changes affecting most sectors of the economy, it became impossible to justify in economic terms all the restrictions that *ejidatarios* had been operating under. The most pressing concern was to help farmers retool in preparation for a more competitive market environment. This adjustment, however, was to take place in a new financial environment of reduced access to subsidized credit and insurance. Access to commercial credit sources became imperative, and this could not happen without amending the injunctions against *ejido* land transactions of Article 27. Thus, in order to find substitute sources of credit, the *ejidatarios* had to be able to use their land as collateral, and this required an overhaul of the legal framework for land ownership and, specifically, an amendment of the injunction against market transactions with *ejido* land.

³¹OECD. *Review of Agricultural Policies in Mexico*. (Paris: OECD, 1997) p. 82.

By so freeing the production choices of peasants in the *ejido* sector, the state was also free to divest itself from the provision of other agricultural inputs, such as improved seeds, fertilizer, technical support, marketing and storage services, and, ultimately, price supports. Prior to the reforms, the provision of all these subsidies was based on the rationale that as long as the public sector was the only source of credit for *ejidatarios*, access to the other productive inputs would be impaired. But once the burden of credit-related regulations--which had traditionally come bundled with the public sector credit-- had been lifted, the state was absolved from its economic obligation to provide subsidized access to such an extensive array of agricultural inputs.

There were two other considerations in favor of paring back the state's role in the agricultural sector. First, the Mexican economy needed to be overhauled according to leaner fiscal objectives. This was perhaps the number one priority of the Salinas administration. Second, there was overwhelming evidence of rampant corruption in the functioning of all the state agencies (i.e. CONASUPO, ANAGSA, BANRURAL, FERTIMEX, PRONASE) in charge of distributing the different services and resources to the *ejido* sector.³² The record of the insurance agency, ANAGSA, was among the most outrageous examples of waste and corruption. To understand the role of ANAGSA in the old system, it is important to note that BANRURAL credit was not accessible without insurance. Thus, ANAGSA agents enjoyed a monopolistic advantage *vis-à-vis* their *ejidatario* clientele. They exploited this advantage through what came to be widely known as the "disaster industry." As David Myhre explains this phenomenon,

ANAGSA inspectors, often in collusion with their counterparts from BANRURAL, would pressure BANRURAL's clients--mainly *ejidatarios*--into falsely declaring partial or total crop losses year after year. ...The insurance inspector would handle each *ejidatario*'s loss declaration and

³²See for instance, De Janvry, Gordillo, and Sadoulet, *Mexico's Second Agrarian Reform*, 1997.

request for indemnification. Upon its receipt, ANAGSA would directly pay off the ejidatario's bank loan, and the inspector would collect from him a significant fee for services rendered (of course, this fee often had to be shared with other officials). The *ejidatario* was partially or wholly liberated from his debt to BANRURAL, and thus was able to retain more of the income generated by sale of his crop or from the implicit wages he paid to himself and his family with the money he had borrowed. BANRURAL benefited because loans were paid off. Over time, many *ejidatarios* began to depend on this scheme as a source of income, and this led them to collude actively with the corrupt officials.³³

The problem reached incomprehensible proportions between 1987 and 1989, when indemnity claims represented 75% of the area insured!³⁴ This suggests two possible pathologies: either the agency was offering its services indiscriminately, or, as indicated above, there was a widespread pattern of feigned "disasters." As it turns out, both problems were at work. The latter was a function of rampant rent-seeking, and the former was a result of a government decree guaranteeing access to subsidized insurance to all the *ejidatarios* who qualified for BANRURAL credit, regardless of their risk potential.

So there was no dearth of reasons in favor of reforming the existing system of supports for peasants. But what did they replace it with? The short answer given by many observers, especially in Mexico, is that they replaced the old system with an "institutional vacuum."³⁵ This is not entirely true, however. There are many new mechanisms and resources available to the *ejidatarios*. To be sure, the sum total of resources available to peasants has decreased, but the more significant change, from the vantage point of this

³³David Myhre, "The Achilles' Heel of the Reforms: The Rural Finance System," in Wayne A. Cornelius and David Myhre, eds. *The Transformation of Rural Mexico: Reforming the Ejido Sector*. (La Jolla: Center for US-Mexican Studies at the University of California, San Diego, 1998) p. 53.

³⁴OECD, 1997, p. 90.

³⁵This is the answer that I heard from 80% of the peasant leaders that I interviewed in Mexico City, Guerrero, Chiapas, and Morelos, October, 1997- March, 1998.

dissertation is that the *nature* of the state-peasant relationship underwent a dramatic transformation.

In the old system, delivery of all the resources was mediated by an elaborate system of patronage that included individual's membership in a series of cliques and umbrella organizations and ultimately restricted their electoral and political options in favor of the PRI. In the new system, the PRI no longer relies on the old compulsory mechanisms of membership in the state-sponsored peasant organization, the National Confederation of Peasants (CNC), nor on the loyal vote of all its "clients." By targeting the social programs more directly, and by revamping the policy delivery mechanisms, "Salinas hoped to avoid the economic distortions of unrestrained populism and win support through greater efficiency of service."³⁶ The new system is based on a more direct nexus between an individual citizen and his or her state agency. As Jonathan Fox has characterized it, the new agricultural programs are based on a new conception of citizenship.³⁷ The intellectual roots of the new administrative design is undoubtedly President Salinas's own Ph.D. dissertation research in the 1970s which led him to the conclusion that peasant support to the regime did not correspond to different levels of government spending mainly because of the flawed, highly-mediated policy delivery system.³⁸

I will examine this change in connection with the new access channels for capital and land. The development banks that have traditionally provided subsidized credit to *ejidatarios* are the following: the Trust Fund for Agriculture (FIRA) established in 1954; the National Rural Credit Bank (BANRURAL) formally created in 1975, but its predecessors date back to 1926; the Mexican Bank for Foreign Trade (BANCOMEXT) created in 1934; the National Sugar Finance Company (FINA) established in 1943; and the

³⁶Kathleen Bruhn, "Social Spending and Political Support: The "Lessons" of the National Solidarity Program in Mexico," in *Comparative Politics*, January, 1996, p. 157.

³⁷Jonathan Fox, "The Difficult Transition from Clientelism to Citizenship: Lessons from Mexico," in *World Politics*, Vol. 46, January 1994, Nº 2.

³⁸Carlos Salinas de Gortari. *Producción y Participación Política en el Campo*. (Mexico City: Fondo de Cultural Económica, 1987).

National Development Bank (NAFIN) since 1934. Figure 2.5 shows how these banks' respective lending shares lined up in 1980.

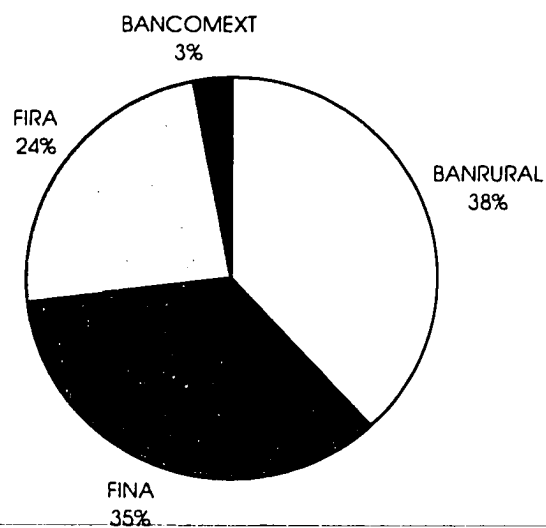


Figure 2.4 Rural credit share 1980

Source: OECD, *Review of Agricultural Policies in Mexico*. (Paris: OECD, 1997) p. 82.

In 1993, the aggregate shares were very different.

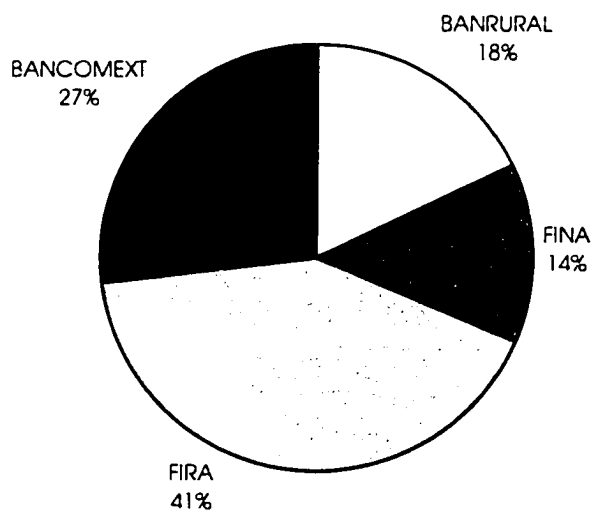


Figure 2.5 Rural credit share 1993

Source: OECD, *Review of Agricultural Policies in Mexico*. (Paris: OECD, 1997) p. 82.

For corn, the sector with which this dissertation is most concerned, the most important financial institution has been BANRURAL. Thus, the pronounced decline in this institution's resources and lending share had a disproportionate impact on corn growers. Consequently, the corn area financed by this institution dropped from 3.2 million to just 367,000 hectares, and, according to Myhre, much of the corn that BANRURAL did finance was produced by larger, more commercially oriented farmers.³⁹ In sum, the declining funds of BANRURAL had a disproportionate impact on poorer corn growers, most likely subsistence farmers. Moreover, in regions where BANRURAL and ANAGSA (the corrupt insurance agency mentioned above) had played a major role in the economy, the disappearance of the latter combined with the reduced credit access of the former greatly curtailed the supply of productive capital.

The formal justification for this radical re-orientation of development policy was to promote technological innovation and production experimentation in order to boost productivity. Yet, the withdrawal of insurance and credit appears to fly in the face of this stated objective. Risk-taking and risk management require capital and insurance respectively. Without either, the countryside is likely to languish and Mexican corn growers will be unprepared to meet the new market conditions required by NAFTA's 15 year liberalization schedule. Not surprisingly, this is the source of much cynicism and discontent among peasant leaders today. Indeed, no other issue has led to more protest among farmers than the withdrawal of credit access.

Nonetheless, there is another part to this story. The Salinas administration did replace the old credit regime with new mechanisms. There is money available, albeit through new channels. The new pyramid of access⁴⁰ works according to the following

³⁹Myhre, p. 52. Myhre infers this trend from the pronounced jump in *irrigated* maize area financed during the fall-winter seasons from 1991-1996. There are two seasons for corn cultivation, spring-summer and fall-winter. The latter requires irrigation. Therefore, it is safe to conclude that the increased access of BANRURAL credit went to farmers with irrigation systems and better resource endowments.

⁴⁰This description is based on David Myhre's account. See Myhre, "The Achilles' Heel," p. 42.

four-tier scheme. At the top were commercial farmers deemed to be low risk and commercially viable. Thus, the new commercial banks could underwrite them after judicious scrutiny. According to Myhre, the number of farmers in this category could range between 75,000 and 150,000. The second category involves commercial farmers and some *ejidatarios* deemed to have the same productive potential, but producing from a smaller base than those at the top of the pyramid. Their numbers range around half a million. Their new credit source is directly backed by FIRA, a public institution, but funneled through commercial banks. The public subsidy, however, stays with the commercial banks as they borrowed the money from FIRA at below market price and then charged their customers the market rate. Moreover, FIRA committed to guarantee 80% of the principal of each individual loan against default.

The third tier contains *ejidatarios* deemed to be less productive, or only potentially productive. Hence, the commercial banks would be less inclined to take risks on them. For them, BANRURAL would offer loans at slightly discounted rates. Their numbers also ranged around half a million. Finally, at the bottom of the pyramid are the subsistence farmers (approximately 1.1 million) who are considered entirely too risky for commercial bank eligibility. They were eligible to receive access to a new lending system, "Crédito a la Palabra" (or, "loan on your word"), underwritten by Salinas's signature social program, Solidarity (also known as Pronasol).⁴¹ Subject to some constraints explained in the next section, subsistence farmers would also be good candidates for Procampo benefits, a direct cash transfer (not credit) to farmers based on their crop and surface eligibility. It is worth noting that while Procampo is not exclusively aimed for subsistence farmers, the lion's share of its recipients fall in this category.

⁴¹Solidarity or Pronasol was administered by SEDESOL, the Secretariat of Social Services, a cabinet agency created by the Salinas administration specifically to soften the economic adjustment shocks for indigent constituencies.

The general trend sweeping across every echelon of this pyramid is greater access to credit for a larger share of *ejidatarios*, but considerably smaller amount of credit for those who did receive it. Before the reforms in 1990, only 26% of *ejidatarios* received credit; in 1994, 30.5% received credit. This expansion in reach can be attributed to the wide availability of Solidarity's *Crédito a la Palabra*; indeed, in *frequency* this was the most common source of credit (63.1% of all transactions), but the average *value* of each Solidarity loan was so low that collectively the program's credit value only amounted to 15.5% of the total credit available to *ejidatarios*.⁴² Thus, if we were to combine frequency and average value of loans, BANRURAL remained the primary source of credit for *ejidatarios*.⁴³ And, as indicated in Figures 2.4 and 2.5 above, BANRURAL's share of the credit available dropped from 38 percent to 17 percent. At the end of the day, then, access to credit is very skewed in favor of large producers.

In light of this marked credit retrenchment, the most prominent post-reform capital source for small producers (most of which are corn growers) is the Program of Direct Payments to the Countryside, or *Procampo*, discussed below.

6. 2 Procampo

This program went into effect in the 1993-1994 autumn/winter season to accompany the NAFTA-related liberalization of corn and basic grain prices. It entailed a shift from commodity price support to farm income support (approximately US\$ 64 per eligible hectare) for farmers engaged in corn and basic grain production--although the lion's share (79.3%) of the money allocated has gone to corn producers.⁴⁴ It reaches 3 million producers, 2.2 million of which used to be on the fringes of the pre-reform system of subsidies and government support. With the advent of NAFTA and the public sector's withdrawal of production support, the agricultural sector's policy makers expected that the

⁴²Alain de Janvry, Gustavo Gordillo, and Elisabeth Sadoulet. *Mexico's Second Agrarian Reform*. pp. 101-103.

⁴³De Janvry, Gordillo, and Sadoulet. *Mexico's Second Agrarian Reform*. p. 103.

⁴⁴ASERCA. *Claridades Agropecuarias*. Nº 48, August, 1997. p. 4. All translations of this text by present author.

guaranteed prices for corn and beans would be progressively aligned (downwardly) with international prices, and producers would need a shock absorber through direct payments based on the area farmed.

Since the objective was to cushion the corn sector's transition toward the international price of corn, the transitory scheme for NAFTA's first year involved a temporary continuation of CONASUPO's price supports *and* the inauguration of the Procampo direct transfers. After the temporary phase, in the 1994-1995 autumn-winter season, the CONASUPO support was withdrawn and the Procampo payments were designed to remain for the duration of NAFTA's fifteen year phase-in period toward full liberalization in grain trade.⁴⁵ CONASUPO's marketing services remained an option to sellers, but they are no longer subsidized and the price support disappeared.

One of the appeals of the program is that it reaches large sectors of the corn population that is currently deemed ineligible for any kind of credit, and had previously not benefited from the price subsidies in place for corn producers who engaged in commercial activity. Since 42% of the corn sector operates at the subsistence level and therefore does not market its product, the old price subsidy never benefited them. Now they are eligible to receive a fixed income based on the land surface that they plant, rather than their productivity level. Indeed, of the approximately 3 million producers enlisted in the Procampo roster of beneficiaries, the majority have two hectares or less to work with. In this type of property the production yield is invariably destined for family consumption.

In keeping with the *laissez faire* approach of the neoliberal reforms, Procampo also aims to reduce the distortions in the allocation of resources for which the heavy-handed pre-reform support system was infamously known. One of Procampo's official goals is to encourage farmers to make production decisions based on their market expectations, and shift to crops for which they have a comparative advantage.⁴⁶ In this sense, then, the

⁴⁵SARH. *PROCAMPO: Vamos al Grano Para Progresar*. n.d. p. 29.

⁴⁶OECD. p. 74.

Procampo payments were intended as productive capital more than as income supplements.⁴⁷ Since 1995 (spring-summer), the rules were amended to allow the eligible producers to switch to a more favorable crop, or to devote their land to "ecological projects" (e.g. one year 'set-asides') under the authorization and supervision of the Secretariat of the Environment, Natural Resources and Fisheries.⁴⁸ Another regulatory change to accommodate flexible decisions was the introduction of an option for producers to "cede" their rights to Procampo funds to different private organizations (e.g. banks, or commercial houses for agricultural inputs) as a promissory note of payment for goods and services obtained in advance. This feature appears to have gained great fanfare from producers and from commercial institutions because it facilitates timely transactions with minimal risk to the creditors.⁴⁹ In 1996, 14% of the eligible payments were delivered through this method.⁵⁰

Eligibility of Procampo benefits was established as the "land surface that was cultivated with corn, beans, rice, soyabeans, safflower, cotton, or barley in any of the three agricultural cycles⁵¹ prior to August 1993. The individual producer was required to demonstrate the existence of this past activity, and to show that he or she had tenancy rights to the land. Once these steps were completed, the individual and the amount of land eligible was entered into the roster of beneficiaries, or the Procampo Directory, and remained there unless he or she was found in violation of the procedures or ceased to farm. To activate their eligibility, individuals are henceforth required to re-inscribe every year.

⁴⁷ASERCA. *Claridades Agropecuarias*. Nº 38, October 1996, p. 9.

⁴⁸ASERCA. *Claridades Agropecuarias*. 1997, p. 4.

⁴⁹Virtually all the interviewees to whom I posed this question, farmers and agricultural merchants, validated this point. For farmers, it is beneficial because they can order their inputs prior to the peak demand season, and secure more favorable prices or more favorable credit rates. The merchants or financiers also benefit because the earlier orders/transactions provide them with valuable information about the seasonal demand they can expect, and thus minimize the probability of overstocking or understocking their sales base. For banks, the risk factor nearly disappears for each loan granted through this mechanism. For more on the advantages of this feature see ASERCA. *Claridades Agropecuarias*. Nº 38, October 1996, p. 11.

⁵⁰ASERCA. *Claridades Agropecuarias*. 1997, p. 7.

⁵¹Autumn-winter 90-91, autumn-winter 91-92, and/or autumn-winter 92-93.

There is a new companion program to help Procampo farmers during tough seasons. In the event of a drought or a natural disaster that impedes the production efforts, ASERCA, the federal agency in charge of administering PROCAMPO, recommends that the displaced producers be granted temporary employment through the Temporary Employment Program (PROETEP) a program designed by the Undersecretariat of Rural Development in the Secretariat of Agriculture, and managed by FIRCO, a government trust fund for shared risk.⁵² This program's main objectives are to target the chronic unemployment that afflicts the countryside during the off-season, with special emphasis in municipalities categorized with "high marginality," or "very high marginality" rates. If the program is applied outside those municipalities, the program aims to include those individuals whose income amounts to less than one minimum salary.⁵³ Given that two thirds of Procampo beneficiaries only have two hectares to work with, and since two hectares cannot generate enough income for a family to subsist,⁵⁴ the Procampo population is a good candidate for PROETEP under the best of circumstances.

Procampo has earned praise from World Bank analysts and agricultural policy experts in other Latin American countries who, in the words of a Procampo official in Mexico City, have concluded that Procampo elicits "the envy of other countries attempting a similar agricultural policy transition"⁵⁵ The characteristic that most appeals to these observers appears to be that Procampo is a *direct* income transfer targeting individual peasants based on a much more transparent selection process. The novelty of this program, and the reason it is so crucial to this study, is its *direct* policy delivery design. As Jonathan Fox notes, "[i]n contrast to the indirect patterns of regulation in the past.... the new crop payment programme requires the state to develop a formal relationship with every producer of basic grains in the

⁵²This program was launched in February 1997. The individuals employed are then assigned to public works that improve the productive base of the village or of individual producers who work with no more than 5 hectares. Under exceptional conditions, the program allows its beneficiaries to work on lots of up to 20 hectares, provided they have communal use.

⁵³According to official figures, it takes at least two minimum salaries to subsist in rural areas.

⁵⁴As the internal SAGAR study cited earlier found.

⁵⁵Roberto Grajales Andrade, from ASERCA, interview in Mexico City, Nov. 1997.

country."⁵⁶ Fox further characterizes this shift in strategy as "a major challenge to state capacity" because the cabinet agency entrusted with its administration, the Secretariat of Agriculture (SAGAR), is "an agency whose field apparatus is not known for its efficiency and transparency."⁵⁷

I do not take issue with Fox's observations, but according to the framework I am advancing in this dissertation, Procampo's challenge to state capacity is not simply a result of the inept SAGAR. Rather, there is something else behind this explanation: the quality of local institutions varies from region to region--with the more geographically isolated being the least reliable. Since the areas in question are overwhelmingly rural and it is harder to enforce institutional oversight there, and since most of SAGAR's work takes place in the countryside, its administrative record ranks very low in comparison to the administrative output of other cabinet ministries. However, to study institutional capacity it is important to disaggregate the concept as much as possible--say, by degree of geographic isolation--and assess whether the proposed variation is tied to different policy outcomes. Even Fox acknowledges that

[t]he quality of municipal governance varies greatly in Mexico, ranging from increasingly consolidated, modern and democratic public administration in northern cities to entrenched redoubts of corrupt, authoritarian rule in many rural areas, especially in the south. There is also great variation between different rural areas.⁵⁸

Thus, in assessing state capacity via Procampo's administration, one needs to look closely at this regional variation. Chapter three operationalizes this variable.

⁵⁶Jonathan Fox, "Governance and Rural Development in Mexico: State Intervention and Public Accountability," in *The Journal of Development Studies*. Vol. 32, Nº 1, October 1995. pp. 7-8.

⁵⁷Fox. "Governance," p. 8.

⁵⁸Fox. "Governance," p. 10.

8. Conclusion

The economic reformers have found the political challenges of agricultural reforms to be formidable. Since the neoliberal reforms carry significant short term adjustment costs for a well organized and concentrated sector, corn producers, the PRI reformers correctly anticipated an electoral backlash. Since corn growers have been an indispensable base of electoral support for the party, the stakes are very high for the PRI. Consequently, the corn sector's discontent with the reforms cannot be ignored. The solution appears simple at first: deploy a closely targeted, pork-laden social policy to alter corn growers' incentives and hedge against a massive electoral exodus.

This would be a simple task if the PRI reformers in Mexico City could count on a reliable administrative apparatus to execute the reforms. However, since the administrative quality of institutions in the countryside is varied, the delivery of the programs will be similarly uneven. In the worst cases, in remote regions, entrenched *caciques* were unlikely to comply with the new leaner and more direct policy environment because it forecloses important prerogatives for them. Having grown accustomed to the administrative discretion of the statist years, the strict guidelines of policies like Procampo are anathema to their particularistic authority structures--which they had erected and sustained with public funds and under the auspices of public office. In areas where *caciques* had become "appendages of the state",⁵⁹ the redistribution of administrative authority has been interpreted as an assault on the local power structures and *caciques* have retaliated through varied forms of administrative resistance. This is the source of the administrative turbulence that the reform process is plagued with: it is also the principal roadblock for the reformers to steward the politically delicate reforms while maintaining a manageable range of electoral volatility. The next chapter will operationalize the institutional capacity variable and will pinpoint which states are more likely to be beset by the *cacique* problems.

⁵⁹Wayne A. Cornelius. *Mexican Politics in Transition: The Breakdown of a One-Party Dominant Regime*. Monograph Series, 41. (La Jolla, CA: University of California, San Diego, Center for U.S.-Mexican Studies, 1996) p. 16.

CHAPTER THREE

DELIVERING PROCAMPO: CACIQUES VERSUS ADMINISTRATIVE CAPACITY

1. The PRI's Administrative Challenge

In chapter two, I presented empirical evidence of the political realignments touched off by the redistributive aspect of the economic reforms. Since some of the most costly adjustments of the economic reforms affected the interests of corn producers, which were one of the most loyal voting blocs for the PRI, the PRI faced a very real possibility of a political backlash. Chapter two also discussed some of the adjustment policies introduced on the heels of the reforms to hedge against a possible electoral backlash. This chapter deals with the *administrative* dimension of the PRI's political problems. What was the likelihood that Procampo would be implemented with accountability to its designers? I found that it varied by region. There was a capacity deficit in the local institutions in the most isolated regions and Procampo's electoral efficacy was influenced by the quality of the local institutions. Here, I operationalize the institutional capacity variable by linking it to the region's relative isolation. Isolation is the proxy variable for the incidence of authority structures mediated by caciques, or local bosses who eschew administrative accountability.

2. The Persistence of Caciquismo and Procampo's Implementation

There is considerable data that document how caciques have managed to retain their influence. To get at this evidence, I interviewed peasant leaders and recipients of Procampo; federal officials (at varying levels of the administrative hierarchy) who have worked on the implementation of Procampo; and consulted internal documents from the *Contaduría Mayor de Hacienda* (or the National Congress's Office on Accountability) and the Agriculture Secretariat (SAGAR), the agency in charge of implementing Procampo. Piecing all this information together, I gathered that caciquismo was indeed a problem for the implementation of Procampo throughout the country. The occurrence of

implementation problems varied with the incidence of caciquismo in each state. The next section discusses this issue.

This section, offers a survey of some of the most recurring cacique-related problems in implementing the program. It is based on actual complaints filed by Procampo recipients against the arbitrary use of authority by local officials and their protégés. I selected samples from a wide range of complaints that I deemed representative of the kinds of problems that I learned about through the interviews and through other internal documents. A direct quote is used in the text to indicate that there was minimal editorializing in my translation. In other cases, editorial comment is required to make sense of the registered quotes.

There were trivial complaints such as: "the Procampo official is often drunk and tends to threaten people for no reason." A common, albeit more general complaint is that "the official abuses his authority and is rude and condescending." There were also several complaints denouncing the irregular and unpredictable office hours of the Procampo office. This is very significant for many farmers because they often have to walk for many hours to reach this office. So their inability to take care of their affairs in one trip is very costly. Other officials are reported to demand from the Procampo recipients money for food, for gas, for paper, for "expediting" the process, or for "the right to have the official's signature on a form." This kind of complaint constituted a small part of all the complaints but the amounts of money demanded were often significant. Of all the complaints that I read, I found a continuum ranging from five pesos to 3,000 pesos.

The majority of the entries were quite serious. I divided up the presentation into the following categories: (a) misinformation, (b) registration abuses, and (c) electoral/partisan abuses and missing funds. Since deliberate misinformation appears to be at the heart of most problems, it deserves to be mentioned first. Some entries explicitly stated that the peasants felt uninformed about the proper procedures, the benefits and the responsibilities

involved in qualifying for and participating in Procampo. For instance, one complaint filed by an independent peasant leader in the state of Durango stated that after he conducted a systematic survey of a large number of peasants throughout the state, he found widespread ignorance among the recipients about the policy's procedures and benefits. One of the most consistent misconceptions that he found among many peasants was that Procampo recipients were required to pay \$100 (pesos) to the local official before being registered. But this is false. As the poster cited above stated, all transactions are free of charge.

Another accusation of deliberate misinformation came from an *ejidatario* from Veracruz who reported that the local official and his entourage explained to them that the program consisted of them signing some papers, and then they would all be eligible for loans for \$330 which were to be paid back directly to the same official. Again, this is false: the program consists of direct cash transfers that need not be repaid. One producer in Oaxaca filed the following statement against two local officials identified only as Manuel N. and Donato N.: "Manuel N. made me sign three documents and now he says he has the right to keep my Procampo money. He is apparently working in collusion with the District Chief, Donato N."

There were also numerous reports of frustrating and costly incidents that were clearly the result of misinformation. For instance in numerous cases, individuals were told that the money had "run out" because they came too late. An astounding number were left wondering why they were paid only a fraction of what they had bargained for. In two very similar instances, representatives from two separate villages in Oaxaca reported that their fellow villagers were told by their local *cacique* that the town's Procampo money was to be combined to purchase a bus. When the bus came, it operated as a commercial enterprise for the *cacique*. One of these reports stated that the regional SAGAR representative was clearly a partner in the bus business.

The second trend that emerged in the list of reported abuses had to do with the registration process. As chapter two indicated, there are very explicit guidelines that stipulate whether a peasant's land is eligible for Procampo funds. For instance, the land needs to be cultivated with certain crops.¹ There is also a retroactive requirement that there be a verifiable history of cultivation of any eligible crop during any season over the three year period prior to August 1993. If a plot has not been devoted to one of the eligible crops, there is another alternative to qualify for Procampo benefits: a state-sanctioned ecological project that required that the land be left fallow. Moreover, the requirements call for verification that the person who enrolls has legitimate rights as the owner of an *ejidatario* over the land.

Given these simple requirements to receive a fixed amount of pesos every season that the plot is cultivated, there should be little room for confusion. But, the information gathered from my interviews and from the archival data suggests a different pattern. It appears that in the most geographically isolated areas of the county, the registration of land was seriously abused by those entrusted with implementing the policy. Lacking institutional oversight, the "registrars" in those regions felt safe as they altered the names of individuals attached to the land, sometimes omitting the owner entirely, but registering the land under a different name. Some legitimate proprietors of eligible land were erroneously told that there was a registration fee, and if the person could not pay it, then their application was turned down. Others were told that there was a ceiling in the number of hectares one could register: the surplus hectares would still be inscribed, but at the discretion of the registrar. Still others walked away from their initial transaction feeling confident that they could expect a check in due course, only to later find out that their application forms and all registration records had mysteriously disappeared. An abuse by the registrars that was commonly reported was the practice of registering the person as

¹ Eligible crops are: corn beans, wheat, sorghum, rice, soyabeans, safflower, cotton, or barley.

having more land than they really did, and then personally claiming the excess Procampo checks. One of the entries mentioned that the *ejido* leader found a way to hoard the Procampo resources that rightfully belonged to the entire *ejido* community. This is plausible when the local boss happens to be well connected with outside officials, and the alliance facilitates the racket.

It is worth underscoring the importance of "making it" into the roster of the eligible candidates. The number of hectares entered during the initial registration period would set the outer parameters of how much a farmer could collect in any given year. If that farmer only farmed half of the eligible hectares the following year, he or she would only collect half the funds for that year, but the fallow land would not lose its eligibility. This backdrop helps us understand the stakes involved in the registration process and, the concomitant opportunities for abuse by unscrupulous officials.

The data revealed that when a local cacique (who was likely to be the person in charge of the coveted Procampo registry) did not support a particular individual's application for whatever arbitrary reason, then he tended to resort to any of the following tactics. He could: (a) deny access to the roster by withholding information and application forms; (b) arbitrarily disqualify the documentation required to register; (c) deliberately mislead the applicant so that he or she would later lose eligibility; or, (d) a very common tactic, was to grant access to the roster based on a series of onerous and arbitrarily imposed conditions. At the top of the list of conditions recorded was the requirement that the person grant a certain percentage of the check or the harvest to the registrar. When it came time to collect the check and if the peasant refused to "honor" the informal agreement, then the registrar often withheld the check until there was a settlement, or found a way to cash it illegally and the farmer would lose it entirely.

Perhaps the most alarming of all the registration-related abuses in the documents that I consulted, was an incident reported by an independent peasant leader from Chiapas.

He reported that the registrar in charge of the municipality in question, Municipio de Solayo, was demanding an astonishing 3,000 pesos per hectare before it could be entered into the roster. For most peasant producers, this figure is completely out of reach. Hence, the requirement is tantamount to a *de facto* denial of access. Although this was not included in the written complaint, I propose (based on my interviews) that there are at least two ways in which the local boss could benefit from his ability to arbitrarily block access. One, he can use it as a leveraging tool to discourage opposition and enlist valuable allies. Two, as mentioned above, if the farmer is unable to pay and/or is not in good favor with the registry boss, then the boss can always find a way to register the land in someone else's name and then split the benefits with the third party.

Apparently the phenomenon of a registrar's ability to enroll land under assumed names was a common phenomenon. An incident reported in the state of Quintana Roo, for instance, involved a cacique who was openly selling registration privileges to ineligible producers for \$200 pesos per hectare. In other states, eligible *ejidatarios* were given access to the roster only if they legally vouched for the membership of other individuals as though they were fellow *ejidatarios*. This feigned membership would then qualify the added "members" for Procampo benefits from the same *ejido*.

The last category of abuses is a combination of electoral/partisan abuses, and missing funds. With respect to electoral abuses, there was one case in the state of Hidalgo where an official held back checks until *after* the local elections, in order to assure a particular outcome. In the state of San Luis Potosí, some were turned away from the Procampo office with this pretext: "now that the elections are over, there are no more funds left." There was also a case in Veracruz that dealt with a different kind of proselytizing: the local boss was only distributing funds to the members of his religious group.

As for the missing funds, one complaint denounced an official who insisted that the Procampo benefits in his care were to be distributed "in kind," presumably with goods, like food, that the boss had surplus access to. An all-too-common occurrence was the unexpected and inexplicable reduction in individual recipients' checks. One farmer in Tamaulipas filed this complaint: "My father went to register 60 hectares and he was told that the maximum was 40. Resigned to this limit, he only registered the 40 hectares. But then when it came time to pick up the check, they only had a payment for 15 hectares. No one seems to know what happened to the rest of the money or the original registration form." This incident illustrates a wide range of abuse opportunities. First, the peasant was given incorrect information about the limit of hectares that he could register. If he thought he registered 40 out of 60 in his name, the other 20 were probably clandestinely claimed by the ring of officials and local power brokers. As for the missing money, the evidence suggests that there is no limit to the possibilities of how it could have been distributed.

In sum, Procampo was a good attempt to recast the central state's relationship with the individual peasants. However, as these examples showed, in areas where the population is physically or socially isolated from the central government, and where there are few economic alternatives for earning a living, the predatory power of well entrenched *caciques* can torpedo the policy's intentions. This is not to suggest that federal agencies have not tried to curb this phenomenon. However, it is not easy for them to do their job when it entails penetrating a jealously guarded "node" connecting the small village with the outer environment.

As Carlos Martínez Suárez, the top ranking federal official in charge of promoting accountability in Procampo's implementation² told me in an interview: "it is almost impossible to get through to the most remote communities." He argued that the two most

²More specifically, he is the Chief Accountability "Comptroller" within ASERCA, which is SAGAR's internal division in charge of administering Procampo.

important surveillance strategies that his office employs are trumped by the parochial idiosyncrasies of remote small villages. The first one is an opinion poll, and the second is a kind of sting operation where one of their federal officials poses as a Procampo recipient to try to uncover maladministration or authority abuses. In remote villages, where everyone knows everyone else, there is little room for the anonymity that the undercover operation requires. Moreover, in a place where people's relative social standing is relatively static, few, if any, would want to expose others for fear of retribution. Thus, no one will volunteer relevant information on a questionnaire. Mr. Martínez Suárez related that in one field trip to a small town, as soon as he and his assistants arrived in an government truck, the church bells started ringing out of control presumably to signal to the rest of the community that unexpected outsiders were in their midst.³

Roberto Grajales Andrade, a colleague of Mr. Martínez Suárez, was equally pessimistic about the central government's ability to circumvent the role of caciques in remote regions. He noted that federal officials, like himself, in charge of policy implementation have resigned themselves to working with local caciques in remote areas, because

they are ideally situated to be the interlocutors of policy and they are indispensable in the implementation of policy. Keep in mind that the post-revolutionary political system in Mexico is a 'pyramid of caciques' all the way up to the president. Consequently, caciquismo cannot be ignored in this country. But, I'm confident that with time it might erode, as communication and transportation infrastructure improve. In places like my native Chiapas that have been historically isolated--Chiapas didn't get its first decent interstate road

³ Interview with Carlos Martínez Suárez, Mexico City, November, 1997.

until the 1960s--the isolation allowed the past to reproduce itself almost intact.⁴

In this statement, Mr. Grajales Andrade suggests that technological improvements might bring down the geographic barriers that caciques hide behind. He explained to me the inherent promise he finds in, for instance, satellite technology. But the agency that he works for within SAGAR, ASERCA, has attempted in vain to use it as a surveillance method in places like Chiapas. Satellites can be priceless tools to gather important information that until recently was obtained through time-consuming legwork. They have been used for field surveys to verify and measure boundaries, keep track of issues like who has paid their taxes, who is cutting trees, and who is farming. Since Procampo payments are based on farming patterns, the federal government would do well to gather this information through a centralized and remote source like a satellite. And according to Mr. Grajales Andrade, they have tried: every 17 days their satellites return digital data that can be very useful. Unfortunately, he said, in the southern part of the country, where administrative abuses are most rampant, the weather does not cooperate. The south of the country has considerably more cloudy days than the desert north, so it is harder for the central government to rely on the satellite to keep abreast of local farming patterns. He acknowledged that there are more advanced satellites that are impervious to weather constraints, but Mexico does not yet have them.⁵ So in a sense, he concluded, "nature is conspiring with the caciques to keep the central government out of the loop."

If the federal government cannot rein in the isolated periphery, and if knowledge of the field activities remains limited, then it is not far fetched for federal officials to succumb to the temptation to "go in on" the local schemes and sanction them. This is another pattern of center-periphery administrative relations in Mexico, that was related to me by a mid-level

⁴ Interview with Roberto Grajales Andrade, Mexico City, November, 1997.

⁵ In a second interview with Mr. Grajales Andrade, in February, 1998, he informed me that the more advanced satellites were expected to arrive in the very near future, but he could not give me an exact date.

official in the Mexico City headquarters of the Agrarian Reform Secretariat.⁶ According to Mr. Morales Torrez, the majority of his colleagues who have been sent to remote provinces like Chiapas, return considerably wealthier after their service there. He noted that many of them are now the proud owners of farms and ranches there.⁷

The discussion above was intended to illustrate the extent to which the regionalized systems of exchange in remote regions are still controlled and closely guarded by the local notables. In section 3 below I provide a conceptual foundation for understanding how cacique systems work. Section 4 introduces a composite index of cacique rule based on the region's historic isolation. This index serves as the indicator to situate the eleven states under consideration with regard to their relative isolation. The hypothesis is that the more isolated the state is, the more likely there will be incidents of abuse such as those listed above, because isolation makes it more difficult to monitor administrative output and enforce uniform administrative norms. Consequently, Procampo is less likely to help stave off a precipitous decline of PRI support in the most isolated states, which happen to also be the most important corn growing states.

3. Caciques and Geographic Isolation

Since the neoliberal economic reforms included an assault on the clientelistic political relationships that had been forged during the statist post-revolutionary period, they also sparked intense conflicts over the reconfiguration of the state's institutional framework. Policies like Procampo were designed to decrease caciques' ability to interfere with implementation. While this strategy was largely successful in the more integrated parts of the country, the same cannot be said for the remote regions where caciques have perpetuated their traditional rule. These institutional struggles with the traditional power

⁶This example was already mentioned in chapter two.

⁷ Interview with a mid-level federal official of the Secretariat of Agrarian Reform in Mexico City, November, 1997.

brokers occurred in electorally sensitive areas for the PRI--areas where there was a punctuated urgency for the PRI to reach the constituents directly. The challenge for the PRI, then, was to muster the leadership required to deliver policies like Procampo in order to effectively steward a formidable redistributive transition. This section is intended to detail the socio-historical source of the intra-institutional struggles. The main task is to elucidate the connection between geographic isolation and the persistence of *caciques*.

The concept of *caciquismo* as a leadership form dates back to pre-Columbian times, when its usage denoted "Indian chief." Its linguistic and operative meanings have evolved significantly since Columbus was introduced to it by the Arawakan-speaking tribes of the island of Hispaniola during his first voyage to America.⁸ The subsequent dispersal of the term throughout the rest of the Spanish dominions in America as well as in most Mediterranean countries, and in the Philippines contributed to its conceptual richness.⁹ However, its broad applicability also necessitates greater definitional precision whenever it is to be used in analysis. I will draw upon commonly accepted definitions for my study. According to Paul Friedrich, who offers one of the most useful working definitions on the subject, a modern *cacique* can be defined

as a strong and autocratic leader in local and/or regional politics whose characteristically informal, personalistic, and often arbitrary rule is buttressed by a core of relatives, "fighters," and dependents and is marked by the diagnostic threat and practice of violence. [Such a figure also exhibits] strong individual power over a territorial group held together by

⁸Karl H. Schwerin, "The Anthropological Antecedents: Caciques, Cacicazgos and Caciquismo," in Robert Kern, ed. *The Caciques: Oligarchical Politics and the System of Caciquismo in the Luso-Hispanic World*. (Albuquerque: University of New Mexico Press, 1973) p.5.

⁹For analytical applications of cacique structures in Italy, Greece, Portugal, Spain, and Turkey, see Giulio Sapelli. *Southern Europe Since 1945: Tradition and Modernity in Portugal, Spain, Italy, Greece and Turkey*. (New York: Longman Group Limited, 1995). Chapter seven, titled "Neo-Caciquismo," is particularly relevant. For an application of the concept in the Filipino context, see Patricio N. Abinales, "State Building, Communist Insurgency and *Cacique* Politics in the Philippines," in Paul B. Rich and Richard Stubbs, eds. *The Counter-Insurgent State*. (New York: St. Martin's Press, 1997).

some socioeconomic or cultural system [and] a certain degree of detachment or freedom from the normative, formal, and duly instituted system of government.¹⁰

Wayne Cornelius adds that

[t]he cacique is recognized by both community residents and supralocal authorities as being the most powerful person in the local political arena, and public officials deal with him to the exclusion of other potential leaders in all community matters. He also possesses *de facto* authority to make decisions binding upon the community under his control, as well as informal police powers and powers of taxation. Thus in some respects the cacicazgo represents a sort of informal government-within-a-government, controlled by a single dominant individual who is not formally accountable either to those residing in the community under his control or to external political and governmental authorities.¹¹

Cornelius clarifies that the cacique's power base should not be understood as that of a charismatic leader who draws loyalty from his followers. Instead of ties of affect, Cornelius explains, the cacique forges more utilitarian relationships with his followers. That is to say, the strength of the patron-client relationship that the cacique sponsors is contingent upon "a continued flow of material benefits to the community and individual residents within it."¹² Cornelius further clarifies that while caciques nurture their staying power through clientelistic exchanges, they do not operate exclusively with personally controlled local resources. In the Mexican case, caciques were notorious for their cunning

¹⁰Paul Friedrich, "The Legitimacy of a Cacique," in Marc Swartz, ed. *Local-Level Politics: Social and Cultural Perspectives* (Chicago: Aldine, 1968) p. 247.

¹¹Wayne A. Cornelius, Jr. "Contemporary Mexico: A Structural Analysis of Urban Caciquismo," in Robert Kern, ed. *The Caciques: Oligarchical Politics and the System of Caciquismo in the Luso-Hispanic World* (Albuquerque: University of New Mexico Press, 1973) p.138.

¹²Cornelius, "Contemporary Mexico," p. 138.

interception of federal resources earmarked for rural or agricultural development and benefiting from their strategic distribution, according to their own power prerogatives. In other words, a cacique who may have been entrusted with the implementation of a well-endowed policy program may have enjoyed the temporary insulation necessary to embezzle the lion's share of the resources. However, their political acumen would tell them to contain their short term avarice in favor of the "derivative power" to be extracted from their ability to regulate the community's access to the public resources. Through their unhindered scope of operations which allows them to enforce differential access channels to different members of the community, the caciques can consolidate their power base and brandish threats to deter resistance to their authority. Thus, for *caciques*, one of the most valuable weapons for securing longevity and stability in their local realm, has been their ability to play the role of local political broker and their unchecked ability to regulate the local system of exchange.

On the issue of political brokering or intermediarism, Eric Wolff found that caciques "stand guard over the crucial junctures or synapses of relationships which connect the local system to the larger whole."¹³ Given the personalistic nature of a cacique's operation, there are many ways that he can mediate between his followers and higher levels of authority. In the passage below, Cornelius outlined some of the broad strokes of a cacique's intermediarism:

He represents the settlement under his control before supralocal officials and is primarily responsible for articulating the demands and grievances of his followers to such officials. In doing so he serves to bridge the gap between settlement residents... and the political and juridical institutions of the larger society. He also transmits the political information that flows out of the

¹³Eric R. Wolff, "Aspects of Group Relations in a Complex Society: Mexico," in Dwight B. Heath and Richard Adams, eds. *Contemporary Cultures and Societies of Latin America* (New York: Random House, 1965) p. 97.

official party-government apparatus, being primarily responsible for informing settlement residents of government programs or actions which affect them individually and collectively.¹⁴

In light of the benefits to be derived from the unique position of political broker, caciques often attempt to keep the mediating role as *exclusive* as possible. In a study of patron-client relations in Italy, Sydel Silverman concluded that

exclusivity means that if the link is to be made at all between the two systems with respect to [a] particular function, it must be made through the mediators.... To the extent that alternative links become available, so that the mediators lose their exclusive control of the junctures, they cease to be mediators.¹⁵

Two important points follow from the exclusivity imperative. First, the cacique needs to work hard to "portray himself as the only officially recognized intermediary between settlement residents and supralocal structures."¹⁶ Second, he is likely to "actively strive to *minimize* the contact of individual residents with outside political and governmental agencies, except insofar as it is mediated by his own actions as a broker. The cacique is thus able to increase the residents' sense of dependence on him for the performance of his function."¹⁷ A corollary of both of these objectives is that the more remote and isolated the region, the more successful the cacique is likely to be in his efforts to keep potential competitors away. Moreover, with regard to the villagers, the perceived dearth of alternatives for empowerment is less likely to be challenged from within when there is minimal social, political, and economic exposure to the supralocal structures. In short, isolation is a prerequisite for cacique rule.

¹⁴Cornelius. "Contemporary Mexico," p. 146.

¹⁵Sydel F. Silverman, "Patronage and Community-Nation Relationships in Central Italy," in *Ethnology* 4 N° 2, 1965, p. 173.

¹⁶Cornelius. "Contemporary Mexico," p. 146.

¹⁷Cornelius. "Contemporary Mexico," p. 146.

Consistent with the isolation claim, Vincent Padgett argued that "the more remote the rural area and the farther it is from ready accessibility to a large city, the easier it is for the cacique to establish and maintain himself in power."¹⁸ However, Cornelius's own research on the thriving caciquismo in the squatter slums of Mexico City prompt a more nuanced analysis of the relationship between isolation and caciquismo. Upon closer look it becomes clear that isolation is also the key enabling environment for cacique rule.

First, urban caciquismo, when it emerges, tends to do so in subsections of the city that are economically, socially and politically marginalized. Indeed, in the cases studied by Cornelius in Mexico City, the settlements had originated through illegal land invasions and were populated by recently arrived rural migrants. He notes that the extra-legal method of land acquisition left settlers the unenviable situation of extreme legal insecurity and service deprivation. Contributing to the settlers' sense of isolation is their widespread inability to communicate in Spanish, since many of the inhabitants speak only their indigenous language. This linguistic isolation contributes to their already formidable barriers as they seek to integrate themselves to the larger urban environment. The widespread sense of powerlessness, resulting from legal, economic and linguistic marginalization in the settlement, provided a social context particularly conducive to the emergence of a predatory political entrepreneur who could mediate on behalf of the settlers in return for the settlers' acceptance of his political and economic preeminence in their midst.

A second reason for the emergence of caciques in urban areas is the demographic composition of the settlement's inhabitants. Since the great majority of squatters are of rural origin, and since predatory paternalism is commonplace in rural areas, their collective value orientation may be particularly susceptible to the urban cacique's paternalistic overtures. This proclivity is what Gino Germani refers to as "residual ruralism," namely

¹⁸L. Vincent Padgett, *The Mexican Political System* (Boston: Houghton Mifflin, 1966) p. 83.

the "transference from the rural areas of institutions, values, and behavior patterns and their persistence or adaptation to the specific requirements of the urban setting."¹⁹

All the permissive variables for urban caciquismo described above are easily understood as concrete incidents of isolation--even though the geographic context for the study from which it is drawn happens to be the largest city in the world. For instance, legal vulnerability is likely to trigger in individuals a reluctance to make themselves known to the urban authorities. Their safest bet might be the underworld that thrives outside the rule of law. Caciques are thus perfectly positioned to tap this self-imposed isolation and function as intermediaries. Another characteristic of the squatter settlements that can be interpreted as isolation is the individual's initial inability to function as efficacious members of the larger monolingual society, because they cannot communicate in the dominant language, Spanish. This variant of isolation is not voluntarily self-imposed, but its effects are isolating nonetheless.

In sum, the kind of isolation that I propose as a prerequisite for cacique rule need not be geographic in nature, although it almost always is. It can be social, linguistic, economic, legalistic, or political in nature. What they all have in common though is the territorial circumscription that confines individuals' civic and economic autonomy. Their relationships with the external world remain mediated by the strategically-positioned, political broker who is eager and able to facilitate exchanges in return for accepted preeminence as the guardian of the system of exchange.

3.1 Caciquismo in Díaz Ordaz, Oaxaca

This section offers a descriptive account of the political infrastructure of a cacique in the village of Díaz Ordaz in Oaxaca, one of the states featured in this study. The historical setting encompasses the changes that came with the Mexican Revolution (1910-1917), the

¹⁹Gino Germani, "The City as an Integrating Mechanism: The Concept of Social Integration" in Glenn H. Beyer, ed. *The Urban Explosion in Latin America*. (Ithaca: Cornell University Press, 1967) p. 179

post-revolutionary reforms, and the PRI's consolidation of local power bases by adapting traditional hierarchies to their own purposes. The social geographic setting is that of a semi-cash economy, culturally isolated, indigenous, Zapotec-speaking village of 2,500.²⁰ Antonio Ugalde, the researcher who studied this village in the late 1960s and early 1970s described Díaz Ordaz as a "community in transition" where many of its "longstanding institutions are experiencing fast and profound transformations."²¹

Since it is a semi-cash economy, contributions to the local government are given in *tequio*, which is a labor tax paid by the adult males and used for the construction and maintenance of public services.²² The personalized system of bartered services is propitious for the maintenance of a cacique-based authority structure because it is based on personalized transactions. Moreover, since the "public services" that the community requires are often religious in nature, the town's cultural traditions tend to carry as much if not more weight than the juridical norms emanating from Mexico City.

An example of how the traditional/religious roles blend with the formal political structure is the incorporation of the religious *cargo* system as an integral process in the recruitment and advancement of local political figures. The cargo system involves every male member of the community on a voluntary basis as the trustees of different religious rituals. The responsibilities may range from the relatively non-complicated task of "curating" the local church's saints, to the more challenging and consequential task of organizing and financially sponsoring the yearly festivals to the local patron saint and any other religious holiday with which the town identifies. The recruitment process into this hierarchical scheme is based on generational lines. For instance, the least prestigious positions of "curators" of saints invariably involve individuals between the ages of 18 and

²⁰ The example is taken from Antonio Ugalde, "Contemporary Mexico: From Hacienda to PRI. Political Leadership in a Zapotec Village." in Robert Kern, ed. *The Caciques: Oligarchical Politics and the System of Caciquismo in the Luso-Hispanic World*. (Albuquerque: University of New Mexico Press, 1973).

²¹ Ugalde, p. 121.

²² Ugalde, p. 121.

30. Their responsibilities are limited to keeping the saint's altar in good condition and properly decorated with occasional flowers and oil candles, and a yearly offering of music and fireworks on the saint's birthday.²³ The curators are called upon to serve for a full year on a rotating basis depending on the yearly ratios of vacancies to eligible members. The recruitment process is operated by a commission that drafts and fills openings according to "an incredibly accurate unwritten inventory of who has served when, in what offices, as well as a record of his performance, a knowledge shared by the rest of the villagers."²⁴ After the person completes a year of service and a year of rest, the person is usually reviewed by the commission to determine whether he qualifies to move up to the next step in the ladder of responsibility or whether he should remain at the same stage.

As secular political offices became more widespread as a result of the post-revolutionary agricultural reforms (e.g. the creation of the *ejidos*, the institutionalization of access to production inputs), the religious hierarchy was forced to coexist with its political counterpart.²⁵ However, the manner in which the two have been adapted has left a scant separating line dividing them. On the one hand, the recruitment process appears to be delineated according to the religious/secular divide, because there is an institutionalized alternation between the organizations. For instance, if a person serves one year in the church, he will serve the next in the town hall.²⁶ On the other hand, the two realms of public service are perfectly integrated since the credentials an individual builds are kept as a cumulative inventory of secular and religious service. In other words, the progression of responsibilities in the secular realm is not unrelated to the performance level in the religious one, and vice versa.

²³ Ugalde, p. 131.

²⁴ Ugalde, p. 130.

²⁵ Some of the offices that have been created with the increasing sophistication of the federal political system are the ejido commissions, the school board, many offices of the municipal commissions, and later the child welfare boards, which, incidentally, are the only public institution that includes female leadership.

²⁶ Ugalde, p. 131.

So far, I have described some of the fundamentals of the sociopolitical setting in the village of Díaz Ordaz, but I have left out the question of how a *cacique* figure might emerge and thrive in this setting. To shed light on this process, I will recount an abbreviated version of the power struggles that colored local politics beginning with the post-revolutionary reforms. Ugalde notes that, as in many parts of rural, isolated parts of Mexico, true measures of land tenure reform were slow to arrive in Díaz Ordaz. While the land reform law was enshrined in the 1917 constitution, the citizens of Díaz Ordaz did not see any genuine attempts to implement it in their region until 1924. This was when the first land reform government official arrived with the mandate to expropriate the hacienda that had in the past controlled the life and economy of Díaz Ordaz. But this attempt was futile as the oligarchic landowner bought off the government official who, in return, agreed to distribute only the rocky, non-arable land and the slopes of the hills to the village. In outrage, the village leader, Pablo Reyes, spoke out against the breach of policy and took his case to the governor of Oaxaca. Fortunately for Pablo Reyes, the landowner did not enjoy special ties to the governor, so the governor forced the implementation of land tenure reform.

From this point on, Pablo Reyes was recognized by outsiders and insiders as *the* embodiment of authority in Díaz Ordaz, someone with moral authority, a solid record of strategic distribution of sinecures, and the willingness to use violence when convenient. A distinctive characteristic of his power base was his reliance on outside power-holders for the maintenance of his own local grip. Thus, his relationship to his fellow villagers was not based on affective ties, but rather on what Cornelius called a "utilitarian" arrangement whereby he assured the constant flow of external benefits as long as he was allowed to prevail in local power struggles. The following statement from a local community member makes the utilitarian intermediary role of the *cacique* explicit:

Whenever we meet... in the street, we ask him: 'How is that petition to the government coming along?' He always has good contacts and lawyers. He goes here and there. He is welcome by government officials, also in Mexico City. He goes there and brings a gift to the chief of irrigation, to the water chief, to the chief of education, to the generals. Engineer--likes him and he introduces him to his political boss and to that one. As soon as he makes contacts, he sends them coffee, *mezcal*, cheese, those things we have around here. These are gifts from his own purse. He is the only one who sacrifices himself for the needs of the village.²⁷

The person quoted above could have easily been describing the relationship between any generic cacique in rural Mexico and his fellow townspeople.

The reliance on outside resources for the consolidation of the local power base carried important repercussions for the prospects for stable cacique successions. The importance accorded to external structures, despite the tight grip the cacique may have had over the locals, meant that the cacique was vulnerable to the changing and often idiosyncratic political prerogatives of his "superiors" in the external environment. For instance, if a particular state official in charge of ejido procedures in the state did not particularly support the rule of the local cacique, then the cacique's access to the source of public goods would be hindered and he would be more likely to disappoint his 'client' base. Furthermore, if the external official in question decided to overtly oppose the cacique's local tenure, he could seek aspiring power brokers in the town as allies in the attempt to diminish off the cacique's grip. This is one reason why any astute cacique needs to constantly cultivate strong local alliances, especially with individuals who might be perceived as natural leaders who could replace him.

²⁷ Ugalde, pp. 123-124.

In Díaz Ordaz the succession battle that followed Pablo Reyes's tenure seemed to pivot around a family feud between a cacique-led faction and an opposition clan. When the conflict resulted in fatalities on both sides, the cacique went into exile. The grudges were carried on by two individuals, Margarito and a Severiano. As one member of the community recalls,

Margarito's cousin had been killed by the father-in-law of Severiano... because of a woman, and the criminal took off for Puebla. The son of the criminal and his son-in-law were thinking of how to get rid of Margarito so that their father could return, but they could not do anything because Margarito is always in contact with big wheels in Oaxaca City and Mexico City. [Then,] Severiano was appointed secretary of the PRI in the village when I was municipal president. That office was very useful because of the contacts it gave him. Then the business of the fights for office began. Each one of the two wanted his own people elected into offices, municipal presidents, etc., because since there was an order for the arrest of the criminal, if the ones in power were friendly when the criminal came back they might overlook the order.²⁸

This passage illustrates how local leaders were introduced to the importance of holding civil offices--all of which were synonymous with the PRI. It is also clear that aspiring leaders came to understand the importance of packing the other influential posts with their own allies. From this point on, when personal fights became institutionalized within the PRI-state, political bosses understood that their primary objectives in attaining a position of power should be to use their exclusive role as the local broker of external influence and material resources to recruit allies into other positions of power and to

²⁸ Ugalde, p. 129.

discourage opposition by brandishing threats to block access to the local exchange system.

The next section explains the connection between isolation and administrative capacity (or lack thereof), and provides a standardized index of capacity based on 53 variables of isolation,²⁹ spanning the last 110 years of Mexican history.

4. Measuring Administrative Capacity

Administrative capacity is a difficult concept to capture empirically. It is unlikely that a researcher would stumble upon official data that explicitly capture capacity deficits. Therefore, imaginative measures are in order. What I have proposed here is to use an index of regional isolation to establish the geographic areas that are most prone to cacique rule. Caciques thrive in isolated environments, because their authority is based on the cacique's exclusive access over what Eric Wolff calls the "synapses of relationships which connect the local system to the larger whole."³⁰ The less contact there is between the local community, the easier it is for the cacique to "stand guard over the critical junctures"³¹ and retain his exclusive role in the community. Thus, geographic isolation is an important prerequisite for the emergence and persistence of caciquismo.

It is important to note that geographic isolation, as I am using it here, does not refer strictly to issues related to distance and space. I define an isolated region as one which exists uncomfortably within a larger topological space, because the two environments exhibit discordant sociological, political, cultural, and economic attributes. The concept of isolation that I propose has more to do with functional lacunae than with distinctive attributes. For instance, a locale can be isolated from the supralocal environment when its inhabitants are linguistically cut off from the mainstream of the country; when their economic activities are dependent on one resource or one individual who owns the critical

²⁹See Appendix 1 for a complete list of the variables and their scores for each state.

³⁰Wolff, "Aspects of Group Relations in a Complex Society: Mexico," p. 197.

³¹Wolff, "Aspects of Group Relations in a Complex Society: Mexico," p. 197.

resource: when their legal system operates according to different guidelines that are incompatible with those of the national legal system; when their communication and transportation infrastructure is either limited or controlled by monopolists; or, when their literacy rates are so low that the average person cannot access valuable information without the help of an intermediary. In each of these scenarios, it is difficult to integrate the masses of the local area with their supralocal counterparts in the social, political, and economic realms. With regard to spatially-determined obstacles to functional integration, I acknowledge that the functionings of systems (i.e. political systems) can be challenged when its constitutive human settlements are separated by long distances. However, it does not follow that all contiguous places are necessarily integrated.³²

The measuring strategy I have adopted here is based on one assumption--that geographic isolation decreases the likelihood of accountability in public administration--which takes the specific context of the policy seriously but also hinges on more general notions of good governance. Isolation, as explained above, breeds alternatives to a centralized authority structure. In Mexico, there are at least two such alternatives that coexist with the central state's authority. Both of them have persisted for centuries, and predated the attempts to consolidate public authority in a single, independent, state apparatus. The first one, and the older of the two, relates to indigenous authority structures. In many regions of Mexico, justice and policy are still administered according to pre-Hispanic traditions, or at least some hybrid of indigenous tradition and colonial arrangements. Records are kept according to different criteria. Sanctions are administered in accordance to the traditional group's cultural priorities. And, the group's relations with the outside (or the federal government) are often mediated by an exclusive group of individuals who enjoy a wide range of discretionary powers from their group. In this

³²An example of this phenomena will be provided in Chapter five.

highly segregated environment, the state's authority only filters into the indigenous community to the extent that the group's gatekeepers deem it necessary and convenient to allow it. Sometimes it is useful to them personally to accept federal responsibilities because these are often accompanied by pecuniary resources or regulatory jurisdiction that may suit their power needs.

The second alternative to the state's public authority system is the *de facto* continuation of oligarchic rule. In regions where the economic infrastructure is undiversified, descendants of the socio-economic elite tend to inherit an advantageous situation in political and economic affairs. Their ancestors bequeath to them not just the most fruitful means of production, but the social standing that historically justified or at least facilitated their ability to manage others' access to opportunities for upward mobility. Geographic isolation is relevant for both of these arrangements because it impedes change in individual opportunities for advancement, group access to valuable information, and the emergence of political alliances for contestation and interest aggregation.

I collected archival data on variables that constitute isolation dating back to 1880 for each of the eleven states under consideration. The analysis is based on data for a total of 53 variables (e.g. percentage of the population that is unable to communicate in Spanish, or the ratio of households with telephones). I combined all of these measures of geographic isolation into a composite index, which I am calling a *cacique index*, constituted per decade. It is worth noting that although the cacique index is a multiple-item measure aggregated by decade or cluster of decades, it is not intended to capture variation in a particular state's relative isolation from one decade to the next. This would be an inappropriate reading of the index because each decade draws from different variables--all of which are related to geographic isolation, but which take into account the changing technological and social changes that mark the progression of time. For instance, while it would be legitimate to investigate how different states fare with regard to the ratio of

households with telephones in contemporary times, it would be moot to do so in, say 1880, the first decade under consideration. Similarly, what constituted a legitimate marker of isolation in that early decade is no longer useful in modern times.

However, there are some variables that remain useful across time. The percentage of the population that is unable to speak Spanish, for instance, is one such indicator. I do not include those variables in every decade for a couple of reasons. First, they were not available for every decade. Second, the more generalizable variables like literacy and non-Spanish monolingualism tend to vary only slightly by census year.³³ On the literacy variable, in particular, what is striking is that while the mean literacy rate between 1900 and 1990 increased from .24 to .87, respectively, the relative standing of states remained virtually the same.³⁴ In other words, even when there is fluctuation across time on the value of the least time-sensitive variables (like literacy), the relative differences across states have remained essentially the same. For instance, even though every state exhibits an improvement trend across time, in every census year, the Federal District registered the highest proportion of the population knowing the alphabet, and Chiapas had the lowest or near lowest proportion. Their standing then, stays relatively consistent across time. Similarly, on the non-Spanish monolingualistic demographic proportion, the same states that had the highest percentage in 1990 were virtually the same states in 1900.³⁵

Before discussing the details of the cacique index methodology, and its constitutive parts, I will introduce a composite representation of how the eleven states fared *vis-à-vis* each other. Their standing in Figure 3.1 is based on the most visually accessible ordering from the least isolated, Tamaulipas, to the most, Chiapas. Since Tamaulipas is the least isolated of all the states studied, I re-scaled the entire distribution of scores using

³³James B. Pick and Edgar W. Butler. *The Mexico Handbook: Economic and Demographic Maps and Statistics*. (Boulder: Westview Press, 1994) p. 189.

³⁴Pick and Butler, p. 189.

³⁵Pick and Butler, p. 199.

Tamaulipas as the "model" of integration. Hence, on the visual scale Tamaulipas was assigned a zero score, not because it is perfectly integrated, but because it is the best among the states sampled. It is important to note that the relative differences between the states were preserved intact. The only alteration was in representation to make it more accessible to the reader.

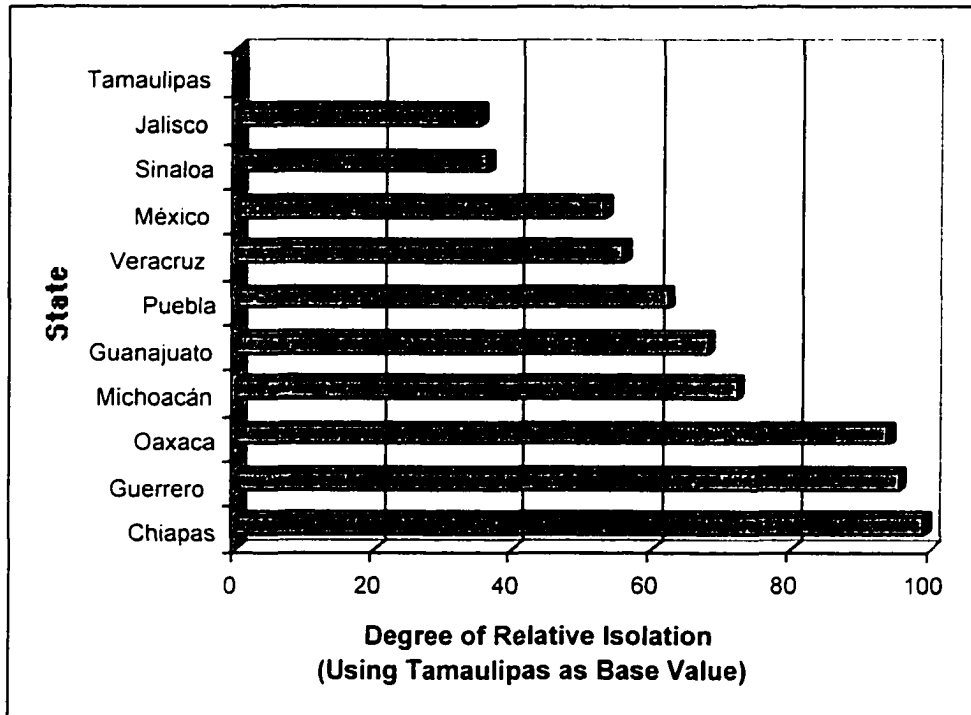


Figure 3.1 Cacique Index for Corn Producing States

The Cacique Index is a 53-item combined measurement that reflects relative economic, social, political and geographic isolation of the each state under consideration. Every effort was made to contextualize the data in its proper epochal, demographic, and geographic surface source. For instance, most of the social, political, and economic data was calculated on a per capita basis. Similarly, the variables sampled were sensitive to the technological and social trends that marked the era in question. For instance, among the economic variables listed below, noting the availability of banks per capita at the turn of the century was a reflection of the potential to transform the productive potential of the region. In the 1990s, a more accurate indicator of the same transformative concern would

be the per capita revenue derived from information technology services because it indicates how well positioned a region is to participate in modern commerce with the rest of the country or the world. The economic variables that are examined are: federal income transfers, the number of banks, agricultural wage levels, public expenditure levels, economically active population, population with no or low income, minimum wage levels, per capita ratio of revenue derived from information technology services, outmigration levels, and the volume of international mail flowing in and out of the states. Each of these variables should be a good proxy to understand the degree to which individuals in that region can attain economic independence, and, therefore subvert economic isolation.

At first glance, international mail, which was sampled in the 1970s, and outmigration levels do not appear to be economic variables. Explaining why they are warrants a brief digression. According to Joel Millman's thorough study of the domestic and international economic impact of immigrants in the US, among New York's Mexican migrants, up to 20% of earnings are remitted home.³⁵ So, when one considers the yearly US-bound emigration flows for the 1970s, and when one takes into account the remittance patterns of Mexican immigrants in the US, it is safe to conclude that international correspondence flows can be read as an approximation of remittance levels. Since an average of 14.56 percent ³⁶ of the entire Mexican population emigrated permanently to the US *every* year from 1970 to 1979, one can appreciate the sheer magnitude of this economic phenomenon. Millman notes that even though the commitment to remit diminishes the longer immigrants stay, the cash flows are consistently astonishing because there are impressive numbers of new arrivals every year. For instance, Millman found that bankers in the small town of Izúcar de Matamoros in

³⁵Joel Millman. *The Other Americans: How Immigrants Renew Our Country, Our Economy, and Our Values*. (New York: Viking Penguin, 1997) p. 59.

³⁶Pick and Butler, p. 136.

the state of Puebla reported receiving nearly US \$2 million every week in wire transfers from New York, not counting what was deposited by individual returnees or their families.³⁷

Among the political variables considered, the earliest is a measurement of revenue from stamp sales and notary services in the 1880s. In light of the considerably lighter institutional job description for public agencies at that time, looking at revenues from stamp sales and notarized services was an appropriate indicator of the institutional output of the public sector, as well as a good bellwether of how well endowed such institutions were. The remaining political variables, standardized per capita, were: number of federal hospitals, post office agencies, and public servants. Each of these factors was intended to illustrate the degree to which there was a federal institutional presence in the region across different decades.

The social factors included are much more diverse than the strictly political ones. The selection of some of the more abstract social indicators was guided by Benedict Anderson's analysis of early state-builders' tactics to socially bind and determine their political domain and its subjects through institutions such as the census, the map, and the museum. As such, Anderson argues, these institutions can be interpreted as purposive models *for*, rather than models *of*, an imagined community.³⁸ Thus, I explore the presence of state-sponsored libraries and museums because in the 1890s these institutions were designed to promote a more concrete national identity which trumped parochial or regionally confined outlooks. I also look at micromeasurements of individual capacity to participate as efficacious members of the national society. These considerations include: the percentage of individuals who are unable to communicate in Spanish (because they only speak an indigenous language); literacy levels; the proportion of children who

³⁷Millman, p. 59.

³⁸Benedict Anderson. *Imagined Communities: Reflections on the Origin and Spread of Nationalism*. (London: Verso, 1991).

attend school; the percentage of the population that has access to specialized training and universities; and proportion of households with a television set, a radio or both.

The geographic indicators are also quite diverse. The common theme running through them is a concern with shrinking spatial barriers either through the transportation infrastructure or communication channels. Thus, I examine measures at the turn of the century like the availability of news for social consumption through broadcast and print media (newspapers, and radio and TV stations), and the reach of urban telephones. I also look into the ratio of motor vehicles (including public transportation buses) per capita in five different decades. On a related note, I take into account the proportion of the state's surface that is reached by non local roads or rail lines. Finally, the index also includes the proportion of the population that lives in towns of 2,500 inhabitants or more.

The above discussion of the constitutive parts of the cacique index was intended to display the breadth of the multiple-item index as well as its internal reliability. The internal reliability of multiple-item scales is a recurring concern for researchers because there is always a danger that when variables as diverse as the number of museums per capita to the flow levels of international correspondence are all in one mix, they may end up measuring separate concepts rather than the single idea they putatively stand for. In the case at hand, all the variables used were intended as proxies for the overarching concept of geographic isolation, which is understood as the degree to which the political institutions, the local economy, the regional social structures and their microfoundations are integrated or have the potential to be integrated with the overarching national structure. The constitutive parts of this concept should vary from one era to the next due to the socio-economic and political changes that the progression of time brings. Thus, the diversity of the variables utilized is justified.

To establish the relationship between the variables and the isolation that they were supposed to measure, I provided an explanation at the end of each sub-category's listings.

For instance, the economic variables were explained as useful bellwethers of the extent of economic independence that is likely to prevail in a given region. With more economic independence, caciques lose leverage to operate without accountability. In cases that warranted a more detailed explanation, such as the connection between international mail flows and isolation, I provided a paragraph-long explanation of the link. These explanations should help establish the cacique index's internal reliability.

The external reliability of the index is based on a measure's degree of consistency over time.³⁹ For instance, kitchen scales should register the same weight every time the same bag of beans is placed upon it. Similarly the relative position of each of the eleven states' ranking from one decade to the next should remain relatively constant. This issue was already mentioned above in relation to the external validity of literacy rankings: even though literacy levels gradually increased throughout this century, the rate of progression was relatively the same for all states so that the ranking was unaffected. While not all variables sampled lend themselves to this kind of observation because some are very specific to their time, the registered scores of the eleven states observed periodically remained relatively constant across the 110 years under consideration (1880-1990). Thus, although the absolute values of the constitutive measures varied from one decade to the next, they harmonized with each other in a convergent manner.

The mathematical coding scheme of the index was conducted with sensitivity to both measures of central tendency and extreme values. Thus, I converted the individual measurements of each state on each variable into *z* scores, which is simply the number of standard deviations away from the mean a particular measurement is located.⁴⁰ Then, I added up all the scores for each state, on each variable, in every decade and obtained the final score for each state. There was a difference of 99.1646 between the state with the

³⁹Alan Bryman and Duncan Cramer. *Quantitative Data Analysis with SPSS for Windows*. (London: Routledge, 1997) p. 65.

⁴⁰Donald Koosis. *Statistics: A Self-Teaching Guide*. (New York: John Wiley and Sons, 1985) p. 67.

least isolation, Tamaulipas, and the one that registered the most, Chiapas. The actual numeric values of each state are not those represented in the table¹, because they were adjusted to a more visually amenable distribution. However, each state's ranking and the proportionate differences between the states' scores have been preserved intact.

5. Conclusion

This chapter presented the conceptual nuance that allows the operationalization of the independent variable. In empirical terms, the chapter introduced caciquismo as a consequential source of variation for the state's administrative capacity. Aside from establishing the rationale and the boundaries of the variation, the chapter offered a quantitative index that ranked the eleven states according to their degree of integration or isolation. In the following chapter, I employ this ranking to statistically test the dissertation's central argument: that a state's isolation will have a significant impact on the administrative capacity of the state. This variation, should, in turn, help account for the uneven performance of Procampo as a policy to stave off electoral defectors in corn growing regions. The final chapter will offer an in-depth historical analysis of the most perplexing case: Chiapas.

¹The actual values registered for each state, in the order of least isolated to most were as follows: Tamaulipas 61.0810; Jalisco 25.8544; Sinaloa 24.7174; Mexico 7.8556; Veracruz 5.1135; Puebla - 1.2822; Guanajuato -6.9868; Michoacán -11.1590; Oaxaca -32.7896; Guerrero -34.5061; and Chiapas - 38.0840. In order to put all of them on the same positive scale, with the least isolated states at the bottom of the distribution, I multiplied all the values by negative one and then added 99.165 to each value (the difference between the extreme values of Chiapas and Tamaulipas) to yield a zero to 99.165 scale which is much more intelligible than one that would employ positive and negative values with the negative values corresponding to the states with the most isolation.

CHAPTER FOUR
TESTING THE RELATIONSHIP: ELECTORAL VOLATILITY AND CACIQUE INDEX

1. Introduction

In this chapter, I operationalize the observable aspects of my theory and test my hypothesis. So far the data have been systematized according to the parameters of the independent variable--geographic isolation as a proxy for cacique rule. This chapter offers the same for the dependent variable--the relative volatility of PRI support in corn growing states in the post-reform era. I hypothesize that the electoral success of an electorally-driven policy, like Procampo, is conditioned by the administrative capacity of the local institutions entrusted with its delivery. In Mexico, capacity questions can be observed by classifying states according to their propensity to be ruled by caciques. Since caciques tend to thrive in isolated areas, geographic isolation is a reliable proxy for caciquismo. Hence the hypothesis can be restated thus: PRI support is likely to decline most in the most isolated states. The previous chapter ranked eleven corn growing states according to a measure of isolation that I called a cacique index. This chapter takes the cacique index ranking and juxtaposes it with a measure of electoral volatility, intended to capture an observable manifestation of the dependent variable for every state in question.

The chapter is organized with the following themes in mind. First, I explain the growing importance of electoral trends for Mexican politics. That discussion justifies the use of electoral data as a measurement of my dependent variable. Second, I introduce the unique weight that the rural vote carried for the PRI's broader electoral strategy. This should make more explicit some of the reasoning behind the research design employed earlier in the study. Third, I discuss the techniques used to organize the electoral data, and proceed with a statistical test of the hypothesis. Finally, I outline the explanatory limits of this design.

2. The Growing Importance of Elections in the Mexican Political System

Elections have been a fixture of Mexican politics since the 1880s, but it was not until the late 1980s that political observers started to read elections as reliable barometers of public opinion and attitudes toward the political regime. Moreover, as Roderic Ai Camp has argued, with the exception of Francisco Madero's election in 1911, the elections prior to 1988 never functioned as the crucial determinant of political leadership nor furnished a policy mandate.¹ The emerging importance of electoral behavior for the maintenance and renewal of the political system stems from reforms that date back to the 1970s and continued in periodic stages until 1996. This section provides a brief overview of the substantive change that the reforms brought.

The PRI's dominance in the electoral processes was such a foregone conclusion that in the 1976 presidential election, the most important opposition party, the PAN, "frustrated by the futility of opposition, refused to nominate a candidate to run against [the PRI's] José López Portillo."² After his unopposed electoral victory, López Portillo enacted the first meaningful round of electoral reforms in an attempt to establish some legitimacy for his administration and improve the party's image. To do so the reformers sought to promote the opposition's fortunes through a series of electoral reforms that enhanced their "potential rewards but without extending the possibility of real victory."³ In concrete terms, this meant that the PRI was prepared to entertain competition at the local level as well as to concede a small portion of the legislative seats (by assigning proportional representation rules to a small percentage of the seats). At the same time, the PRI did not open the electoral arena to the possibility that rival parties might end up governing the national institutions. By 1977, the government passed reforms that increased the absolute size of the lower house from 200 to 300 deputies. The PRI

¹Roderic Ai Camp. *Politics in Mexico*. (New York: Oxford University Press, 1993) p. 146.

²Camp, p. 147.

³Camp, p. 146.

reformers also bolstered the chances of opposition candidates by setting aside a greater share of the legislature seats for them. Under the old system,

opposition parties were allocated thirty to forty seats, on the basis of each party's national vote totals. From the mid 1960s to the mid 1970s, the opposition combining party and majority deputies, averaged about 17 percent of the seats in the lower house and none in the Senate. The 1977 law, [in contrast], set aside all one hundred seats for this purpose, requiring them to be divided proportionately among the opposition parties.⁴

Percentage-wise, the post-1977 arrangement yielded approximately 26 percent of the seats for the opposition in the lower house, and a minimum of one quarter of the seats were guaranteed.

The administration of Miguel de la Madrid (1982-1988) also supported some electoral reforms, especially in regard to local contests. As Wayne Cornelius explains, De la Madrid established a new policy regarding municipal elections: henceforth, municipal-level-victories by opposition party candidates would be recognized, wherever they occurred. During the first ten months of his administration, the PRI conceded defeat in municipal elections held in several major cities, including five state capitals and Ciudad Juárez, a large city on the U.S.-Mexican border. Virtually no electoral fraud was reported in these key municipal contests of 1983.⁵

⁴Camp, p. 147.

⁵Wayne Cornelius, "Political Liberalization in an Authoritarian Regime: Mexico, 1976-1985," in Judith Gentleman, ed. *Mexican Politics in Transition*. (Boulder: Westview Press, 1987) p. 22.

And, in 1986, de la Madrid introduced his own set of reforms to the electoral codes.⁶

These reforms reduced the number of winner-take-all seats, which were generally won by the PRI. As Camp noted, this law effectively increased the opposition's presence in the Chamber of Deputies (to 30% or more), but it was an increase allocated by the government, rather than an increase that the government permitted the opposition to earn.⁷

Since then, there have been other waves of reform under the respective administrations of President Salinas and President Zedillo. The general trend has been to foster a wider plurality in the Senate and improve the balance among the parties in the Chamber of Deputies. In the Chamber of Deputies, the most important reform of the Salinas era was the elimination of the "governability clause," which formerly guaranteed the majority of seats in the Chamber to the party obtaining at least 35% of the vote. In the Senate, the reforms doubled (from two to four) the number of senators for each state and the Federal District. The law prescribed the following changes:

Three senators will be elected by majority and a fourth seat allotted to the minority party obtaining the most votes within the state.

This guarantees that at least 25 percent of the seats in the Senate will be held by the leading minority parties in each state.⁸

⁶Some of the most salient changes were: 1. The winning or majority party is never to obtain more than 70 percent of the seats in the lower chamber. 2. The number of seats in the lower house is to be increased to 500 (300 by winner-take-all and 200 by proportional representation). 3. The minority parties can win up to 40% of the seats without winning a single majority or winner-take-all seat. At the same time the party winning the greatest number of winner-take-all seats, is to retain a simple majority in the entire deputies' chamber. This is the "governability clause." The additional seats were to be allotted from the proportional representation lot. 4. Half of the Senate was to be reviewed triennially, instead of the entire chamber every six years. See, Camp, pp. 148-149.

⁷Camp, p. 149.

⁸Instituto Federal Electoral. *Mexico's Political and Electoral Reform*. (Mexico City: Instituto Federal Electoral, 1994). This literature was prepared in English for "International Visitors" who came to observe the August, 1994 elections as part of a United Nations mission. I was a member of this group.

In 1996, the Zedillo administration completed further reforms on the election methods to integrate the Senate. Whereas the total number of senators remained 128, the new law proposed that each of the 32 states would elect three (instead of the previous four), and the remaining 32 senators would be assigned through a proportional representation method. Of the three that would be elected in each state, two would be subject to a winner-take-all system and the third seat would be assigned to the opposition party that came in second.

The Salinas and Zedillo administrations also deserve credit for improving the accountability of the electoral process. First, in 1989, the Salinas administration created the Federal Electoral Institute (IFE), a new "electoral board" to run the elections. Before this reform, electoral boards were governed by representatives from the executive and legislative branches of government. Since both branches of government were controlled by the "official" party, it is fair to interpret the old system as being run by the PRI. In contrast, the IFE is governed by a much more democratic Council originally made up of one representative of the Executive branch, two majority and two minority legislators, representatives of each of the political parties, and, to ensure a balance, a corps of councilors, unaffiliated with any political party, who must fill the same requirements for Supreme Court Justices.⁹ In 1996, the Zedillo administration reformed the IFE itself by granting it complete independence from the Executive. The constitutional reform that brought this change about eliminated all participatory or supervisory roles previously granted to the Executive branch over the affairs of the IFE.¹⁰

The most remarkable reform with regard to effective suffrage expansion was the Salinas administration's emphasis on the importance of having an updated and reliable

⁹Instituto Federal Electoral. *Mexico Elections 1991*. (Mexico City: Instituto Federal Electoral, 1992) p. 4.

¹⁰Instituto Federal Electoral. *Reforma Político-Electoral, 1996: Síntesis de los Principales Cambios e Innovaciones a Nivel Constitucional y Legal*. (Mexico City: Instituto Federal Electoral, Preliminary Draft, January, 1997.) Section III. All translations of this text by present author.

registry of voters. Approximately 730 million dollars were spent on improving it.¹¹ By May 1, 1994, the Federal Electoral Registry had been able to include 90 percent of all citizens, and it was constituted with the active participation of all the political parties. By the time President Zedillo was elected president in August, 1994, the Electoral Registry had undergone 37 independent audits (including one by McKinsey international consulting firm) and was under the constant supervision of all political parties. The Salinas reforms also ushered a new tamper-proof photo voter identification card. By the time of the 1994 election, 86 percent of all eligible voters had received it.

The significance of the registry reform can be appreciated when one understands the logistical difficulties of keeping the records current and accurate in Mexico. For instance, in the 1990s, an average of almost 2,000,000 new eligible voters comes of age in Mexico each year; this is accompanied by an average of 300,000 deaths, and more than 2.5 million changes of address, and a significant share of the population that emigrates out of the country each year.¹² To complicate the task further, there are approximately 154,000 communities with less than 2,500 inhabitants dispersed throughout the country, sometimes in highly isolated areas. In spite of the difficulties this situation creates, the new registry has made significant strides in the maintenance of a precise and updated electoral registry.

All these changes gave way to the growing importance of elections and electoral choices in the Mexican political system. On the heels of the electoral reforms of the 1980s and 1990s, the system of representation and contestation has become increasingly more competitive and democratic. This is not to say that elections are now the perfect bellwether of public opinion. Indeed, in a recent study designed to explore the changing

¹¹To put this figure in perspective, at the time of the reforms, this sum was the equivalent of the cost of 48,000 new classrooms or 56,000 new homes. See Instituto Federal Electoral. *Mexico's Political and Electoral Reform*. (Mexico City: Instituto Federal Electoral, 1994).

¹²Instituto Federal Electoral. *Mexico's Political and Electoral Reform*. (Mexico City: Instituto Federal Electoral, 1994).

attitudes and perceptions which might influence electoral choices, Jorge Domínguez and James McCann found that voters still filter their electoral decisions through the fear that a victory by the opposition might unleash social upheaval and a comprehensive regime collapse.¹³ Thus, they argue that while public opinion has reflected a great disposition for leadership change, their actual electoral decision was "not oppositionist enough."¹⁴ One could thus argue that the weight of the regime's inertia has prevented a massive partisan realignment in the electorate.¹⁵ Elections are, thus, still imperfect indicators of public opinion in Mexico. However, the reticence of most voters who continue to vote for the PRI even though they wish for change only underscores the vitality of the growing numbers of opposition votes that have been cast.

In 1988, Mexican voters made unprecedented use of the ballot box to register their opposition to the neoliberal reforms initiated by President de la Madrid (1982-1988) and expected to deepen with the PRI's presidential candidate, Carlos Salinas de Gortari. As the Secretary of Programming and Budget, Salinas was widely considered the true architect of the neoliberal reforms. As Kathleen Bruhn noted,

[t]he prospect of continued austerity and neoliberal restructuring caused a major split within the PRI and led to the most serious crisis of political support in the PRI's sixty year history. The presidential candidacy of Cuauhtémoc Cárdenas grew out of an

¹³Jorge I. Domínguez and James A. McCann. *Democratizing Mexico: Public Opinion and Electoral Choices*. (Baltimore: The Johns Hopkins University Press, 1996).

¹⁴Domínguez and McCann, p. 94.

¹⁵This message was reinforced in a recent *New York Times* article featuring the relationship between Mexican business leaders and Vicente Fox Quesada, the presidential front-runner from the pro-business PAN party. The article notes that while Mr. Fox Quesada has an early advantage for the 2000 presidential race, and while he is proposing a platform favored by business, his business support is largely clandestine. Behind the scenes, experts say, many wealthy Mexican businessmen are hedging their bets with Mr. Fox Quesada. But few of them are willing to be identified publicly. The reason? In the candidate's own words: "In Mexico, anybody who announces support for the opposition suffers government reprisals." See. Sam Dillon, "From Moving Mexico's Cola to Shaking its Politics," in *The New York Times*, May 9, 1999, Money and Business Section, pp. 1 and 11.

assessment by the left wing of the PRI that the party could lose its popular backing if it continued to implement policies with such grim economic costs for ordinary Mexicans. ...The massive support won by Cárdenas in the election warned of the depth of popular protest against the consequences of the PRI's economic policies. The PRI was forced to resort to fraud to salvage an official majority of the vote and had to recognize 31 percent for Cárdenas, still the highest vote for any opposition presidential candidate since the founding of the ruling party. Yet even more than the size of the Cárdenas vote, its direction must have worried Salinas.¹⁶

In other words, if the opposition vote had gone to Clouthier, the right wing candidate who also supported the neoliberal reforms, then Salinas would have had less to worry about. Instead, he should have expected that if his administration extended the reforms, the PRI's share of electoral support would similarly decline.

3. The Rural Vote and the PRI

Through this critical juncture, the PRI retained some important bases of electoral support. As different sectors abandoned the PRI during the 1988 milestone election, the bloc that emerged as the most loyal was the rural vote. Indeed, some observers of long term electoral trends have argued that to the extent that the PRI's electoral share declined prior to 1988, the trend can be attributed to the gradual decline of Mexico's rural population "because the PRI has always received many more votes in the rural areas."¹⁷ This trend was perhaps most palpable during the 1988 election when the countryside

¹⁶Kathleen Bruhn, "Social Spending and Political Support: The 'Lessons' of the National Solidarity Program in Mexico," in *Comparative Politics*, January 1996, pp. 154-155.

¹⁷Domínguez and McCann, 1996, p. 141. See also, Wayne A. Cornelius and Ann L. Craig. *The Mexican Political System in Transition*, Monograph Series N° 35. (La Jolla: Center for U.S.-Mexican Studies, UCSD, 1991). pp. 70-71.

provided Salinas with over half of his total votes¹⁸, even though less than 30 percent of all voters live in rural areas. In the countryside, Salinas obtained more than two thirds of the vote.¹⁹ By contrast, in the cities larger than one million, he only received 38 percent of the votes.²⁰ This is the evidence that supports the claim that "the PRI's share of the vote increased as the size of the city or community became smaller."²¹

In short, the 1988 election "seemed to presage an imminent seachange in Mexican politics,"²² with momentous implications for the PRI's ability to retain political control and complete the neoliberal economic reforms. From the PRI's standpoint, this backdrop accentuates the importance of cultivating the party's remaining "safe vote"²³ in the countryside.

In light of this, it is very puzzling to find that the Salinas administration was willing to extend the neoliberal reforms to the agricultural sector. Not only would social spending for agriculture be reduced under the reforms, but corn growers would now have to compete in a liberalized North American market with the most efficient corn producers in the world. They would thus have to make the sobering transition to the market environment without the aid and guidance of the institutions that previously supplied credit, insurance, fertilizers, seeds, storage and marketing services, technical support, and so on. The perception in this sector was that Salinas wanted to collapse the already limited parameters of livelihood for corn producers. The changes touched off resistance and protests throughout the country. The most noteworthy statement against the PRI-

¹⁸Arturo Warman, "El Voto Arcaico," in *Cuaderno de Nexos*, September, 1988, p. 116. All translations of this text by present author.

¹⁹Warman, 1988, p. 116.

²⁰Domínguez and McCann, p. 201.

²¹Domínguez and McCann, p. 201.

²²Kathleen Bruhn, "The Seven Month Itch? Neoliberal Politics, Popular Movements, and the Left in Mexico," in Douglas Chalmers, Carlos Vilas, Katherine Hite, Scott Martin, Kerianne Piester, and Monique Segarra, eds. *The New Politics of Inequality in Latin America: Rethinking Participation and Representation*. (New York: Oxford University Press, 1997) p. 144.

²³Cornelius and Craig, 1991. p. 71.

sponsored reforms came on January 1, 1994, when the Zapatista National Liberation Army (EZLN), a mostly Indigenous group from Chiapas, took over the town halls of Altamirano, Chanal, Huistán, Las Margaritas, Oxchuc, Ocosingo, and San Cristóbal de las Casas (all in Chiapas) to protest the pace and direction of the economic reforms, especially as it pertained to the corn sector.²⁴ As discussed in chapter two, the stakes for corn growers were formidable. Many of them were barely achieving subsistence prior to the reforms, and they had little if any margin to accommodate the adjustment costs (however temporary) that came with the reforms.

From this vantage point, it is not surprising to find that, in states like Chiapas, after the reforms, the PRI's once solid electoral base declined precipitously. Prior to the reforms, support for the PRI in Chiapas consistently resulted in 90% or more of the vote. Once the reforms were announced and implemented, however, the PRI's share of the vote during federal elections went from 89.9% in 1988, to 73.85% in 1991, to 46.64% in 1994, and 47.7% in 1997. In light of this punishing electoral trend, what seems puzzling is that the PRI's share of the vote did not drop as significantly in other states where the economy is also heavily dependent upon the corn sector.

But, this formulation of the puzzle will require one last revision. First, it is important to note that the Salinas administration did not deepen the neoliberal reforms without an electoral strategy. Programs like Solidarity and Procampo were deployed to help absorb the adjustment shocks. Procampo, the policy analyzed here, was among the programs most strongly criticized for linking access to agricultural supports with PRI support.²⁵ For instance, in 1997 electoral observers affiliated with *Alianza Cívica*, a widely respected electoral watchdog nongovernmental organization, found that local PRI

²⁴The corn sector is very important for the economy in Chiapas; with only 3% of the nation's population, Chiapas produced an astonishing 13% of the country's corn.

²⁵Kirsten Appendini, "Changing Agrarian Institutions: Interpreting the Contradictions," in Wayne A. Cornelius and David Myhre, eds. *The Transformation of Rural Mexico: Reforming the Ejido Sector*. (La Jolla: Center for U.S.-Mexican Studies, UCSD, 1998) p. 33.

officials throughout Mexico were blatantly conditioning the distribution of Procampo checks upon a favorable electoral outcome for the PRI candidates.²⁶ This may have been the authoritarian way to earn votes for the PRI through Procampo. The other strategy, which is what the policy's architects had in mind, was to win support through Procampo's unprecedented built-in efficiency of service. For the first time in the history of agricultural policy, the policy benefits were intended to reach the beneficiaries directly. In either case--the electorally conditioned access, or the efficient delivery of benefits--the result should have been the corn sector's support for the PRI. But this scenario did not materialize as expected. The puzzle, revised again, should then be: why did the strategy work so unevenly across the targeted states?

My explanation in the previous chapters has been that the uneven success of policies like Procampo can be largely accounted for by a model that takes seriously the implications of the political system's decentralized administrative apparatus. The previous chapter illustrated some of the administrative pitfalls that have afflicted the policy, and their geographic determinants. I argued that a policy's administrative protocol is more likely to be breached in isolated areas (e.g. Chiapas, Guerrero and Oaxaca) than in places where there is more contact and integration with the supralocal environment. The next section of this chapter tests the hypothesis statistically.

4. Testing the Hypothesis

This section tests the hypothesis linking the independent variable (i.e. cacique index) to the dependent variable (i.e. electoral volatility after 1988). Since the previous chapter exposed the intricacies that constitute the independent variable, I will concentrate here on the dependent variable: the assumptions behind the indicator; the technique used

²⁶Alianza Cívica. *Informe: Compra y Coacción del Voto, 1997*. Unpublished internal document of Alianza Cívica. Translation by present author.

to derive the quantifiable expressions of the variable; and ultimately a statistical test of the relationship between the independent and dependent variable.

The electoral data was systematized according to the following assumptions and considerations. First, I assume that the period up to the 1988 election is the baseline pattern against which the post 1988 results should be compared. The pattern is comprised of electoral returns that consistently validated the one-party system with overwhelming electoral shares (often with 90 percent and more of the votes). The period since 1988, starting with the 1991 election, can be understood as the period of competitive electoral politics, when the PRI had to sharpen its electoral appeal just to retain its incumbency. Thus, I have split the electoral observations into two epochal categories: (1) the era of PRI monopoly (up to 1988); and (2) the era of competitive electoral politics (1988 to the present). Procampo was implemented during the later of these epochal categories as a policy strategy to stave off a precipitous decline in support. The empirical challenge is then to see whether the policy succeeded in this electoral objective. Was Procampo's intervention (in the post 1988 period) sufficient to stabilize the PRI's declining share of support within a margin of volatility that one could have predicted from the "normal" distribution of electoral returns?

There is an assumption that the PRI was likely to experience a decline in support in the 1991, 1994, and 1997 elections. The challenge is to situate each state's actual outcomes in the post-1988 elections against the backdrop of the pre-1988 baseline. For instance, the post 1988 decline in the PRI's share of the vote is much more significant in Chiapas than in, say, Mexico state. This is so even though, the actual post-reform results were much less favorable for the PRI in Mexico (average 43.1) than in Chiapas (average 56.1).

Table 4.1 The PRI's electoral share in Chiapas and Mexico State, 1961-1997

year	1961	1964	1967	1970	1973	1976	1979	1982	1985	1988	1991	1994	1997
Chis.	99.3	98.6	96.2	98.4	89.1	97.4	94.5	89.5	89.1	89.9	73.9	46.6	47.7
Mex.	97.7	91.5	84.3	79.0	62.6	77.3	60.3	53.5	56.3	31.2	51.2	45.8	34.0

Source: Instituto Federal Electoral.

The volatility score for Chiapas is considerably higher than that of Mexico's due to the trend-sensitivity of the score. The score takes into account the "normal" distribution of electoral returns for the PRI through measures of central tendency and volatility in the pre-reform era (1961-1988). Then, one can compare the PRI's post-1988 share of the vote to the previous era with a "point estimate" that averages the results of the three elections that have taken place since 1988. It is assumed that the point estimate of the 1991-1997 elections will be significantly lower than the baseline set in the pre-reform era. But, the challenge is to establish parameters that allow us to categorize each state's post-1988 point estimate as either within or outside the typical (or pre-reform) range of volatility.

The most critical factor of the volatility score is the relative deviation of the point estimate of the post-reform era's electoral return (comprised of an average of the 1991, 1994, and 1997 elections), as mapped against the pre-reform trend. Thus, in the case of Chiapas, the point estimate is derived from averaging 73.9, 46.6, and 47.7. To gauge how the point estimate differs from the typical pattern of the pre-reform electoral share, I subtracted the point estimate (56.1) from the mean of the pre-reform results (94.2). Then, I divided that difference (38.1) from the standard deviation of the pre-reform era (4.34), and obtained a volatility score of 8.78 for Chiapas. The higher this score, the more dramatic the deviation between the post-reform point estimate as compared to the pre-reform period. Chiapas ranked the highest with 8.78 and Mexico the lowest with 1.27.

In other words, Mexico's score was smaller because the PRI had registered declining margins of support for the PRI prior to the economic reforms. For instance throughout the 1980s, the PRI never received more than 56.3 of the vote and it went as

low as 31.2. Thus, the 43.7 point estimate of the post-reform era was not quite a dramatic deviation as Chiapas's point estimate. In Chiapas case, the scenario could not have been more stark. The pre-reform electoral results never dipped below 89.1 in 1973 and in 1985, and they went up as high as 99.3. This ten point margin hovering in the 90s makes for a dramatic contrast with the 56.1 point estimate of the post-reform era.

For any one state, the smaller the z -score, the smaller the electoral volatility score assigned to that state. The larger z -scores indicate that there was a dramatic deviation in electoral behavior in the post-reform era as compared to the earlier period. The z -scores for each state in descending order are: Chiapas 8.78; Guerrero 3.41; Oaxaca 2.76; Puebla 2.38; Sinaloa 2.38; Tamaulipas 2.36; Veracruz 2.16; Guanajuato 1.82; Michoacan 1.68; Jalisco 1.50; and Mexico 1.27. This distribution suggests that the post-1988 electoral returns were most volatile (when compared to the "normal" trend) in Chiapas, and least volatile in the state of Mexico. The electoral trends can be appreciated in Figures 4.1 through 4.4 which display electoral trends for either two or three states at a time (grouped alphabetically).²⁷

²⁷The 1961-1994 electoral data was gathered from the statistical appendix in Silvia Gómez Tagle. *La Transición Inconclusa: Treinta años de elecciones en México*. (Mexico City: El Colegio de México, 1997). And, for the 1997 data, I relied on: Instituto Federal Electoral. *Elecciones Federales 1997*, Tomo I. (Mexico City: Instituto Federal Electoral, 1997) p. 21; and Instituto Federal Electoral. *Elecciones Federales, 1997*. Tomo III. (Mexico City: Instituto Federal Electoral, 1997) p. 13.

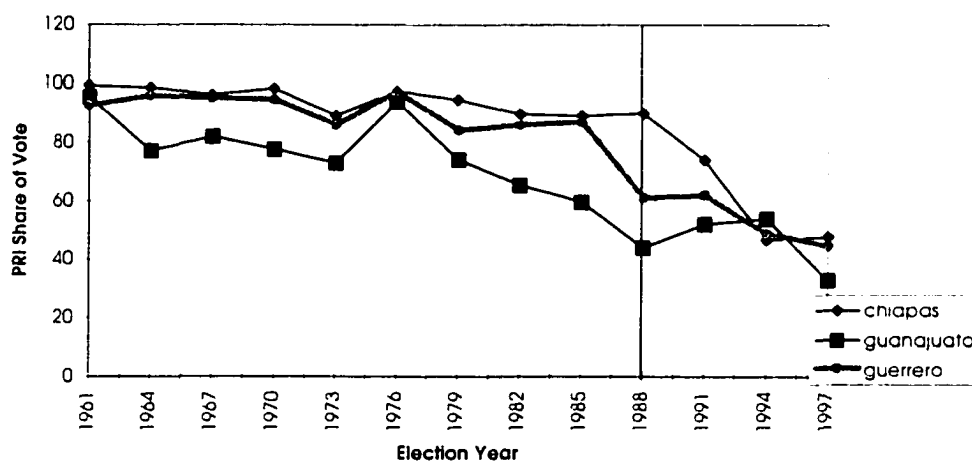


Figure 4.1 PRI Share of Federal Votes (1961-1997)

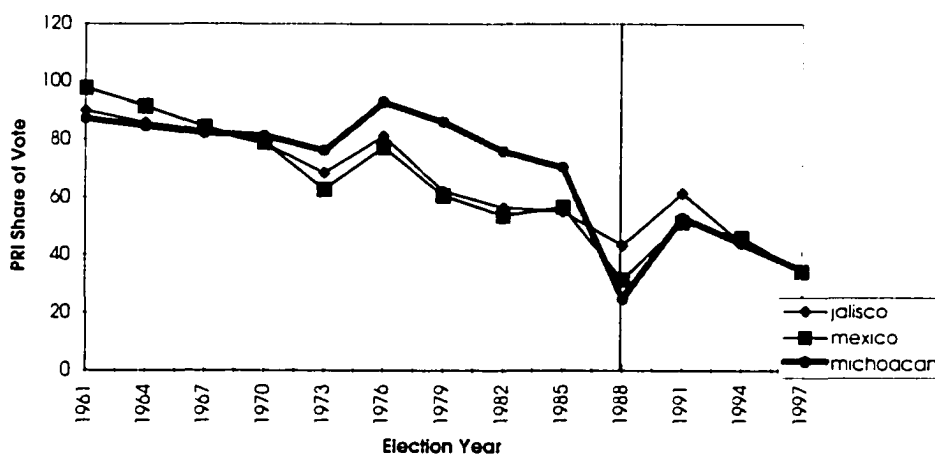


Figure 4.2 PRI Share of Federal Votes (1961-1997)

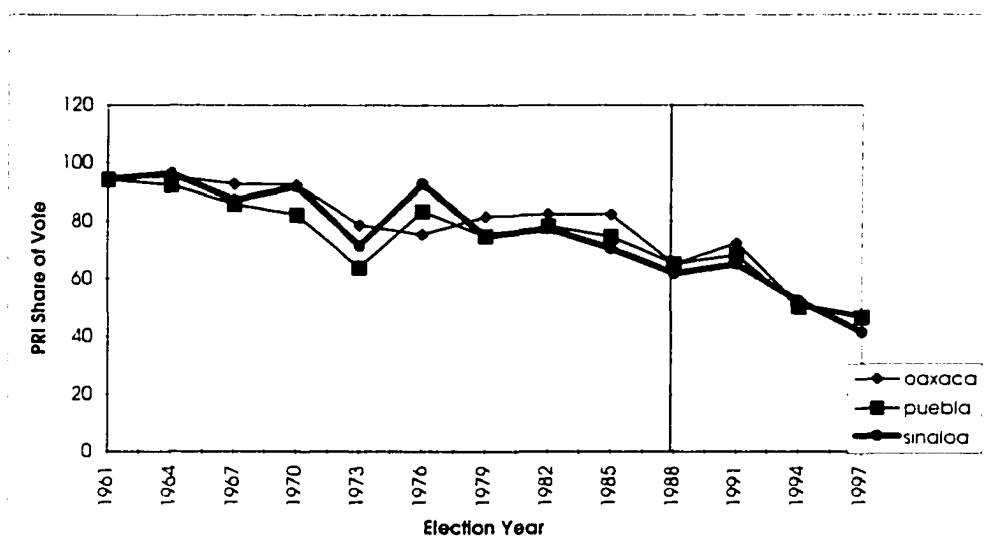


Figure 4.3 PRI Share of Federal Votes (1961-1997)

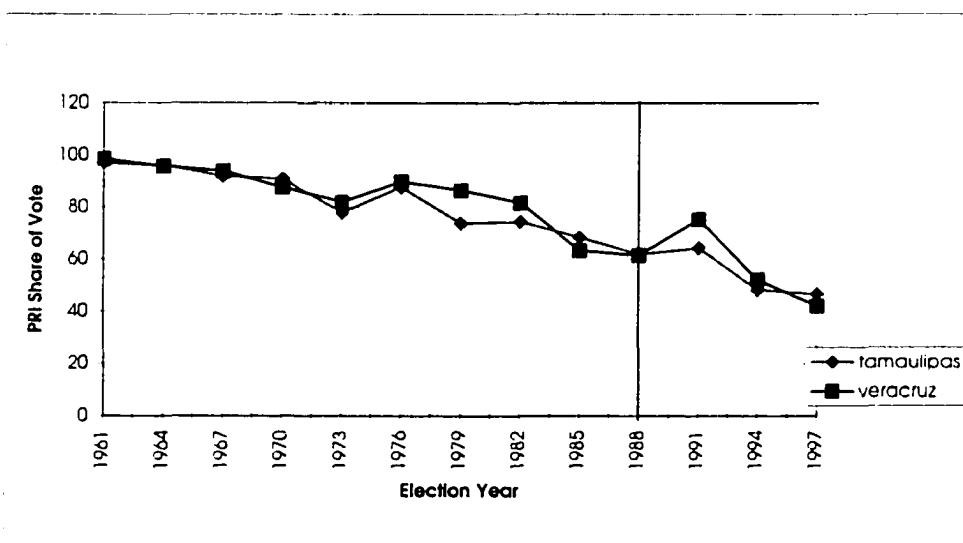


Figure 4.4 PRI Share of Federal Votes (1961-1997)

In sum, the question hinges on whether the post-1988 point estimate (derived by averaging the 1991, 1994 and 1997 elections) can be situated within the "normal" distribution with a relatively high probability. The higher the z -score, the smaller the probability.

After computing a z score of electoral volatility for each state, we are ready to test the relationship between the independent and dependent variables. The correlation

coefficient that I derived was based on a non-parametric test, the Spearman Rank Correlation Coefficient, because one of the variables being observed, the cacique index, is technically an ordinal variable. To be sure, the index itself is comprised of *interval* data such as the share of each state's population that is literate. However, when interval data is grouped into categories, as I did with the multiple-item measures that constitute the cacique index, then the variable becomes ordinal.²⁸

The Spearman Rank test calls for the ranking of subjects in two series according to each of their scores in the two variables, the cacique index and the electoral volatility. In other words, we substitute the actual scores with a rank in descending order. Thus, the states with the highest cacique index will be assigned a 1 for the purpose of this test. The same is done to the electoral volatility ranking.²⁹ The next step is to derive the difference between these two rankings for each state.

Table 4.2 Ranking of independent and dependent variables

State	Cacique Index Ranking (A)	Electoral Volatility Ranking (B)	Difference (A)-(B)	Difference Squared
Chiapas	1	1	0	0
Guerrero	2	2	0	0
Oaxaca	3	3	0	0
Michoacan	4	9	-5	25
Guanajuato	5	8	-3	9
Puebla	6	4	2	4
Veracruz	7	7	0	0
Mexico	8	11	-3	9
Sinaloa	9	5	4	16
Jalisco	10	10	0	0
Tamaulipas	11	6	5	25

With this information, we can compute the correlation statistic by applying the following formula:

$$rho = 1 - ((6 * (\text{sum of the differences squared})) \div (N^3 - N))$$

²⁸Alan Bryman and Duncan Cramer. *Quantitative Data Analysis with SPSS for Windows*. (London: Routledge, 1997) p. 57.

²⁹It is important to understand this seemingly trivial point, because the discussion hereafter will refer to a state like Chiapas as the state with the highest cacique index and electoral volatility score. Yet, a quick glance at the table of ranks might betray this claim because Chiapas is assigned a 1, the lowest value on the list.

Applying the data at hand, the formula should read:

$$rho = 1 - ((6 * 88) - 1320), \quad \text{or } rho = 0.6$$

The correlation coefficient between the cacique index and the electoral volatility score is .60, which is significant at the .05 level (1-tailed).

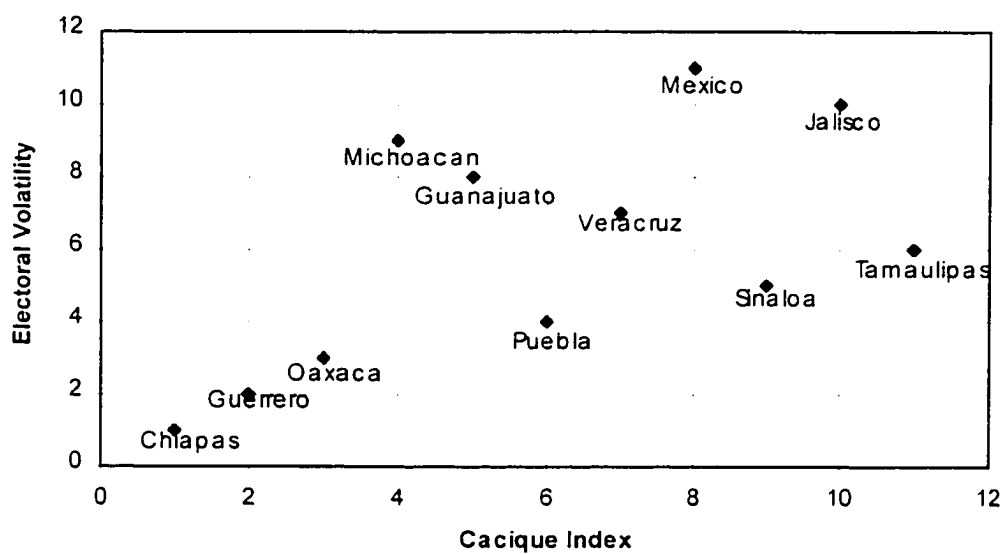


Figure 4.5 Relationship between isolation and electoral volatility

This scatterplot indicates that the relationship is positive, and, as the theory predicted, it is particularly strong for the most isolated states.

5. Limitations of the Statistical Analysis and Concluding Remarks

In keeping with the social science maxim that "causal inference [is] a process whereby each conclusion becomes the occasion for further research to refine and test it,"³⁰ this section concludes the chapter with a comment on the limits of the statistical analysis. As the scatterplot suggests, the relationship between the electoral volatility score and the cacique index, the dependent and independent variables respectively, is strong and linear for the three most isolated states (those ranked 1, 2 and 3 in the list above), or the states with the highest cacique index value. The variables of the remaining states are also related in a positive relationship, but it is much looser than with the first three states. In other words, the predictive value of the hypothesis decreases as the states become more integrated into the larger supralocal environment. But this statistical limitation should not be surprising based on the theoretical premises of the exercise. The hypothesis predicted that the breach of administrative protocol is most likely to take place in the more isolated regions, because there local power brokers, or caciques, can function without institutional checks. According to this reasoning, the discretionary level of administrators is expected to go up as the state's isolation value decreases. However, this is not the same as saying that policies will have their intended effects (electoral, social, or economic) in the more integrated areas. Their integration with supralocal environments reduces their insularity and aloofness to other consequential political trends. Thus, the expanded exposure of these states makes bivariate explanations less reliable.

Aside from these broader limitations, it is important to discuss an important anomaly, namely the relatively weak relation of the two variables in Michoacan, a relatively isolated state. This state ranks fourth in the cacique index, but ninth on

³⁰Gary King, Robert O. Keohane, and Sidney Verba. *Designing Social Inquiry: Scientific Inference in Qualitative Research*. (Princeton: Princeton University Press, 1994) p. 33.

electoral volatility. In other words, it is anomalous because its post-1988 electoral trend appears relatively stable when compared to the "normal" trend (1961-1988). There are very unique reasons for this, one substantive, the other mathematical. First, the PRI's patronage machine was particularly strong in Michoacan since one of its native sons, Lázaro Cárdenas, became president in 1934. After Cárdenas returned to the state as one of Mexico's most revered ex-presidents, he continued to wield considerable influence with subsequent administrations in Mexico City. In that capacity, he was able to procure significant resources which allowed him to consolidate the PRI's organization in the state even further.³¹ Ironically, many decades after President Cárdenas's death, his son, Cuauhtémoc, abandoned the PRI to run for president under an opposition ticket in 1988. When this happened the younger Cárdenas, who had once been the governor of the state, took part of this well-oiled machine power with him. Having lost the election, those who had defected from the PRI returned because it was clear that the patronage power remained with the PRI.

Cuauhtémoc Cárdenas's defection in 1988, and the temporary popular defection from the PRI ranks, are responsible for the outlying observation that makes Michoacán appear to be highly volatile during the "normal" period (which includes the 1988 election). Indeed the standard deviation for Michoacan's "normal" period (1961-1988) is the second highest of the eleven states studied. Inevitably, this election affected my calculation of the "normal" point estimate. It is also responsible for the low value (1.68) in the z -score of electoral volatility--which suggests that the 1991-1997 point estimate fits rather well in the "normal" trend. The z -score is thus largely affected by the impact of one anomalous score in 1988. But, if we took out the anomalous 1988 popular defection,

³¹The most notable of his post-presidential ventures on behalf of Michoacan, was the lavish Cuenca Project, which he administered personally with an eye to solidifying the party's organization.

Michoacan's z-score of volatility would be the second highest (4.66)--second only to the highly volatile state of Chiapas.

In conclusion, this exercise is a useful foundation to establish that there is a relationship at work between a state's relative isolation and its administrative corps' ability to deliver policy benefits with accountability. This helps us understand why a policy like Procampo exhibited such an uneven record in its electoral returns across different regions. However, as is true of any inference, when we traverse from the known to the hypothesized, complete certainty is never attainable. This section has outlined the parameters of uncertainty as it applies to the study at hand. The next chapter is an in-depth case study of all the variables at work in Chiapas, the state where the puzzle was most perplexing and the proposed explanation is most applicable.

CHAPTER FIVE

CHIAPAS: RAMPANT CACIQUISMO AND ADMINISTRATIVE CAPACITY

1. Introduction

Chapters three and four corroborate my argument that the state's capacity to implement reforms is regionally varied. Chapter four explained the strong relationship between a region's administrative capacity to implement policy and Procampo's electoral effectiveness. The analysis suggests that electoral effectiveness is mediated by highly heterogeneous implementation environments. To explain these constraints, it is necessary to study closely the particularistic imperatives of local authority structures. In isolated regions, caciquismo pervades local authority structures. In this chapter I take stock of the historical roots of caciquismo in Chiapas, and caciquismo's implications for the modern administrative functions of local institutions. I chose to conduct an in-depth analysis of Chiapas because it is the most isolated according to the cacique index (CI). If the CI's measurement were read as a barometer of the struggles between the political system's "center" and its provincial "peripheries," a high CI score would indicate that the center has an inchoate presence in that region of the country. I have argued that the most isolated regions are likely to be those characterized by impervious power bases capable of repelling attempts from the "center" to assert its authority in the region.

In my study of Chiapas's current institutional capacity, I employ a path dependence approach to understand the gap between the regional institutions' antiquated *modus operandi* and the forward-looking policy objectives of national leaders. This framework is most useful when an institutional configuration makes more sense as a product of its original circumstances than as a reflection of the forces at play at the time of observation. For instance, in the context of the European Community (EC) John Keeler uses a path dependency approach to explain "the extent to which today's CAP [Common Agricultural Policy] reflects not the EC's current balance of societal power, but

rather the power of the EC's founding years."¹ The institutional inability to adapt to the more current political demands is thus attributed to the weight of history's inertia. Paul Pierson explains that the reasoning behind path dependency contradicts a "common view in the social sciences which ... assumes (often implicitly) that 'institutions and behavior evolve through some form of efficient historical process. An efficient historical process... is one that moves rapidly to a unique solution, conditional on current environmental conditions, and is independent of the historical path.'"²

The path dependence approach allows us to appreciate the extent to which the struggles between national reformers and regional dissenters may have carried over from the state-building era and thus influence the quality of today's administrative output in isolated regions. Isolation is crucial for this process because the more isolated a region, the more intact the original center-periphery elite settlements³ are likely to be. In other words, the "path" is less likely to be broken in isolated areas because their lack of exposure to the currents of change serves to preserve historical power balances. The path's resiliency stems from the nature of political recruitment in Mexico: public service offices are staffed by political appointees down to the very junior levels.⁴ When personal ties to the job "patron" override competency concerns, individual employees tend to be more concerned with pleasing their patron than with efficient delivery of service. If the priorities were suddenly reversed in ranking, there would be great intra-institutional confusion. This is precisely the dynamic that has been unleashed in Chiapas in the 1990s.

¹John T.S. Keeler, "Agricultural Power in the European Community: Explaining the Fate of CAP and GATT Negotiations," in *Comparative Politics*, Vol. 28, Nº 2, January 1996, p. 136.

²Paul Pierson, "The Path to European Integration: A Historical Institutionalist Analysis," in *Comparative Political Studies*, Vol. 29, Nº 2, April 1996, p. 131. In this passage, Pierson cites J. March and J. Olson, *Rediscovering Institutions: The Organizational Basis of Politics*. (New York: Free Press, 1989) pp. 5-6.

³Dan A. Cothran, *Political Stability and Democracy in Mexico: The "Perfect Dictatorship"?* (Westport: Praeger, 1994) p. 132.

⁴The cabinet agencies that require an entrance test are: the Central Bank, the Foreign Secretariat, and INEGI, the agency entrusted with collecting statistical data for the country.

Such an approach makes understandable the extent to which the forward-looking policy objectives of the Salinas and Zedillo administrations will be implemented by local institutions that serve obsolete center-periphery arrangements. In Chiapas, I found that the local institutions still perform according to the center-periphery elite settlements of the post-revolutionary state-building era. As outlined in chapter two, the tacit understandings of that era involved an assertive central government seeking mass legitimacy from the peasants in return for reformist policies, like land reform. At the same time, however, the federal reformers could not afford to alienate the regional elite, so they opted to work with them in the implementation of the post-revolutionary promises. As Dan Cothran explains, ad hoc elite settlements or regional accommodations between the political system's "center" and its regional peripheries were crucial in moving the fractured post-revolutionary Mexican society from instability and violence to peaceful stability. But since the regional elite in the most remote regions had a vested interest in preserving the pre-revolutionary status quo, they exercised their administrative discretion to effectively subvert the spirit of the reforms.

In sum, the center-periphery elite settlements forged between the national state-builders and the regional elite amounted to a live-and-let-live disposition that yielded negligible change. The central government strengthened its grip over the peripheries only to the extent that it suited regional caciques, and this arrangement always benefited the local elite power base. The relative advantage that the provincial elite enjoyed in the isolated regions was hence preserved if not widened when the central state attempted to assert itself. The problem is that those arrangements, viable during the statist era, became ossified and are now incompatible with the new development orientation that the modern PRI leadership is forging for the country as a whole. The increasingly competitive electoral environment now makes it much more imperative for the national PRI leadership to nurture ties with key mass constituencies, like corn farmers. In this new

scheme, the elite settlements forged in the wake of the Mexican revolution are considerably less important than the mass electoral support that a large constituency can provide. Yet, the local institutions are still operating according to the antiquated logic. As the chart below indicates, this lack of adaptability has proven to be very costly for the PRI's electoral share. The share of electoral returns in favor of the PRI has dropped from the 90 percent and higher range during the statist era, to below the 50 percent mark in the neoliberal era.

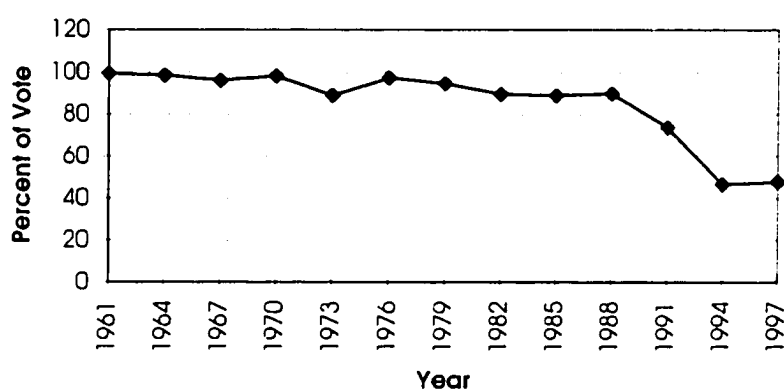


Figure 5.1 PRI share of vote in Chiapas, 1961-1997.

Source: Instituto Federal Electoral.

My argument, then, is that the post-revolutionary settlements, while suitable to stabilize the post-revolutionary cacophony, are ill-equipped to facilitate the necessary political cushioning for the economic adjustment costs that befell on a valuable constituency, the corn growers in Chiapas. Since the mark of the old arrangement is still discernable in some of the remote regions, like Chiapas, it is useful to revisit the historical trajectory of center-periphery struggles to gauge where and how the two "camps" connected, clashed, or accommodated each other. The nature of such a settlement between national and regional elites would have important implications for the current administrative capacity of the local institutions.

To a large extent, the analysis hinges on this question: can the local administrative institutions in Chiapas adapt to the new, post-reform electoral imperatives? Based on the path dependent approach, the institutional configuration of today makes more sense as a product of its original circumstances (i.e. the state-building era's imperatives), than as a reflection of the forces at play at the time of observation. Thus, to gauge the adaptability of today's institutions, it is important to understand the degree of leverage that the central government may have gained vis-a-vis the local elite during the state-building era. Had the center prevailed in that era, center-induced institutional change would have been more likely to succeed. In the case of Chiapas, as this chapter will show, the center never gained an advantage over the local power base. The evidence suggests that the central state was most successful when it was willing and able to compromise with the local caciques. However, this only strengthened the caciques' hands and it did little to challenge their regional power base. This bodes poorly for the adaptability of local institutions to policy prerequisites dictated by the center.

The faithful implementation of a policy like Procampo, which aims to connect the national leaders directly with the peasant base would require that the federal administrators circumvent the entrenched local intermediaries. In this sense, then, the policy is an attempt to subvert the old elite settlements. It is a daunting political challenge, and as such it constitutes the central question that animates my research. Can the contemporary central government (as embodied by the more technocratic national PRI leadership) effectively alter the historical pattern of successful cacique co-optation of national initiatives? My argument is that this possibility is less likely in isolated regions, like the state of Chiapas, because isolation offers caciques more opportunities to resist the central state's attempt to alter the local power base. The statistical analysis of the previous chapter supported this claim. In this chapter, I flesh out the argument with an in-depth case study to explain the complicated

relationship between isolation and caciquismo, and the subsequent rigidity of the institutions involved.

2. The Most Isolated State

Since the beginning of the Spanish conquest of Chiapas (then known as Chiapa), around 1528, the region has been significantly isolated from the hubs of colonial and post-colonial power. This isolation has played a key role in regional politics. Roughly two decades after the founding of the first Spanish settlement in Chiapas, King Charles V himself became concerned with the province's isolation, and the implications of this for the fragile balance of power between the Spanish colonizers and the native Maya population. To encourage more Spanish settlers to move there, on July 7, 1536, the King decreed that the *village* of San Cristóbal de los Llanos (renamed San Cristóbal de las Casas since 1823) would henceforth be called a *city* and treated accordingly. The King also decreed that the name of the city would change to Ciudad Real, or Royal City, in order to "ennoble Ciudad Real and, thus, encourage more Spaniards to settle there... and help the present settlers in their continuous struggle with the local Indians."⁵

This anti-isolation measure was intended to advance the interests of the Spanish colonizers, who were then foreign outsiders. But, after gaining independence from Spain almost three centuries later, the local elite, who were descendants of the Spanish colonizers, had established themselves with a comfortable advantage *vis-à-vis* the Indian population. Isolation was crucial for their continued rule because their advantage over the Indians was based on exploitative political and economic maneuvers that were considered reprehensible even by their contemporaries, especially in regions where the ideology of Liberalism had started to gain currency among the politically active elite.

⁵King Charles V. "Decree on the Villa de San Cristóbal de los Llanos de Chiapa, Provincia de Guatemala," issued in Valladolid, Spain, July 7, 1536. A copy of this Decree is on display at the *Museo de la Ciudad de San Cristóbal de las Casas*, Chiapas. Translation by present author.

The isolationist disposition of the regional elite, especially the colonial elite in San Cristóbal, was directly responsible for the 1824 decision to annex Chiapas to Mexico rather than to the Guatemala-led Central American Federation. The elite chose Mexico because its seat of power, Mexico City was far away and relatively disconnected from Chiapas. Moreover, the local elite were attracted to the political orientation of Agustín de Iturbide⁶, Mexico's leader at the time, because he sought as much continuity with the Spanish colonial arrangement as possible. Indeed, Iturbide experimented with the idea of instituting a Mexican Empire. Guatemala, on the other hand, offered a much less appealing course of governance. First, its seat of power was very close to Chiapas. It would thus be easier for the Guatemala City elite, if they so wished, to check the autonomy of the Chiapas elite. Second, while Iturbide wanted to preserve as much continuity as possible with the distant-colonial form of government, the political elite in Guatemala City and in the rest of Central America were experimenting, at least rhetorically, with liberal republican ideals as the guidelines for their new government. This was very threatening for the Chiapas elite--especially the San Cristóbal elite--because they feared that republican ideals of individual emancipation could trigger Indian revolts and unhinge their fragile advantage over the Indians. In sum, the Chiapas elite were guided by concerns served by isolation (e.g. unchecked political pre-eminence over the Indian communities) when they opted in 1824 to join Mexico. They felt this would help them preserve their unchecked autonomy over the Indians.

In sections 2.1 and 2.2 below, I offer two detailed examples of isolation in Chiapas. The first example is drawn from a secondary source, Jane Fishburne Collier's 1970's anthropological analysis of the conflict resolution system in Zinacantán, a Maya village just west of San Cristóbal. This example shows not just the differences between the

⁶Iturbide was a royalist officer who advocated independence only when it appeared imminent. See, Donald Fithian Stevens. *Origins of Instability in Early Republican Mexico*. (Durham: Duke University Press, 1991) p. 51.

Zinacanteco and ladino, or non-Indian, systems of adjudication, but their utter incompatibility which wedges them apart. The second example is a study of ladino caciquismo through an analysis of different practices that can be grouped together under the rubric of indentured servitude. This case encompasses a longer time span (from the early 1800's to the present) in order to illustrate the persistence of an abominable practice, which continued into the present because of the isolated conditions that have sheltered its perpetrators.

2.1 Legal Incompatibility between *Ladino* and Maya Systems of Justice

The legal administration of justice in Zinacantán and the European-based legal system that the Mexican republic espouses are utterly incompatible. Zinacantán uses a Maya-based system that serves its Tzotzil-speaking citizens and is similar to the systems found in numerous other Maya villages throughout the Mexican south. My account will stress not just the differences between the two legal systems, but the attributes which prevent them from becoming compatible. The comparison will show how the estrangement between one sub-regional legal system and another enhances the possibility that intermediaries (i.e. caciques) will emerge to facilitate a fragile coexistence, but in the process will also amass considerable discretionary power which they can wield arbitrarily. In short, the discussion of the divergent legal structures in Zinacantán and San Cristóbal (which can be read as a microcosm for the entire Mexican legal system) will facilitate an understanding of the relationship between isolation and caciquismo. It makes clear how the isolated and estranged authority structures make the emergence and sustainability of cacique rule possible.

As mentioned above, much of my analysis in this sub-section is drawn from Jane Fishburne Collier's *Law and Social Change in Zinacantán*. Collier's study is a rich anthropological analysis of the intricate legal system that governs what is culturally permissible in a small Maya village that exists within a larger, preponderant yet

incompatible, Western legal system. My primary concern is to use some of her findings to explain how caciques can thrive from the dissonance that exists across the Mayan and the ladino systems of legal adjudication.

Collier explains that the legal proceedings in Zinacantán function, in many respects, as first-level of adjudication, but they cannot be considered the lowest courts of the Mexican system because the two are not integrated functionally or schematically. On one hand, when all litigants are satisfied at the end of a trial in Zinacantán, the Mexican legal system respects those settlements as if they had been dictated by its own lower courts. On the other, when there is lingering ambiguity, or dissatisfaction with the outcome of events, one or both parties, the Municipal President (MP) of Zinacantán can threaten to refer the case to a higher authority, which means the Mexican courts in San Cristóbal. The prospect of such a referral can be very threatening to Zinacantecos because they are aware of the dissonance that exists between the two systems, and of the dismissive attitude toward Zinacanteco customs and notions of what is legally permissible. Moreover, the trial would be conducted in a foreign language, Spanish, and it would involve the expense of hiring a lawyer.⁷

In sum, the prospect of settling a dispute in San Cristóbal is not generally appealing to Zinacantecos. Thus, a threat to refer the case there can act as a compelling inducement for recalcitrant litigants to conform to the MP's ruling. The MP, exclusively equipped with the authority to decide which cases get to be heard and settled in San Cristóbal, wields a great deal of power in his community. This is precisely the kind of unchecked discretion that a leader requires to build and nurture his own *cacicazgo*, or personal fiefdom. The discretion emanates from the gap that separates the two legal systems. That functional gap is, in turn, a product of the different cultural norms embodied in each legal system. In this

⁷ Jane Fishburne Collier. *Law and Social Change in Zinacantán*. (Stanford: Stanford University Press, 1973) p. 38.

context, as Collier explains, the Municipal President's "interstitial role as the lowest level [of] Mexican justice [adjudication] and the highest level of Zinacanteco justice, [he] often makes settlements unacceptable to one legal system or the other."⁸ Yet, in the process, he often encounters opportunities to enhance his own interests without the check of one system or another.

In the rest of this sub-section, I provide three concrete examples of the uneasy fit and the ensuing tensions between the two systems. The first example involves the problems that result from the clash of different cultural norms such as the most basic naming patterns that govern demographic record keeping in the "Mexican" national system and in the Zinacanteco world. The second example explains some of the differences between the two guiding principles used to define criminal causality. Finally, and perhaps most importantly, I discuss some administrative complications that can result when each group's social expectations from the legal process collide. With each example, the implication is that the differences separating the two systems are so formidable as to result in perennial impasses, except to the extent that the caciques can broker an inter-systemic arrangement.

The first example of cultural misunderstandings between Zinacantecos and ladinos stems from the different naming patterns in the two cultures. The dominant pattern in Mexico is derived from the Spanish naming system which involves a Christian name, the paternal family's surname, and the maternal family's surname. Of the two surnames, the paternal surname is always the one that gets passed down to progeny. For example, if Eugenio Pallais Ramírez and Dolores Argüello Sampson have a child, the child's name would be, say, Diana Pallais Argüello. In the Zinacanteco context, the naming pattern is close enough to the Mexican pattern that the discrepancy is not too obvious, but sufficiently different to provide a

⁸ Collier, p. 39.

real source of confusion. Zinacantecos also have three names, a Christian name, a Spanish surname, and an Indian [or Tzotzil] surname, but both surnames are inherited from the father. The Zinacantecos, however, have a very limited range of names, which means that at any one time there may be several persons named Mariano López Chiku.⁹

Zinacantecos get around the ensuing confusion through the widespread use of nicknames. The result is that individuals can be identified by several names and, conversely, a single 'legal' name in the Spanish pattern can be applied to several persons.¹⁰ As Collier explains, this ambiguity has led to much confusion and rampant abuses of the justice system. For instance, a person

who had been accused of murder under three names (Christian name plus nickname, Christian name plus Tzotzil surname, Christian name plus Spanish and Indian surnames) "proved" that he was not the wanted man by producing a birth certificate giving his name in the Spanish fashion, with his mother's surname at the end. In another case a man accused of murder was freed when the corpse of his supposed victim could not be firmly linked to any single name.¹¹

The lack of uniformity in naming practices in Zinacantán can, thus, lend itself to abuses of authority. Those who act as intermediaries between the two "worlds" have singular power to structure the odds for litigants. The MP can, for instance, attest to a different identity for an accused person who was brought to trial in San Cristóbal. By accepting such a "favor," the accused individual would become beholden to the MP in ways that the ladino system of justice and administration is not equipped to track. It is

⁹ Collier, p. 42.

¹⁰ Collier, p. 42.

¹¹ Collier, p. 42.

through this kind of transaction that individuals who serve as intermediaries can accumulate a great deal of influence. One can thus argue that isolation, in the political and cultural sense, is a precondition for caciquismo.

My second example is about the different cultural rules used to determine acceptable evidence. In one instance, Collier found that the records filed by the plaintiffs of one robbery case involved an accusation against a group of men who allegedly broke into the plaintiffs' home one night. Curiously, Collier also found that the same records filed in Zinacantán also stressed that a child in the household had died three days after the alleged robbery. The plaintiffs were therefore charging the accused with murder. Collier explains that Zinacantecos believe that "a severe fright can cause soul loss leading to death," and this is what led the plaintiffs to accuse the defendants of murder. When the case was transferred to the ladino court in San Cristóbal, the officials there simply deleted the sentence that made reference to the child's death three days after the robbery incident. With a different conception of criminal causality and rules of acceptable evidence, the ladino officials did not even ask why the plaintiffs had originally mentioned the child's death. From their point of view, the question would have been irrelevant.¹²

In this instance, the plaintiffs would have been better served had their case been settled by the Zinacanteco process. When the MP transferred the case to the San Cristóbal court, he knew that he was effectively exculpating the accused men of the murder charge. Being the final arbiter of the cultural incongruities thus empowers the MP in very important ways. This is further evidence that the dearth of bridges connecting the two cultures and legal systems can lend itself to the undue concentration of power in the hands of those who are strategically situated between the two systems.

A final example of the incompatibility of the two "worlds" stems from the guiding premises behind the Zinacanteco and the ladino systems of justice. Collier found that the

¹² Collier, p. 41.

two systems have altogether different objectives. The goal of the ladino legal system is to scrutinize an accusation as an isolated incident with the intention of applying a punitive remedy if the accused is found guilty. The Zinacanteco system, by contrast, is less interested in establishing guilt or innocence and prescribing a remedy accordingly. Rather, the goal is to restore a harmonious coexistence between the litigants, regardless of the veracity or weight of the claims. This is understandable for a small community, where the members must go on living together in a tightly knit web of social relations. Thus, when a Zinacanteco judge mediates a dispute, he often takes into account the litigants' relationship. As Collier explains,

When the parties at odds are closely related, the crime that precipitated the conflict is often forgotten in the search for the deeper cause of the dispute. ...But when the disputants are only distantly related, the nature of the act that caused the conflict is generally more important in determining the terms of the settlement. ...Thus, although it is possible to study Zinacanteco legal procedures by looking at the kinds of wrongs that are committed, a better approach is to examine the relations between individuals.¹³

Based on this disposition toward dispute resolution, the litigants tend to see the process as an opportunity to bargain one's situation vis-à-vis the other. As with any strategic bargaining process, where the aims of two parties are in conflict, each party must try to anticipate the adversary's response before making an initial "offer." Since it is wise to leave room for accommodation, it is prudent to start with an offer that exaggerates what one would settle for. Similarly, when the adjudication process is approached as a strategic bargain, as Zinacantecos do, the parties are likely to exaggerate their versions of what transpired so that the subsequent accommodations appear more like concessions than they

¹³ Collier, pp. 10-11.

perhaps are. Collier notes that while this may work well in the Zinacanteco legal system, where the judge and the litigants know what is really going on, the strategy of "padding" the truth does not travel well up the appeal hierarchy that lands the parties in a ladino court in San Cristóbal.

Verifiable facts are vital to Mexican legal procedures and peripheral to Zinacanteco purposes; and a confrontation between the two cultures can be ludicrous. Zinacanteco litigants tell exaggerated, or completely false stories, which the Mexican authorities are committed to verifying. Neither side gains respect for the other in the process. Zinacantecos are dismayed, and occasionally amused, at observing Mexican officials searching imaginary 'facts,' whereas the officials are annoyed at 'those lying Indians.'¹⁴

This gap in cultural legal practices not only buttresses the cultural isolation that separates the two legal systems, it also increases the MP's discretionary authority. In this particular instance, the MP could have forced the plaintiffs to accept his proposed settlement or face the dismissal of their murder charge in the Mexican legal system. Faced with these stark choices, which are rooted in the systemic isolation of the two legal systems, the MP had ample opportunity to exploit the vulnerability of the plaintiffs as he saw fit.

These examples were intended to illustrate the nature of the incompatibility of the isolated administrative structures of Zinacantán and Mexico at large. Isolation was a critical factor in this incompatibility, but the isolation was not related to distance. Zinacantán can be considered a kind of rural suburb of the colonial ladino city of San Cristóbal. The two are connected by the well-maintained Pan-American Highway. By foot, the journey takes less than 45 minutes. The gulf that exists between them is rather a function of irreconcilable world outlooks and languages. As anthropologist Evon Vogt explained these

¹⁴Collier, pp. 42-43.

differences between the ladinos of San Cristóbal and the highland Indians tribes, such as of those living in Zinacantán:

The descendants of the Spanish conquerors, interbred with Indians over the centuries, became the local Ladinos who speak Spanish, live mainly in towns and cities, control the economic and political system of Chiapas, are strong Catholics, and consider themselves citizens of the Republic of Mexico. The Indians, on the other hand, speak Tzotzil, live mainly in small scattered hamlets, are only nominally Catholics and consider themselves primarily as members of their own tribal groups. Each tribal group lives in a single *municipio*, speaks a unique language, and dresses in distinctive clothes.¹⁵

Vogt explains that the Zinacantecos view their world much as it appears to them topologically. Their ceremonial center is nested in "rugged limestone and volcanic terrain reaching into the clouds of Highland Chiapas."¹⁶ The confines set by these natural barriers are understood as the edges of their world, which is usually pictured and discussed as a large cube. Their ceremonial center is understood as "the navel" of the large cube, or the center of the relevant world. According to this outlook, "the whole world extends out from this 'navel.' Even Mexico City is regarded by the Zinacantecos as a remote place off toward the edge of the world."¹⁷

With these insurmountable differences in their cultural standpoints, it is hard to imagine how the two systems can be effectively integrated. The Mexican government has launched ambitious projects to "Mexicanize" the Indians through federal agencies that are

¹⁵Evon Z. Vogt. *The Zinacantecos of Mexico: A Modern Maya Way of Life*. (New York: Holt, Rinehart and Winston, 1970) p. 2.

¹⁶ Vogt. p. 3.

¹⁷ Vogt. p. 3.

supposed to be sensitive, at least on the surface, to Indian culture.¹⁸ The logistical limitations of these overtures stem from the inability of the central government to forge direct ties with the community, as citizens. Instead, the contact is always facilitated and mediated by the *caciques* who are adept political bridge makers and always ready to exact a disproportionate share of the benefits for themselves. From their unique role, they can institute a highly personalistic web of influence that is subject to no formal rules of administrative accountability. This is the weak link of the Mexican administrative system. Its capacity is compromised by the role of intermediaries, and the intermediaries can persist as long as isolation is a problem.

2.2. Ladino Caciques and Indentured Servitude

The previous example linked isolation to Indigenous caciquismo in Chiapas. This section does the same for ladino caciques. Isolation, in its comprehensive sense, is also the precondition for ladino cacicazgos, or semi-feudal fiefdoms. The ladino regional elites also thrive on the isolation that separates the ladino from the indigenous environments, and the national from the regional socio-economic and political environments. They also benefit from the incompatibility of the two systems, even though the differences are much more subtle than in the example above. Through a discussion of different forms of indentured servitude that have persisted into the very recent past, I will illustrate how the ladino caciques can form, maintain, and even bequeath to their progeny their cacicazgos.

The examples in this section span across two centuries. The incidents that I group together under the rubric of indentured servitude practices, are called different things (e.g. debt peonage, peonage, or near-slavery conditions) by the authors and commentators that I cite. My sources for this section include one direct interview of a person who documented a recent incident of indentured servitude; newspaper articles; unedited records of interviews documenting the personal experiences of individuals who lived as indentured servants

¹⁸ One such agency, the National Indigenista Institute (INI) will be discussed below.

during the 1920s and 1930s: and secondary historical analyses covering the incidence of this phenomenon during the nineteenth century and the early decades of the twentieth century. I will present the evidence chronologically.

At least since the mid 1800s, the labor practices in Chiapas were known throughout Mexico to be deplorable. By 1870, Chiapas was widely referred to in Mexico City as "the slave state."¹⁹ In 1878, an anonymous official from Mexico City wrote to the Secretary of the Treasury, Matías Romero, a stinging report on Chiapas that deserves extensive coverage here, because it exemplifies the concept of isolation in all its complexity.

The state of Chiapas as you know is destined by its topographic situation to be for many years the last of all the states in the Republic in civilization, culture, learning, morality, and wealth for many years to come. The heterogeneity of its races, the preponderance of the clergy which still possesses the most repugnant fanaticism, the lack of any familiarity with people from the other parts, the complete and constant division that reigns between Indians and ladinos, the absolute insignificance of the men that have influence in politics and in the local administration, the bad faith, selfishness, and absence of patriotism that distinguish the men of wealth; all of these defects which are preserved in Chiapas in the masses of citizens in a latent sense, have forced me to form a very sad impression of the future which is reserved for this portion of Mexican territory that seems to be destined to retrocede always when everywhere else feels the effects of positive advancement under the protection of the honorable and moralizing government of Porfirio Díaz. ...If you

¹⁹ Thomas Benjamin. *A Rich Land, A Poor People: Politics and Society in Modern Chiapas*. (Albuquerque: University of New Mexico Press. 1996) p. 28.

can penetrate the intricate labyrinth that passes for government here-- the floundering of a system without foundation, without virtuous traditions, without a determined objectives, and forming an indescribable chaos--you would be astonished at the meagerness of the Treasury, an impotent and odious administration of justice... while on the other hand, there is political administration without conformity and in the hands of arbitrary jefes politicos, ignorant school teachers, and corrupt priests; and to crown this work, a dreadful wretchedness, no spirit of enterprise, the most repugnant slavery, the monopolization of agricultural wealth whose exploitation is condemned to antediluvian customs, commerce destroyed by the want of consumption, until at last... An Intractable Malady!²⁰

Since the author of this report was a contemporary of the abuses he wrote about, the content suggests that Chiapas was out of step with the rest of the country's social political and economic norms, at least since the nineteenth century. Observers from the US also left written testimony to the same effect. For instance, in 1886, the US Consulate of Chiapas documented that "[i]n the state of Chiapas, servitude still exists, the remains, unfortunately of slavery in the past."²¹ While this quote may suggest that indentured servitude may have occurred sporadically, and that it was a fading remnant from another era, Thomas Benjamin has found enough evidence to suggest otherwise.

Benjamin quotes documents showing that members of the Chiapas elite "were willing to admit, in order to defend, the fundamentals of debt servitude."²² In 1885, for

²⁰Anonymous. "Análisis situación general estado de Chiapas, 1878." Archivo Histórico de Matías Romero, Mexico City. Dossier N° 28784. Quoted in Benjamin. *A Rich Land*. pp. 22-24.

²¹Quoted in Benjamin, p. 55.

²²Alan Knight. "Mexican Peonage: What Was It and Why Was It?" *Journal of Latin American Studies* 18 (1986), p. 52. Quoted in Benjamin. *A Rich Land*, p. 28.

instance, the editor of the official state newspaper admitted that indentured servitude was lamentable, but, at the same time argued that there was no way around in Chiapas because of labor shortage, and the "natural laziness" of Indians.²³ That same year Miguel Utrilla, a former governor of Chiapas, echoed these sentiments. He explained that "peones," as the indentured servants were called, knew their rights and received "paternal" treatment except in the region of Pichucalco.²⁴ There, he noted, "the work was unhealthy, the debts hereditary, and workers were chained and shackled."²⁵ Ultimately, however, Governor Utrilla found these conditions justifiable because "of the lack of education of the servants, their stern and obstinate character, the laziness which is proverbial by custom and habit, and, because it is the only way to maintain their obedience."²⁶

Historians often treat the issue of indentured servitude in Chiapas as a product of nineteenth century conditions. Friedrich Katz, for instance, explains the situation thus:

The isolation... the lack of an industry that would have competed with the estate owners for the scarce labourers, the strengthening of both hacienda police forces and the organs of the state made it extremely difficult for the peons to circumvent their owners. ...On the whole, the landowners were successful in the economic as well as the social and political fields. Production soared, [native] resistance was extremely limited, and the ensuing stability attracted new capital and investment.²⁷

While Katz is correct in arguing that the circumstances in the nineteenth century were propitious for the emergence and persistence of indentured servitude, it is also the

²³Benjamin, *A Rich Land*, p. 28.

²⁴Benjamin, *A Rich Land*, p. 28.

²⁵Benjamin, *A Rich Land*, p. 28.

²⁶Benjamin, *A Rich Land*, p. 28.

²⁷Friedrich Katz, "Mexico: Restored Republic and Porfiriato, 1867-1910," in Leslie Bethell, ed. *The Cambridge History of Latin America*. Volume V. (Cambridge: Cambridge University Press, 1986) p. 55.

case that the same conditions changed at a glacial pace, if at all in the twentieth century. I found numerous references to indentured servitude in the transcripts of unedited interviews of peasants who endured it during the late 1920s and late 1930s. One peasant recalled: "the landowners paid us and fed us what they wanted to and when they wanted to."²⁸ There were numerous references to the individuals who acted as the primary agents to trap peasants into accepting the initial debt. The vernacular name for these agents is *enganchador*, which is roughly translated as contractor, but literally means "one who hooks or traps another." One peasant from Chamula, a Tzotzil-speaking village near San Cristóbal, explained the role of *enganchadores* thus:

The *enganchadores* were in San Cristóbal. Those who needed money would go to an *enganchador* and they would forward the money. The *enganchador* would say, 'OK, return on such and such a day. You'll come back so you can pay your debt. Go on now.' If one didn't return [on the given day], the *enganchador* sent people to look for that person... they had photos, and they knew where the people lived. Often the *enganchadores* would lie and claim that they had advanced money that they never did. But back then, no one could complain or say anything. They even beat us. It was that ugly. But the poor indigenous people, they didn't know how to read or write: we didn't even speak Spanish. All we could do was look at the *ladinos*.²⁹

Once the deal was made in San Cristóbal, the *enganchador* would round up the peasants on an agreed-upon day to embark on a journey (the peasants by foot, and the *enganchador* by horse) to the haciendas in the coastal Soconusco region of the state. The

²⁸Instituto de Asesoría Antropológica para la Región Maya, A.C. (INAREMAC). *Trabajo en las Fincas: Los Tzotziles y las Fincas Cafetaleras de Chiapas*. (San Cristóbal de las Casas: INAREMAC, 1986) p. 2.

²⁹INAREMAC, *Trabajo en las Fincas*, pp. 2 and 7. Translations by present author.

journey took an average of eight days, assuming that the group walked for an average of ten hours per day during which they were supposed to pay for transit taxes as they passed through towns along the way.³⁰ During the eight days of travel, the peasants were not only expected to forego remuneration, but they were also charged for the meager food that they were given, and for the rudimentary sleeping arrangements which consisted of floor space in hacienda houses along the way. Since *enganchadores* were also known for their role as alcohol agents, they often promoted drinking during journeys and during their work season. This only contributed to the peasant's debt, and when the drinking led to alcoholism, an addicted peasant might as well consider himself in debt for life.

Indeed, a considerably large proportion of the peasants suffered from alcoholism. The farm supervisors, called *caporales*, also promoted alcohol consumption quite aggressively. As one peasant recalls from his time in a farm in the 1920s, the supervisor of the farm distributed a free cup of alcohol on Saturdays. "But since everyone was so tired and hungry, they asked for more. Pretty soon everyone had consumed a liter. And, everything beyond the first cup would get jotted down on the tab at [the hacienda's store, or] *Tienda de Raya*, and this meant more work."³¹ The *Tienda de Raya* was a critical factor in the maintenance of indentured servitude. It was the exchange center where peasants' accounts were settled once a year based on their work and their outstanding tab there. All the peasants' consumer needs, not least of which alcohol, were available on credit at the *Tienda de Raya*. But, as Katz explains, in turn-of-the century Chiapas,

labourers were bound to the estates by conditions of debt peonage
frequently akin to slavery. They were not allowed to leave their

³⁰Jan Rus, "The 'Comunidad Revolucionaria Institucional': The Subversion of Native Government in Highland Chiapas, 1936-1968," in Gilbert M. Joseph and Daniel Nugent, eds. *Everyday Forms of State Formation: Revolution and the Negotiation of Rule in Modern Mexico*. (Durham: Duke University Press, 1994). It was not until 1950 that the distance from the Highlands to the Haciendas in other parts of Chiapas began to be traversed by truck or bus. See INAREMAC, 1986, p. 31.

³¹"Socios de la Unión "Tierra Tzotzil." *Kipaltik: la historia de cómo compramos nuestra finca*. (San Cristóbal de las Casas: INAREMAC, 1990) p. 2. All translations of this text by present author.

estates until their debts had been repaid, and the [landowner] made sure by fraud, by overcharging in the company store, [or Tienda de Raya,] and by forcing peasants to accept credits that they frequently did not need that these debts could not be repaid.³²

Thus, from the vantage point of those in charge of keeping control over the indentured peasants, the larger Haciendas were largely self-sufficient. Most had large rudimentary warehouses, aptly called *galeras* or chicken coops, with bunk beds where up to 60 peasants slept. In addition to the Tienda de Raya, there were large kitchens, an alcohol distillery, and often they were also equipped with a small church. A group of peasants who survived indentured servitude and went on to form one of Chiapas's first independent peasant unions, the Unión Tierra Tzotzil, told a story of how inter-hacienda peasant travel was closely monitored into the late 1920s: "There were agreements among landowners to not let peasants switch the hacienda that they worked for"³³ because that made it easier for them to control the peasants. As the peasants interviewed put it, the landowners "wanted us to work in one place for our entire life."³⁴ "We were treated no better than animals. If your boss wanted to, he could even sell you."³⁵

It is worth noting that these recorded incidents of indentured servitude took place in the late 1920s and in the late 1930s, even though some of the institutions that kept indenture servitude alive, like *Tiendas de Raya*, were unequivocally outlawed by the 1914 "Law to Liberate Peons."³⁶ The flagrant violation of the law in Chiapas was hardly surprising given the absolute isolation in which the victims of the *Tiendas de Raya* lived. Chances were that they could neither speak Spanish, nor read or write in any language, nor

³² Katz, p. 54.

³³Socios de la Unión "Tierra Tzotzil," p. 5. All translations from this text by present author.

³⁴Socios de la Unión "Tierra Tzotzil," p. 5.

³⁵Socios de la Unión "Tierra Tzotzil," p. 1.

³⁶For a copy of the law, see, Ricardo Pérez, *Historia de un Pueblo Evangelista: Triunfo Agrarista*. (San Cristóbal de las Casas: INAREMAC, 1993) p. 24. Translation by present author.

travel even to another Hacienda, nor return to their village (if they weren't born on the Hacienda). If their social, economic, and political universe was confined to the whims of their supervisor at the hacienda, there was very little opportunity for denouncing the violation of a law that they probably did not even know existed. This is a clear example of how isolation reinforced the path dependent course of arbitrary *cacique* rule, led by the landowners, and supported by his staff of *enganchadores* and *caporales*.

If these conditions were alarming in the late 1920s and late 1930s, when my archival sources experienced the reported abuses, it is even more bewildering to report that there is solid evidence that the same conditions of indentured servitude persisted into the very recent past. The incidents involve the conditions in two of the most productive coffee farms in Chiapas, Hacienda "Liquidámbar" and Hacienda "Prusia." Liquidámbar and Prusia which were physically invaded and taken over on August 4, 1994 and September 15, 1994, respectively, by neighboring peasants or peasants who had lived and worked on the grounds. They sought to gain some land for themselves in response to prior injustices and the lack of opportunities that they faced. The media attention that these two land invasions received exposed the persistent conditions of near slavery that had carried on from the nineteenth century almost intact. As the Mexico City newspaper *La Jornada* reported it, in "Liquidámbar and Prusia the exploitation level appeared to follow the same patterns that one associates with the exploitation characteristic of the *Porfiriato*."³⁷ Some of the vestiges of indentured servitude found were the use of Hacienda-issued coins as the currency of exchange for the peasants living and working there.³⁸ The journalists also

³⁷*Porfiriato* is the term Mexicans use to refer to the dictatorship of Porfirio Díaz which lasted from 1877 to 1911. Alonso Urrutia, "En su última fase, las negociaciones para desalojar la finca Liquidámbar," in *La Jornada*, October 25, 1994, p. 11. Translation by present author.

³⁸Interview with Virginia Osuna in Mexico City, January, 1998. She worked with a documentary film crew that captured all these injustices during the long stalemate between the invading peasants, the landowners, and the authorities.

found jails and barracks where the "insubordinate" peasants were locked up without any possibility of legal due process.³⁹

What makes these findings even more astonishing is that Liquidámbar and Prusia are not insignificant farms in Chiapas. They are considered two of the most productive and "modern" Haciendas in Chiapas. Together, their 5,000 hectares yield one quarter of the entire coffee production in the state.⁴⁰ Thus, they are important samples of Chiapas's agricultural production base. What they also have in common, which corroborates my argument in this study, is that they are both geographically isolated. In addition to the isolated conditions that come from the rampant illiteracy and political disenfranchisement that afflicts the peasant community of the Haciendas, they are also geographically distant and hard to reach. For instance, the journey from the nearest medium-sized town to Hacienda Prusia--which prior to the peasant takeover yielded an average of six million dollars worth of coffee--involves four hours by truck on a road that is almost impassable, and along which there are only small and isolated communities that subsist in misery.⁴¹

The two Haciendas also share another characteristic that helped to galvanize support for the invasion: they are both owned by descendants of German immigrants who came to Chiapas during the coffee boom of the late nineteenth century. With names like Folke von Knoop Kahle (the owner of Hacienda Prusia) and Laurenz Heribert Hudler Lindemann (the owner of Hacienda Liquidámbar), the local peasant population was not blind to the racially-based contrast in power. The issue was underscored in most newspaper accounts of the story, in no small part because the perception of racism acted as a catalyst for the peasants.

³⁹Alonso Urrutia, "La Prusia, finca cafetalera en Chiapas que genera al año 6 mdd." in *La Jornada*, November 15, 1994, p. 19. Translation by present author.

⁴⁰José Gil Olmos y Elio Henríquez, "Reiteran campesinos que no saldrán de las fincas Liquidámbar y Prusia," in *La Jornada*, October 6, 1994, p. 18; and Alonso Urrutia, "La Prusia, finca cafetalera en Chiapas que genera al año 6 mdd." in *La Jornada*, November 15, 1994, p. 19. Translation of each of these texts by present author.

⁴¹Alonso Urrutia, "La Prusia, finca cafetalera en Chiapas que genera al año 6 mdd." in *La Jornada*, November 15, 1994, p. 19. Translation by present author.

As one of them put it: "If the owner of this Hacienda, the German, would like his house back, he can come, but we're keeping the land. If the German wants to live among us, fine, but he won't have the land. The land is for people from Chiapas, not for foreigners. It's a shame that ownership of all this land, more than 10,000 hectares⁴², is so concentrated."⁴³

Each instance of indentured servitude discussed in this section could not have materialized had it not been for the isolated nature of its context. The unchecked autonomy of the landowners is the permissive condition for it. The landowners have armies of accomplices that facilitate its functioning, but at least since the mid 1800s, the system of indentured servitude in Chiapas has been out of step with the national norms of acceptable labor practices. And, at least since the mid 1910s, when the post-revolutionary laws explicitly forbid some of the practices that sustained indentured servitude, landowners who continued to adhere to the old practices did so in the shadow of the legal system. The implications for intermediarism, thus, have much in common with the emergence of Indigenous caciques.

3. Attempts to Strengthen Institutions and Rein in Caciquismo

3.1. "Enlightened" Caciquismo, 1890-1910

There have been important attempts to institute a strong rule of law in Chiapas. One of the most important attempts was spearheaded by Governor Emilio Rabasa, an "insider" leader who wielded influence from 1890-1910, is now remembered in the history books as an "enlightened cacique" for his efforts to reconfigure the authority structure of the state along more centralized lines. Despite his tenacity, however, his accomplishments were

⁴²The varying estimates of the Hacienda's reach are understandable because in remote places, the owners often feign the legal breakup of one property in order to get around the constitutional injunction against latifundios, or large landholdings. However, it is common knowledge, that these ostensibly separate properties continue to operate as one whole. Thus, the peasant may have been referring to the more realistic scope of the property, rather than the official size.

⁴³Alonso Urrutia, "La Prusia, finca cafetalera en Chiapas que genera al año 6 mdd," in *La Jornada*, November 15, 1994, p. 19. Translation by present author.

significantly limited by the historical resiliency of the parochialist factions that had become such an established fixture of Chiapas politics.

Governor Rabasa and his allies took some bold and unprecedented steps to galvanize the cooperation of the different oligarchic caciques and provide public goods such as transportation infrastructure projects and the construction of some public schools. As Benjamin explains, at the root of Rabasa's "enlightened caciquismo" was an understanding that "modernization implied the strengthening of government in order to reform and dismantle the antiquated local and regional institutions that inhibited economic expansion and development."⁴⁴

But there were important factors that hindered his initiatives. First, it was not easy to overturn the past when there were very strong and entrenched interests supporting the parochialist *status quo* that had served oligarchic caciques so well. For most of the nineteenth century, politics in Chiapas unfolded along sub-regional factional divides. This intra-regional in-fighting hit a lowpoint in the 1870s when military caciques⁴⁵ sought to rule their home towns as their own despotic households. These caciques effectively fractured state authority along the parameters of their localized dominions and guarded these distinctions jealously. The fortress mentality of the early 1870s gave way to a more concerted form of government in 1877 when Sebastián Escobar, the cacique from the Soconusco region, managed to forge a type of trans-local authority structure.⁴⁶ However, what ensued was a tenuous state-wide coalition of local caciques. It amounted to nothing more than a set of *ad hoc* clientelistic arrangements insufficiently strong to produce a mandate for coherent governance. When Emilio Rabasa sought a more solid consortium of

⁴⁴Benjamin, p. 61.

⁴⁵Prominent examples are Julián Grajales, Sebastián Escobar, Miguel Utrilla, José Eutimio Yáñez, and Pomposo Castellanos. See Benjamin, p. 48.

⁴⁶Benjamin, p. 48.

caciques, he relied on the clientelistic endorsement of the strongest cacique in the country, President Porfirio Díaz.

Indeed, the center-periphery quid pro quo between Díaz and Rabasa was representative of the different elite settlements that Díaz forged nationwide to consolidate his rule. The Porfiriato, as the Díaz dictatorship is known, was strong and durable, but in remote states like Chiapas, his rule depended on ad hoc arrangements that favored the continuation of local cacique discretion in the administration of local politics. In sum, while it is fair to conclude that Rabasa's enlightened caciquismo resulted in the unprecedented provisions of public services based on the cooperation of different caciques, it is not the case that he strengthened the state or national government at the expense of the caciques. All he accomplished was a type of truce among caciques to build infrastructure that they all agreed was beneficial. Thus, the caciques did not relinquish local control over their isolated fiefdoms.

3.2. Failed Federal Attempts to Circumvent Local Caciques, 1934-1960.

President Lázaro Cárdenas (1934-1940) is remembered throughout Mexico as the post-revolutionary president that showed the most leadership and determination with regard to bringing about the change promised by the revolutionary rhetoric. For peasants, this meant the hope of land reform, and, for those who worked as hired labor, improved working conditions. In Chiapas, there had been virtually no attempt to implement the revolutionary promises before the Cárdenas administration's initiatives. In this section, I set out to map the accomplishments of the Cárdenas administration against the well-entrenched path of caciquismo. In the process, it will become evident that the path-dependence of cacique-ridden practices in local administration in Chiapas was not significantly affected by the Cardenistas' attempts to assert the national government's authority at the local and grassroots level. Jan Rus offers an even more pessimistic

assessment of the center-periphery struggles that took place during the Cárdenas era. He argues that those initiatives "actually led to a more intimate form of domination."

The Cardenistas' thinking about the Chiapas problem was articulated in a "widely publicized federal labor commission report exposing the 'virtual enslavement' of Chiapas's Indian workers[:] they argued that since the conservative state government had proven incapable of enforcing labor codes in Chiapas, the federal government should organize the native work force and take over the function itself."⁴⁷ Not surprisingly, this proclamation did not sit well with the Chiapas political and economic elite and for two years they were very successful at forestalling the federal agents' attempt to bring about meaningful change.

The contest for control was settled with the gubernatorial elections of 1936. To the dismay of the local political elite, the Cardenista wing of the party, led by Efraín Gutiérrez, prevailed. Gutiérrez's victory was due to the mobilization of the highland Indians, who constituted one third of Chiapas population, but had never been organized politically to participate in ladino power contests. The electoral participation of the highland Indians was even more remarkable when one considers that since the early 1910s the different Indian communities of the central highlands had made a conscious effort to draw inward,

shunning all unnecessary contact with the outside world. In Chamula, for instance, it became a rule... that the community's municipal president could not be bilingual (as he had been before 1914) but had to be a monolingual Tzotzil-speaking elder. Only this way, it was argued, could he be trusted not to betray his neighbors to outsiders, whether by 'selling' them to ladino labor contractors or acting precipitously in matters that might bring reprisals from ladino officials.⁴⁸

⁴⁷Rus. p. 273.

⁴⁸Rus. p. 270.

The challenge to draw the communities back to the world of ladino politics was undertaken by Erasto Urbina, a former immigration officer who spoke fluent Tzotzil and Tzeltal. Part of his effectiveness as an emissary to the Indians was rooted in his genuine concern for their exploitation. But, another contributing factor was his strategic alliance with bilingual gunmen who traveled with him and his "election committee" to all the highland communities to "announce" Gutiérrez's candidacy.⁴⁹ As Rus puts it, given "the rough nature of his companions, it is not surprising that none of the local officials with whom he dealt seem to have disputed his orders on how to vote."⁵⁰ Indeed, Gutiérrez prevailed with a resounding lead on the basis of this highland vote.⁵¹

To cement the Indians' vote of confidence and trust, Gutiérrez appointed Urbina head of the state's Department of Indigenous Protection (DPI) and the government's proconsul in the highlands. In this capacity, Urbina's first objective was to unionize the indigenous workers, who were, after all, the labor backbone that made possible the state's export agriculture. The Union of Indigenous Workers (STI) successfully enrolled all of the region's coffee workers through the help of young new bilingual (and whenever possible literate) recruits from each town. He appointed them *scribes* to their communities town halls, and thus assured himself that his interests would not be immediately discarded by the inward-looking elders who still controlled the seat of power in most Indian villages.

Urbina and the STI gained stature among Indians when the organization started producing immediate results, such as the successful expropriation of large haciendas and subsequent redistribution of the land, and the immediate improvements in working conditions for the workers who had traditionally migrated to work in inhumane and exploitative farms that still practiced indentured servitude. As one peasant recalls, with the emergence of the STI,

⁴⁹Rus, p. 274.

⁵⁰Rus, pp. 274-275.

⁵¹Rus, p. 275.

...law finally arrived at the haciendas. Don Erasto told the *caporales* [or hacienda supervisors,] that we couldn't go hungry anymore, that they had to improve the quality and the amount of the food they fed us. He also told them that there was a limit to the number of hours that we had to work. Also, the *enganchadores* were monitored more closely so they couldn't rip us off or delay making their payments. He even forced some landowners and *enganchadores* to come to our union meetings.⁵²

While the STI's original work resulted in verifiable improvements for peasants' working conditions, it had some important limitations as an agent of Indigenous workers' rights. The most important problem was that as time progressed and the former scribes became more established in their town's municipal halls, they started to behave as caciques themselves. First, the scribes assumed the role of the *enganchadores* and in this role they were increasingly susceptible to the landowners' overtures to establish a working peace with them. The landowners offered them a privileged status and material incentives. In return, the scribes-turned-enganchadores deliberately limited the union's mobilizing potential and assured the landowners a reliable flow of workers. And, the union never called a single strike. When they were needed to fill monthly hiring quotas the ever more powerful former scribes did not hesitate to apply traditional sanctions--including time in community jails--against those who left their work site before fulfilling their contracts.⁵³

This infiltration of the previously inward-looking Indigenous governments was key to the Cardenistas success in subordinating the state's landowners to the national government and party.⁵⁴ However, it is important to note that there were important concessions made by the Cardenista camp to the landowners at the expense of the Indians.

⁵²INAREMAC. *Trabajo en las Fincas*, p. 32. Translation by present author.

⁵³Rus. p. 277.

⁵⁴Rus. p. 277.

For all of Urbina's revolutionary rhetoric and promises to peasants, his work amounted to a mere change of personnel and a few marginal improvements for Indian workers. Yet, he left the power structure of the local elite intact. Also, as alluded to above, with the progression of time, and especially after the Cárdenas administration, the union leadership, the former young scribes that Urbina had recruited and nurtured, were increasingly co-opted by landowners and other ladino elite.

The most critical blow to the STI's formal objectives came in 1942 when Mexico declared war on the Axis powers and the state took over the management of all the coffee haciendas owned by Germans until 1946. Since members of the German community in Chiapas owned up to two-thirds of the state's main plantations, and since these lands were placed in the hands of a state trust, the new governor decided that "an 'adversarial' syndicate was no longer needed, and the STI was officially reduced to nothing more than a system to recruit workers."⁵⁵ In 1946, the inauguration of another state administration, led by a governor who had himself been an *enganchador* in the 1930s, led to the formal disbanding of the STI, the levying of new transit duties and market taxes on Indians who brought goods to the San Cristóbal market or were just traveling through, and the withdrawal of native religious leaders' permits to sell alcohol. Henceforth, any alcohol not purchased from an official expendio (identified by a tax stamp on the bottle) was to be seized and its possessor jailed.⁵⁶

Just as the ladino elite were deepening the gulf between ladino and Indian politics, the former scribes, who by the mid 1940s were all in charge of municipal governments in their respective towns, seized the opportunity to mediate a working solution and to cement their emerging authority as the towns' caciques. To broker a peace after the ladino authorities imposed a tax and prohibited the sale of Indian alcohol, the scribes/caciques

⁵⁵Rus. p. 281.

⁵⁶Rus. p. 282.

organized their town's resistance against the ladino authorities. After a week-long boycott of all food sales to the San Cristóbal market, the ladinos backed down on the tax issue. The alcohol issue was more complicated, however, because the material stakes were much higher for both sides. The ladino authorities did not make any concessions on this issue, but the Indian caciques got around their recalcitrance with a cunning clandestine system of production and sales that were managed by the caciques themselves. In the process, the ex-scribes consolidated their local power base, as they were seen by their fellow townspeople as the courageous defenders of tradition against the intrusive and exploitative ladinos.

The contributions, however imperfect, of the Indian caciques to the restoration of a working peace between the isolated world of ladinos and Indians endowed them with sufficient legitimacy to sustain cacicazgos for the next twenty years. From the point of view of ladinos, the former scribes were aptly seen as the political gatekeepers to the Indigenous community. Thus, they regulated ladino access to the coveted agricultural labor force. The former scribes also held the key to the voting patterns of the entire community that they presided over. From the Indigenous people's vantage point, the former scribes were seen as trustworthy and resourceful leaders who could stand their ground against the cunning ladinos on behalf of their village.

For instance, Mariano Zárate and Salvador Oso, both members of the original Urbina group of bilingual scribes, became successful businessmen, moneylenders, landowners, and employers in Chamula and Zinacantán, respectively.⁵⁷ Not surprisingly, the same individuals controlled politics in their respective towns for the next twenty years. The political elite in ladino cities like San Cristóbal understood this and they incorporated the caciques of the highlands into their power structures, allowing them special concessions, political discretion in how to implement ladino laws, and material privileges.

⁵⁷Benjamin, p. 229.

The Cárdenas administrations' bold attempts to seek a direct rapprochement between the masses in Chiapas and the national government were ultimately mocked by the ensuing alliances between the traditional ladino caciques and a new class of Indigenous caciques who acted as a bridge between Indians and the ladino elite. The federal government in large part subsidized the opaque arrangements through its statist policies which guaranteed public budgets large enough to accommodate the heterogeneous set of interests involved.

This dynamic became very clear from the de facto compromises that resulted when a group of ambitious reformers from the National Indigenista Institute (INI), a federal agency to promote development in Indigenous communities, arrived in San Cristóbal during the early 1950s. Their objectives were similar to Urbina's: to circumvent the local ladino elite in cities like San Cristóbal to bring empowerment to Indigenous communities through better working conditions and improved access to education, health care, communication. Not surprisingly, INI agents

were not well received at first by Chiapas's local politicians. Not only did it threaten their capacity to control the Indians themselves without federal interference--a capacity they were perhaps overestimating--but its personnel consisted largely of former Cardenistas who were once again expected to 'stir the Indians up' against [landowners], labor contractors, and ladino politicians.⁵⁸

The worst fears of the local elite were perhaps confirmed when INI revived the old union for Indigenous workers, STI. Once it became clear to the local elite that there was nothing to be gained from resisting INI, the local elite opted, once again, to accommodate their adversaries and devise creative compromises to incorporate something of every party's interests without bargaining away their preeminence in the local power hierarchy.

⁵⁸Rus, p. 288.

In return for the conciliatory gestures of the ladino elite who offered INI agents a voice in the legal and political administration of the Indian municipalities, INI agents reoriented the agency's projects along lines more congenial to Chiapas's elite.⁵⁹ For instance, cooperative stores that had been managed for INI by the former scribes were turned over to their managers and became private businesses.⁶⁰ Similarly, trucks that were originally to be managed under cooperative arrangements were increasingly owned individually by the former scribes and their families.⁶¹ The concrete benefits of these compromised arrangements did not leave out the powerful ladinos in San Cristóbal. They were made partners with the now privileged Indian elite, who were simultaneously beholden to INI for the federal resources, and to the powerful ladinos for their role in the procurement of the caciques' ownership of the trucks and stores, and for their continued paternalistic protection. Finally, to complete the circle, a liaison office was established between INI and the state office of Indian affairs, DGAI.⁶² As Rus explains,

the rapprochement between INI and the DGAI simply aligned public institutions with the political and economic reality that already existed. ...INI ...in effect subordinated itself to the ladino elite's decision to control the native communities through a handful of favored leaders. Participation in INI projects now became a way of reinforcing the political alliance, a kind of reward dispensed to the chosen native: a federally financed payoff. After 1953, the state--meaning both the apparatus of government and the economic and political elite whose interests it served--settled into a pattern of

⁵⁹Rus, p. 289.

⁶⁰Rus, p. 289.

⁶¹Rus, p. 289.

⁶²Rus, p. 289.

depending more and more openly on its handful of favored scribe-principales to make the Indian community do as it wished.⁶³

The lengthy trajectory of incorporating distinct and often adversarial sets of interests within the ostensibly unified mantra of the PRI could not have happened without the largesse of the statist era of development. Thus, external currents of change accomplished only marginal modifications on the traditional imperviousness of ladino cacique control over regional affairs. The conflicts between the federal 'center' and the provincial periphery were camouflaged with the general distribution of federal funds to be managed at the discretion of the local caciques. The statist development orientation thus served a basis to ostensibly integrate the heterogeneous sets of interests that prevailed in Chiapas. But this was just a façade of unity and centralization. As the next section will indicate, once the largesse of the statist era ended, the local caciques, both ladinos and indians, have engaged in acrimonious, and often bloody, conflicts. It is in this volatile environment that the policy of Procampo is to be implemented.

4. Implementing Procampo Through The Existing Administrative Structure

Cárdenas's initiatives attempted to organize peasants, eliminate indentured servitude, and distribute land to dispossessed peasants. The original mandate of INI agents was to bring development opportunities to the Indian communities. Both of these attempts at federally-guided reforms were characterized by an initial goal to circumvent the local caciques and tie the masses more directly with the national leadership of the PRI. Similarly, Procampo was conceived by a technocratic presidential administration that wished to move beyond the clientelistic arrangements of the past and forge more direct ties between the government and the peasant masses. In this section, I argue that Procampo's modernizing thrust (to break the resiliency of local caciques) may meet the same frustrated fate of INI and STI. I will start with a discussion of some of the implementation "constants" that

⁶³Rus. pp. 290-291.

Procampo promoters faced, just as the INI and STI promoters did. Then, I discuss the main difference between the implementation environment for Procampo and the earlier statist era policies. Finally, I conclude with a descriptive account of the ungovernability that has befallen Chiapas in the wake of the neoliberal reforms.

First, here are the constants. The implementation environment in Chiapas has never been favorable to federal reformers who seek to tip the center-periphery balance in favor of the national government. The local elite has invariably outfoxed the boldest attempts to change the local authority structures. As the preceding sections of this chapter illustrated, isolation has been a priceless aide for the local elite who wished to preserve their unchecked autonomy. Neil Harvey characterizes the imperviousness of Chiapas's caciques as function of a "a legal and institutional terrain that [has been] able to reconstitute vertical lines of control through new forms of state patronage combined with selective repression."⁴ The key to the local caciques' success over national attempts to reform the local institutions and state-society relations, has been their ability to co-opt the reformers. Sooner rather than later, the agents of change realized that "traditional forms of mediation did not disappear [in Chiapas] with the expansion of bureaucracy and law."⁵ Upon such a realization, their options were to desist or to work through the existing authority structures which were riddled with what Harvey has termed "the collusion of public and private power."⁶

To understand what is unique about the environment in which Procampo will be implemented, it is important to not lose sight of the constant, namely the persistence of caciquismo. But leaving aside caciquismo for a moment, I move to what distinguishes Procampo from previous policy attempts to modernize the relations between the state and

⁴Neil Harvey, "Impact of Reforms to Article 27 on Chiapas: Peasant Resistance in the Neoliberal Public Space," in Laura Randall, ed. *Reforming Mexico's Agrarian Reform*. (Armonk: M.E. Sharpe, 1996) p. 153.

⁵Harvey, "Impact of Reforms," p. 153.

⁶Harvey, "Impact of Reforms," p. 154.

the peasant masses in Chiapas. Procampo's aim is similar to the initiatives of the original STI organizers or INI promoters: they all sought to empower the peasant masses and link them to the national PRI leadership without the costly mediation of local caciques. What most distinguishes Procampo is that it arrived in Chiapas with considerably less room for cacique accommodations: fewer resources, less discretion, and a more urgent need to generate electoral support from the targeted constituency. In other words, this time, the national strategists of the PRI could not afford to buy-off the caciques because there were not enough resources to go around: yet the cooperation of the caciques was more urgent than ever before. What the national PRI strategists needed from the local caciques was for them to implement the policy faithfully and with accountability. This was the only chance for the party to retain the corn vote in Chiapas, especially in the wake of the costly neoliberal reforms that affected the corn sector disproportionately.

The importance of accountable implementation for regime support was well understood by the policy's architect, President Salinas. His Ph.D. dissertation studied this relationship in rural environments.⁶⁷ He concluded that while "the state" (or its "official" party) expects to obtain productivity increases and increased political support, in return for its development policies and programs,⁶⁸ the likelihood of increasing political support suffers "...unless the program is implemented by reliable administrators."⁶⁹

Yet, reliable administration is premised on the existence of institutions that do not embody the collusion of public and private power that Chiapas has nurtured for centuries. In other words, the effective implementation of Procampo in Chiapas presupposes social and political transformations that are nonexistent there. What was not factored into the equation was the path dependent context which has spoiled all other attempts to streamline

⁶⁷See, Carlos Salinas de Gortari. *Producción y Participación Política en el Campo*. (Mexico City: Fondo de Cultura Económica, 1992), especially Chapter X.

⁶⁸Salinas de Gortari, p. 240. All translations from this text are by present author.

⁶⁹Salinas de Gortari, p. 241.

institutional output in Chiapas. Why should the caciques change their behavior now? The advantage of such an arrangement would go to the technocratic wing of the PRI who sought mass constituency support for their neoliberal policies. The losers would be the local caciques who would have to relinquish the clientelistic networks over which they preside.

With the reduction of federal resources, as embodied in policies like Procampo, the clientelistic logic that kept the overlapping cacicazgos working together in relative harmony is considerably less viable. In other words, with the austerity of the neoliberal reforms, the latent rivalries of the caciques were likely to be catapulted to the fore of local politics as they all seek control over a smaller resource base. Moreover, the policy was designed to be implemented with considerably less discretion at the local level. The Procampo checks are made out to individual recipients based on very transparent criteria stipulated in the policy's implementation manual. This reduces the discretion that the hyper-regulated environment of statist policies had traditionally provided for local caciques.

Procampo, then, represents a direct challenge to the regional set of ad hoc authority structures that had been integrated by the clientelistic opportunities inherent in the well-endowed, and highly discretionary federal mandates that characterized the statist era of development. But this challenge did not come with a contingency political plan to renew local and regional government. The result has been confusion, ungovernability, an armed insurgency, a countervailing movement of paramilitaries, and political cannibalism among the ruling elite. In this environment, policies like Procampo cannot be implemented faithfully. Not only are the local institutions organized according to clientelistic premises that are antithetical to the policy, but the local authority structures are also in a state of chaos that no one seems capable of reining in.

To illustrate this point, I will describe one of the most tragic incidents spurred on by the recent wave of ungovernability that has afflicted the state. On December 22, 1997, a

paramilitary group organized and maintained by an Indigenous cacique entered a place of worship in Acteal, a remote highland village, and assassinated 45 individuals. The Zedillo administration immediately condemned the tragedy and vowed to prosecute its perpetrators, but the incident generated an overwhelming wave of national and international indignation against the government, holding the PRI responsible for the atrocities. Indeed, the evidence of official complicity was compelling enough to warrant the resignation of the Secretary of the Interior, Emilio Chuayffet, and the governor of Chiapas, Julio César Ruiz Ferro, and the arrest of mayors and local officials in Chiapas.

At the very least, it is fair to say that the government, at all levels did nothing to address the possibility of a violent clash that many had foretold. On October 18, 1997, the co-bishop of San Cristóbal, Raúl Vera, sent a letter to Mr. Chuayffet to plead with him to address the rapid proliferation of paramilitary groups in Chiapas, and the accompanying risks that this proliferation implied for the most vulnerable villagers in remote areas of the state.⁷⁰ But this knowledge led to no action. Moreover, in light of the highly militarized condition of the state since at least 1995, it is hard to believe that the state had no knowledge of brewing violence. According to a confederation of non governmental organizations (NGO) that seek peace in Chiapas (CONPAZ), there were 40,000 soldiers, or 30% of the national total, distributed throughout 70% of the territory of Chiapas.⁷¹ With this pervasive military presence, the public has found it hard to grant the government the "plausible deniability" that government officials ask for in connection with the paramilitary situation in Chiapas.

More direct evidence implicating the state government is the finding that, just weeks before the Acteal massacre, the governor of Chiapas, Julio César Ruiz Ferro gave

⁷⁰Jorge Reyes. "Chuayffet ya sabía.-Vera: desde octubre, el obispo informó de la situación al titular de Segob. in *Reforma*. Mexico City. Diciembre 24, 1997. p. 5A. Translation by present author.

⁷¹Silvia Gómez Tagle. "Chiapas: la militarización como forma de gobierno," in *LASA Forum*, Vol. XXX, Nº 3. Fall 1998. p. 8. Translation by present author.

\$575,000) to the leader of the "Peace and Justice" paramilitary group.⁷² Newspapers in Mexico City were replete with allegations that the many paramilitary groups are sustained with federal funds, like Procampo and Solidarity funds, that were formally earmarked for peasants.⁷³ There is also evidence, although less concrete, that the paramilitary groups receive equipment, funding, and training from the Mexican army. Their weapons (R15, AK47, and .22 rifles) are too costly for communities that earn an average of less than \$3 per week, per capita. They also have very modern radio equipment and military uniforms.⁷⁴

At the local government level, the evidence of complicity is overwhelming. The nearest police office was informed of the massacre at 11:30 a.m., just one hour after the killings, when three villagers sought the help of the local police Commander. Instead of investigating the reported massacre in progress, Commander Ricardo García Rivas detained the three villagers. Police patrols continued their rounds as if nothing had happened.⁷⁵ The police continued to get notice from different villagers throughout the day, including from individuals who had personally witnessed the brutality and had barely escaped it. When the police commander dismissed their claims, some individuals phoned the vicar of the archdiocese, who, in turn, called different authorities in the state and in Mexico City. Everyone assured the vicar that it was a false alarm. The day ended and not a single authority took the trouble to even visit the site, despite numerous eyewitness reports that there many dead and wounded.

⁷²Karen Kampwirth, "Peace Talks, but no Peace," in *NACLA*, Vol. XXXI, Nº 5, March/April 1998, p. 18.

⁷³See for instance, Wilbert Torre, "Acusan a estrategia del Gobierno federal," in *Reforma*, Mexico City, December 28, 1997, p. 7A; Daniel Pensamiento, "Denuncian relación Gobierno-paramilitares," in *Reforma*, Mexico City, December 29, 1997, p. 9A; Communiqué of the Clandestine Revolutionary Committee of the EZLN, in *La Jornada*, Mexico City, December 26, 1997, p. 4.

⁷⁴Daniel Pensamiento, "La Cadena Impune," in *Reforma*, Mexico City, January 1, 1998. Translation by present author.

⁷⁵Kampwirth, p. 19.

The climate in Chiapas is one of endemic distrust. With at least eight heavily armed paramilitary groups,⁷⁶ who in 1997 alone killed at least 500 people, and the pervasive presence of army soldiers the state has been on the verge of all out civil war since 1995. Moreover, the state and local institutions and the officials that inhabit them do not inspire much confidence. Since 1994, the state has had three governors, none of whom enjoyed much legitimacy. The first, Eduardo Robledo, was elected in 1994 amid widespread charges of electoral fraud. This perception was so widespread, that the candidate many believe had won, the PRD's Amando Avendaño, held a shadow government and hosted a well-attended inauguration ceremony that took place at the same time as the official invitation-only ceremony for Robledo. The impasse lasted until Robledo announced that he would take a voluntary 11 month leave of absence. He never returned. But his successor, Julio César Ruiz Ferro, did not last the remainder of the term either. He resigned on the heels of the Acteal massacre. The current governor, Roberto Albores Guillén--appointed by President Zedillo, even though the state constitution stipulates that he should have been elected by the state legislature--also suffers a legitimacy deficit.

According to Manuel Camacho Solís, a federal official who led the first round of negotiations with the armed Zapatista rebels, the institutions in Chiapas failed because they have lacked capacity for a "very long time." In an interview with *Reforma*, he said this:

What characterizes the situation in Chiapas is that the institutions did not have the capacity--and haven't for a very long time--to absorb the high level of participation and conflict that had been brewing in the region. That is to say, the problem is not that there was an armed expression, or because there is a political struggle. Rather, it

⁷⁶The most prominent paramilitary groups are: Paz y Justicia; Alianza San Bartolomé de los Llanos, Chinchulines, MIRA, Máscara Roja, Degolladores, Fuerzas Armadas del Pueblo, Tomás Münzer, and one with no official name that operates in the areas of Chilón and Guadalupe Paxilhá. All of them are allied with PRI caciques.

is that the institutions have not been able to regulate the process of participation, to reconcile the conflicting parties, and to guarantee that the society would behave according to norms that the government itself has ignored. The problem has grown and threatens to become more accentuated.⁷⁷

In this climate of uncertainty and ungovernability, where the local protagonists of power struggles no longer know how to relate to each other, it is unclear how the national government can assert its authority and demand, among other things, the faithful implementation of policies like Procampo. Not surprisingly, the implementation of one of Procampo's supplemental policies, the temporary employment program, has been implemented according to the criteria that suited the state officials. The policy guidelines stipulate that the funds were to go to municipalities categorized as having a "very high" or "high" level of marginalization. But, according to the records of the Secretariat of Rural Development, only 46% of the funds were spent in the municipalities for which the program was earmarked.⁷⁸ In the course of many interviews with one of the policy's designers and federal administrators, I learned that federal officials feel helpless when faced with the unpredictability of Chiapas politics and its implications for policy implementation.⁷⁹ At the same time, however, the PRI cannot afford to jeopardize the electoral support of the Chiapas corn growers. They constitute one of the most critical constituencies, and their electoral decisions can have a definitive impact in the 2000 presidential elections.

⁷⁷Manuel Camacho Solís, interview published in *Enfoque* magazine, in *Reforma*, Mexico City, January 18, 1998. Translation by present author.

⁷⁸SAGAR, "Programa de Empleo Temporal en Zonas de Extrema Pobreza, cifras 1997," internal document, Subsecretaría de Desarrollo Rural, 1997. Translation by present author.

⁷⁹Anonymous interview, Subsecretaría de Desarrollo Rural, SAGAR, Mexico City, November, 1997, and March, 1998.

5. Conclusion

This chapter has shown that isolation and caciquismo go hand in hand in Chiapas. Moreover, the pervasiveness of caciquismo has meant that the state has been integrated politically by *ad hoc* clientelistic arrangements, rather than by democratic and accountable representation. The implication of caciquismo for federal initiatives is that they are unlikely to get implemented unless the caciques are incorporated into their structure and granted discretion over their administration. In other words, the federal state has never been able to implement policies as they were intended. Sooner rather than later, the individuals entrusted with their administration would succumb to the pressure to align themselves with the caciques and operate according to those rules.

I offer two examples of reformers who sought in vain to break the caciques' collusion of private and public power in Chiapas. Not only did they not succeed, when their political careers were over, they were so compromised by the cacique power structures that they became part of the establishment. The first example is the legacy of Emilio Rabasa, the original "enlightened" cacique, and the man credited with the first bold attempt to restrain the centrifugal forces of local caciques and build a stronger central state capable of providing public goods. When his term as governor had ended, he had instituted a family dynasty of caciques throughout Chiapas. His brother Ramón became governor; Ramón's two sons were the bosses, respectively, of San Cristóbal, and Tapachula (where he had a monopoly of the slaughter-houses to add to his tram concession in Soconusco). A nephew served as a state deputy, as *jefe* of Tuxtla Gutiérrez, and as commander of the state *rurales*; a brother-in-law was mayor of Tuxtla and a sister ran the

Escuela Normal.⁸⁰ For all his "enlightenment," then, Rabasa's legacy did nothing to alter the clientelistic ties that kept accountability away from the state institutions.

The second example, involves a political career that unraveled very recently. In 1961, Antonio Pérez Hernández was an idealistic young member of the indigenous municipality of Chenalhó. That year he joined the ranks of the INI "promoters" who originally sought greater empowerment for Indians through their participation in transportation and commercial cooperatives. But, as mentioned above, these noble intentions were compromised to accommodate the interests of the ladino caciques and the interests of the former Urbina scribes who, by the 1960s, had matured to be the caciques in their respective towns.

Thus, the fate of INI's projects unraveled according to the clientelistic *modus operandi* of Chiapas politics and the once idealistic Antonio Pérez Hernández seized the opportunities to promote his interests from within INI, as the organization was becoming more entwined with cacique interests. By 1968, Pérez Hernández was the Municipal President of Chenalhó, then moved on to become a federal deputy for the PRI, and Secretary of Indian Affairs for the National Confederation of Peasants (CNC), the PRI's corporatist peasant organization.⁸¹ By the early 1990s, he was considered one of the most powerful caciques of the highlands. His influence became more critical to the state PRI leaders because his area of influence coincided with the area where the Zapatista army had gained considerable support (e.g. Chenalhó, San Andrés Larráinzar, Huixtán, among others). The San Cristóbal weekly *Tiempo* reports that he was then entrusted to organize and lead the paramilitary group that, on December 22, 1997, massacred the 45 individuals in the village of Acteal, (in the municipality of Chenalhó). Pérez Hernández's career had

⁸⁰Alan Knight. *The Mexican Revolution: Porfirians, Liberals and Peasants*. Volume I. (Lincoln: University of Nebraska Press, 1986) p. 16.

⁸¹Juan Balboa. "Crónica de tantas muertes anunciadas: los caciques siguen en impunidad." in *Tiempo*, San Cristóbal de las Casas, Chiapas, December 30, 1997-January 2, 1998, p. 13. Translation by present author.

come full circle and he had forsaken all the ideals that propelled him to become a public servant.

This is the history of public administration and institutions in Chiapas. Caciques have consistently prevailed. It is against this path dependent backdrop that the administration of Procampo needs to be understood. Procampo's design had at least two strikes against it in Chiapas. First, its mandate did not arrive in Chiapas with the lavish funds that the statist public policies brought. This meant that there was less room to accommodate and buy-off the heterogeneous interests that make up the administrative apparatus of the state. Predatory behavior such as that described in Chapter 3 was likely to ensue. The second strike was that its regulatory discretion at the local level was considerably more limited than that of the statist policies. In the past, caciques accommodated each other's interests by sharing the discretionary power that came with federally funded mandates. Procampo had been designed with considerably less administrative ambiguity at the implementation site. Again, this could be considered an affront to the traditional levers of cacique power. Caciques, not surprisingly, have found ways to assert their prerogatives in the implementation of the policy.

The most important conclusion to derive from the current institutional debacle in Chiapas, is that Procampo is unlikely to be implemented faithfully in such a volatile environment. A faithful implementation of the policy requires that it be administered by local institutions whose authority does not depend on the clientelistic whims of its leaders. In other words, accountable administration requires institutions that presuppose a separation of private and public power, and are held together by democratic and transparent representation. Such institutions have never existed in Chiapas. The central state, to the extent that it had a presence in regional and local politics, always relied on the willingness of the caciques to implement its policies. And their cooperation was bought with the discretion granted to them. This was the best case scenario.

Procampo, in many respects, represents the worst case scenario. It gives the caciques no incentive to cooperate with the federal mandates because the policy is designed to curtail their discretion and to scale back the budget. At the same time, and for broader reasons, the current political climate is one of near-civil war and rampant distrust. In other words, the new predatory climate has exacerbated the inherent fractiousness of the ad hoc clientelistic arrangements from the statist era. This bodes even less favorably for the prospects of a faithful implementation of Procampo. And, with such an outcome, the PRI cannot expect that the policy will have the intended effect of galvanizing enough electoral support among corn growers.

CHAPTER SIX
CONCLUSION: ADMINISTRATIVE CAPACITY AND ELECTORAL VOLATILITY IN THE
WAKE OF POLITICALLY DESTABILIZING ECONOMIC REFORMS

1. General Conclusions of Study

Neoliberal economic reforms tend not to draw electoral majorities because the ensuing benefits are diffuse in nature, while the adjustment costs are concentrated in distinct economic sectors. Thus, the "losers" have a more compelling impetus than the "winners" to mobilize electorally. The winners may comprise a larger share of the population but the diffuse nature of the benefits yields only shallow support for the economic reform and its political sponsors. At the same time, the losers tend to form very strong preferences against the incumbency of the reform-sponsoring party. Therefore, the incumbent party is likely to antagonize the organized groups of "losers," without galvanizing countervailing support from the beneficiaries of the reforms.

In light of this political challenge, it is incumbent upon the reformers to devise and deploy narrowly targeted strategies to restructure the short term incentives of indispensable voting blocs. In Mexico, this imperative led the PRI to single out the corn sector as a crucial electoral base in the wake of the economic reforms, and to court their support with Procampo, a narrowly targeted policy to help cushion the adjustment costs. The policy was intended to discourage mass electoral defection through the concrete benefit of direct cash transfers made out directly to individual corn growers based on the surface size of their previous planting record. The policy's direct distribution feature was a pioneering effort by the technocratic wing of the PRI to foreclose the meddling opportunities for local and regional caciques¹ and to forge more direct ties between the

¹The overwhelming majority of the regional and local caciques, like most power brokers in twentieth century Mexican history, have belonged to the PRI. Since the mid 1980s, the PRI has been divided into two factions, the technocratic wing and the "dinosaurs." A recent *New York Times* article defined a technocrat as "a foreign-trained expert, usually an economist, whose career has been built in the bureaucracy rather than in party ranks or in elected posts." A "dinosaur" stands for the PRI's old clientelistic guard comprised of professional politicians or power brokers. See Sam Dillon, "Mexico's Presidential Hopefuls Are All New Breed," *The New York Times*, June 24, 1999, p. A3.

technocratic PRI leadership in Mexico City and the electoral base of the party in the countryside. It was fashioned along the same policy orientation of another signature policy of the Salinas era, Solidarity.

However, Procampo's electoral effectiveness, just like Solidarity before it, has had an uneven record. The electoral volatility that ensued across the top recipient states varied widely from one state to the next. Using the electoral logic of the policy alone, there is no discernible pattern (e.g. a relationship between the per capita quantity of funding of a state and that state's electoral volatility level) to help make sense of it. The case of Chiapas is particularly puzzling given that it has exhibited the most electoral volatility even though it consistently ranked among the highest per capita recipients of Procampo and Solidarity funds. This suggests that the narrowly targeted federal funds failed to generate the expected electoral support in crucial voting blocs and regions.

In this study I proposed and tested the hypothesis that the varying electoral effectiveness of the policy was related to the political system's regionally varied administrative capacity. In the states where caciquismo was a strong historical feature, Procampo's implementation protocol was more likely to be breached because the caciques enjoy a preponderance of (institutionally unchecked) power in their geographic domains. Given the isolation in which they have operated, the political task of holding them accountable for maladministration and any abuse of their authority has historically been formidable. Even if they did not succeed in asserting their discretionary prerogatives over Procampo's administrative protocol, the caciques' power base has remained sufficiently entrenched through the present to allow them to instigate obstructionary tactics and intra-institutional struggles in local and regional government. In either case, whether a cacique rules incontrovertibly, or whether he simply controls enough clientelistic networks to trigger intra-institutional disharmony, the chances are slim that Procampo's administrative

protocol will be respected in cacique-ridden regions. Consequently, Procampo's electoral effectiveness is likely to be limited in areas where caciques predominate.

It is important to stress that the discretionary power of regional caciques persists today because the geographic condition that propagates it, namely isolation, is very slow to change, if not static. Moreover, caciques as a group have no incentives to desist from their discretionary style of administration because it has served them well, and because the regional system of socio-economic stratification over which they preside depends on it. For these reasons the caciques may feel that Procampo's cacique-proof design is a breach of *their* informal administrative protocol, and consequently of the foundation of their power. Procampo constitutes an affront to cacique authority because it is part of an attempt to redefine the goals of local institutions without including their voice, even though they had enjoyed until recently almost exclusive institutional control. The abrupt nature of this assault on cacique power, as embodied in the neoliberal reforms which reduce public budgets and state regulatory jurisdiction, has precipitated intense intra-institutional conflicts which complicate the state's ability to steward economic change without a precipitous decline of electoral support among key voting blocs.

If the isolation that traditionally permitted the discretionary *modus operandi* of caciques did not change in the advent of the economic reforms, the same cannot be said for the PRI's electoral imperatives in the wake of the same reforms. The PRI now needs to foster direct ties with select constituencies in the countryside in order to procure a reliable electoral base. Hence, the electoral impact of the continuous cacique meddling changed considerably.

2. Cacique Administrative Discretion and Electoral Volatility

During the era of statist development policy, the corporatist political strategy of the PRI was to incorporate all sectors of society and neutralize their opposition potential through limited concessions and benefits. Caciques were an integral, albeit informal, part

of this arrangement in the countryside. They brokered localized networks of PRI support in return for the discretionary jurisdiction they were informally granted over the implementation of federally funded programs. This allowed them to build personalistic webs of influence in their immediate area of control. It was, thus, a symbiotic relationship: the national PRI ruled through the caciques who, in turn, relied on the federal resources that the PRI controlled to build and nurture their local and regional networks. The population under their control tolerated this arrangement as long as they received at least a portion of the vast resources that the statist policy planners in Mexico City earmarked for them. In return for the statist programs and benefits (or the fraction of those resources that ultimately made it to the grassroots level), the peasant masses either voted for the PRI in very reliable numbers, or the caciques would feign PRI landslides. For instance, in the state of Chiapas, where caciquismo abounds, the PRI traditionally drew 90% or more of the vote until the advent of the neoliberal reforms.² In sum, during the statist era, the highly discretionary role of caciques was not damaging electorally for the PRI because the political system was organized in such a way that the caciques and the national PRI leaders became vital to each other.

But, the accommodative potential of the PRI-led political system was viable only in the era of budgetary largesse and statist regulatory orientation. The statist agenda endowed the state party with sufficient regulatory jurisdiction and resources to seamlessly incorporate every sector of society. By contrast, the neoliberal reforms, as ushered in by the technocratic faction of the PRI require austere budgets and a smaller regulatory role for the government. Thus, within the parameters of the neoliberal agenda, there is insufficient room to accommodate every sector of society. From the technocratic vantage point, there were some previously incorporated groups that became more expendable than others in the

²Indeed, in the 1988 presidential election, six percent of Salinas's national vote total came from Chiapas, even though the state population at the time was only three percent of the national population.

wake of the economic reforms. The caciques and the clientelistic "old guard" known throughout Mexico as the "dinosaurs," were certainly deemed expendable as they only weighed the government down with large budgets and inefficient interference in the economy. As Jonathan Fox puts it,

[t]o be successful on their own terms, Mexico's promarket rural reforms require the state apparatus to operate with qualitatively higher levels of accountability than in the past. Yet progress toward accountable governance in Mexico has been highly uneven, across both policy arenas and geographic space. ...[T]he official project of streamlining and targeting the state's role in agriculture and antipoverty efforts may well be undermined by authoritarian elements deeply embedded within the state itself.³

The "authoritarian elements ...embedded within" the PRI-government that Fox makes reference to are the rural caciques and the entire dinosaur faction of the PRI with which they identify. This is the source of the intra-institutional and intra-party struggle that obstructs the seamless administration of policies like Procampo. Yet, to be competitive in the increasingly contested electoral arena of the neoliberal era, the technocrats had no option but to select and nurture their constituency bases more narrowly. Thus, the relative importance of key electoral constituencies (e.g. the corn growers) was accentuated, while the electoral implications of cacique meddling became particularly inconvenient for the (technocratic) PRI's electoral agenda.

In the current setting, then, the technocratic leadership of the PRI in Mexico City needs to process its own political exigencies and those of the caciques as mutually exclusive: either (a) the corn sector receives its Procampo benefits intact and without

³Jonathan Fox, "National Electoral Choices in Rural Mexico," in Laura Randall, ed., *Reforming Mexico's Agrarian Reform*. (Armonk, NY: M.E. Sharpe, 1996) p. 189.

cacique-defined strings attached, or (b) the caciques continue to wield their discretionary power over popular access to federal funds. If the latter materializes, Procampo's administrative protocol will have been breached and the "pork-barrel" attributes of the policy would be unlikely to procure the electoral support it was intended for. In other words, whether the caciques or the corn growers prevail, it is likely that there will be a politically disruptive breach of protocol: either the caciques breach Procampo's protocol, or the federal agents breach the caciques discretionary *modus operandi* and power source. Such a confrontation can unleash intra-institutional upheaval, as is currently evident in the parts of Chiapas where the old PRI network of caciques is undergoing a period of political turbulence. Neither scenario bodes well for the PRI's electoral prospects.

The following table explains the electoral implications of cacique administrative discretion.

Table 6.1 Cacique Administrative Discretion and Electoral Volatility

		Administrative Capacity	
		Low	High
Electoral Volatility	High	Procampo protocol breached. Cacique protocol observed. Caciques are <i>willing</i> but <i>unable</i> to procure PRI votes through their authoritarian methods. PRI is electorally alienated from corn growers. Found in very isolated areas.	Procampo protocol observed. Cacique protocol breached. Caciques are <i>unwilling</i> and <i>unable</i> to procure PRI votes through their authoritarian methods. Voters make electoral decisions based on numerous considerations, not just corn sector issues. Found in the most integrated areas.
	Low	Breach of Procampo protocol. Cacique protocol observed. Caciques are <i>willing</i> and <i>able</i> to procure PRI votes through their authoritarian methods, regardless of the pronounced level of electoral alienation from the PRI among corn sector voters. Found in completely isolated areas.	Procampo protocol observed. Cacique protocol breached. Caciques are <i>unwilling</i> and <i>unable</i> to use their authoritarian hand to procure votes for the PRI. However, the PRI wins corn sector support on the policy merits, despite caciques. Found in relatively integrated areas.

Table 6.1 suggests that caciques generally spell trouble for the PRI's ability to achieve the enthusiastic support of the constituency targeted by Procampo, namely the corn growers. In the first column, when the caciques retain their administrative discretion, there is a very strong chance that electoral alienation from the PRI will ensue because Procampo's administrative protocol will have been breached. Indeed, cacique discretion is synonymous with a breach of the policy's protocol, because it would imply that the Procampo payments would not be delivered directly (and without cacique strings attached) to the formal recipients. In the second column, where the discretionary power of caciques is breached, there is a mirror-image possibility that the corn sector voters will not be so alienated from the PRI as to opt for partisan defection. Their electoral alienation from the

PRI would have been tempered by the faithful implementation of Procampo benefits.

Using the analytical reasoning that I proposed in this study, the dichotomous electoral results outlined above should coincide with an area's relative isolation or integration. On one hand, the more isolated the area, the more likely it is that (a) Procampo's protocol will have been breached and (b) the more likely it is that the voters will express their discontent by voting against the PRI. On the other hand, the more integrated areas should exhibit a great deal more accountability with respect to the policy's administrative protocol. Thus, the targeted constituency should register their satisfaction by remaining electorally loyal to the PRI.

However, there are important wild cards in these scenarios. They are contained in the southwest and the northeast cells. The situation depicted in the southwest cell belies my predictions because it is based on a case of extreme isolation and therefore egregious breaching of Procampo's protocol, yet, the PRI manages to retain electoral support. This would seem to suggest that voters continue to endorse a party that simultaneously stands for a pro-market reduction of their sectoral benefits and the maladministration of Procampo, the single policy that could sway their vote in favor of the PRI. This is a non-sensical outcome unless one filters it through the lens of authoritarian practices and fraudulent elections. For instance, a cacique in an extremely isolated region may know that the electoral returns of an imminent election are likely to result in significant losses for the PRI (and therefore for himself and for the regional network of PRI caciques of which he is a part). The cacique may then find authoritarian ways to circumvent the electoral process and either cancel public access to the voting process and stuff the ballot boxes himself, or concoct scenarios that obstruct the voting rights of individuals that are perceived to be in the opposition.

An example of an authoritarian and fraudulent situation is an incident in Ocosingo and in Tonalá, Chiapas during the 1997 federal elections. In Tonalá, there was rampant

vote-buying by the PRI. The electoral violations came to light when "about one hundred women showed up to the mayor's office in Tuxtla Gutiérrez[, the state capital,] to claim the payment that they were promised if they voted for the PRI candidates."⁴ What the women did not know when they arrived in Tuxtla Gutiérrez on July 20, 1997, is that this city's town hall had been ruled by the PAN since 1995. Another blatant violation of suffrage rights took place in the municipality of Ocosingo, Chiapas during the 1997 federal elections. On election day in Ocosingo, a municipality known for its ardent support of the Zapatista rebels, 41 voting stations were never opened, and 60 others were either robbed, burned, or destroyed.⁵ Together, these violations adversely affected 35 % of the voting booths in Ocosingo.⁶ Not surprisingly, according to the official tally of that election, the PRI won approximately 63 % percent of the vote in Ocosingo.

While the scenarios of cacique-sponsored electoral fraud are viable scenarios, it is important to note that blatant violations of strong oppositional preferences are increasingly rare, in no small part because of the ever stronger vigilant presence of organizations with an electoral agenda like the autonomous Federal Electoral Institute (IFE), non governmental organizations like the electoral watchdog Civic Alliance (or, *Alianza Cívica*), and the opposition parties. These organizations can increase information to voters and create safe spaces for rival parties to enter the local political arena of otherwise off-limits rural areas. In the case of Ocosingo described above, for instance, the IFE, the opposition parties and organized citizen groups throughout the country challenged the validity of the results. This challenge resulted in closely watched electoral trials (by IFE) which ultimately upheld the results in favor of the PRI, but the irregularities were officially acknowledged.⁷

⁴Fernando Mayolo López, "El 'Capital' Electoral," in *Reforma*, Mexico City, December 28, 1997. Translation by present author.

⁵Juan Romero and Emilio Zebadúa, "La Decisión de Ocosingo: Las distintas interpretaciones sobre la legalidad de los resultados electorales en el Distrito 03 de Chiapas," in *Este País: Tendencias y Opiniones*, Mexico City, November 1997, p. 23. All translations of this text by present author.

⁶Romero and Zebadúa, "La Decisión de Ocosingo," p. 23.

⁷Romero and Zebadúa, "La Decisión de Ocosingo," p. 24.

Thus, if the caciques manage to pull off one blatantly fraudulent PRI victory, it is unlikely to repeat itself because the national electoral framework is increasingly more capable of pre-empting iterated occurrences of massive electoral fraud. Moreover, the authoritarian hand of caciques is unlikely to be sturdy enough to rule indefinitely when it is based almost entirely on coercion. Coercion is predicated on a wider network of clientelistic protection, and those networks have been weakened in the 1990s. In the Tonalá incident described above, the cacique who sponsored the vote buying would not have been "found out" had the mayor of Tuxtla Gutiérrez in 1997 been a PRIista. As the PRI's presence is curtailed in the political landscape, there is less room to reproduce the previously pervasive clientelistic networks of caciques. The diminishing discretion that the economic reforms have ushered for caciques is what triggered their fierce opposition to the technocratic policy agenda.

Moreover, as suggested in chapter three, the longevity of a cacique's tenure, even during the statist era heyday, was predicated on, at least a minimal level of perceived legitimacy among his "subjects." His abuses were tolerated only as long as he continued to deliver some benefits to the mass constituency under his political supervision. In the era of lean public budgets and hostile federal policy mandates, there is very little room for caciques to maneuver their particularistic prerogatives and still deliver the expected benefits to their "constituents." The likelihood of the outcome in the southwest cell should then be rare, and seldom an iterated occurrence. In sum, the scenario depicted in the Northwest cell--where caciques retain their discretionary power and proceed to breach the policy's protocol, but the electorate under their jurisdiction votes to punish the PRI for the maladministration of Procampo--is thus likely to materialize sooner rather than later.

The other wild card outcome, according to my isolation hypothesis, should be the one depicted in the northeastern cell, where the technocratic agenda prevailed and Procampo was implemented faithfully. Yet, the targeted constituencies who benefited from

the policy did not express their satisfaction with Procampo by voting for the PRI. In these cases, the seemingly ungrateful electoral behavior of the targeted constituencies is a function of very complicated electoral decisions. For instance, voters may feel economically satisfied with what the PRI has done for them, but they may also be interested in bolstering the process of democratization so they vote for opposition parties. Another motivation for the ostensibly "ingrate" behavior might be that the individual voters are guided by more than one economic interest. This should not be surprising given that the more integrated areas (e.g. Tamaulipas) are more likely to be economically diverse. Procampo is not the overriding factor in their electoral decision making.

The "ingrate" phenomenon is most plausible in the most integrated areas. For instance, a corn grower in Tamaulipas might be pleased to receive his Procampo benefits in a timely and honest fashion. However, his livelihood might be tied to a variety of sources, not just corn production. For instance, he may have a relative who migrated to the United States and sends reliable remittances for the livelihood of the extended family. The additional economic base, which is a function of the advanced level of geographic integration of the region, gives the corn grower in question the political leeway to make more complex electoral choices than, say, a peasant in Chiapas who depends entirely on corn production for his subsistence. As integration levels increase, there should be a concomitant rise in the complexity of resource distribution, political options, and electoral motivations.⁸ For the average producer in an isolated state like Chiapas, then, economic realities are much more black and white. Consequently, electoral choices should be considerably simpler and more amenable for the kind of bivariate analysis that I proposed here.

I have proposed that isolation reduces the choices of the public and bolsters the monopolistic power of intrepid individuals who manage to position themselves as the

⁸These possibilities are not explored in this study, but would they are fruitful material for further research.

exclusive bridge between the isolated region and the supra-regional environment. When isolation persists, political motivations and electoral possibilities are limited by the prerogatives of the region's cacique. Cacique prerogatives are very unpredictable in most cases because they are based on clientelistic networks that obey few institutional imperatives. However, as caciques face the institutional re-definition and the austere budgets of the neoliberal reforms, it is not hard to predict that they will vehemently oppose the reforms because the reforms undercut their clientelistic levers, their discretionary power, and, consequently, the very lifeline of their authority structures.

The confusion surrounding the continued viability of patronage networks has triggered rivalries among caciques, and between caciques and their former clientelistic base. To the extent that the PRI's depended on these networks in remote regions, the internal struggles of cacique networks also contributed to a pronounced party schism. On one hand, the technocrats are content with slimmer electoral majorities, as long as they can promote the neoliberal development agenda. The dinosaurs, on the other hand, are old guard politicians who are willing to tolerate certain levels of economic stagnation as long as they can perpetuate the clientelistic networks that have traditionally propelled Mexican politics. In short, the technocratic wing of the party did not succeed in their quest to turn their official supporters in remote areas into cadres of competent and disciplined officers of government. Instead, many caciques splintered off from the central leadership party and from each other. Ironically, many joined opposition parties in protest.

This struggle between the two factions and the ensuing governing dilemmas are central to this dissertation. Neoliberal economic reforms trigger political contests that require a coherent bureaucracy to steward the economic change and minimize the political upheaval. However, the reforms, because of their regulatory retrenchment and the austere budgets, also triggered intra-institutional contests. Consequently, the PRI is a party at war with itself. This undercuts the coherence requirement and opens up the possibility that the

redistributive consequences of the economic reforms will result in volatile political realignments that may cost the reformers their incumbency.

This dissertation was designed to help understand the socio-historical roots of the governing capacity deficit that plagues the political system of remote areas of the country. In my model, I focus on the geographic conditions that sparked varying degrees of institutional accountability at the local level. The analysis supports the argument that *isolation* is an antecedent to institutional unaccountability, a phenomenon that in Mexico is widely recognized as *caciquismo*. Isolation--defined broadly as a region which exists uncomfortably within a larger topological space, because the two environments exhibit discordant sociological, political, cultural, and economic attributes--facilitates cacique rule because it shelters the cacique against the institutional checks of the central government, and it simultaneously diminishes the resources (e.g. an independent economic base, information, suffrage rights) for the masses living under cacique rule.

While isolation is crucial for any cacique to exercise his discretionary power over the local "subjects," it is also important to note that a cacique's tenure is not viable in a supra-regional vacuum. His authoritarian power is based on the continuing vitality of more extended cacique networks that provide him with material resources, political protection, and opportunities. This imperative was evident in the example of vote buying in Tonalá Chiapas mentioned above. The larger network of caciques started to disintegrate as the city halls of other cities were captured by opposition parties. With such losses for the PRI, the caciques elsewhere face diminishing opportunities for clientelistic *quid pro quos*. This suggests a weakening of the path dependent obstacles that may have detracted from Procampo's faithful implementation. However, the long term results of the current political dynamics are not easily discernible from the present vantage point.

In sum, the statist era's budgetary largesse and the all inclusive corporatist orientation comprised ideal foundations for cacique rule in isolated areas. But, in the

current era, cacique operations are antithetical to the dominant development and governance orientation that pervades policy design and the new political strategies. With this incompatibility unresolved, the possibility for intra-party dissonance between the technocratic faction and the dinosaur wing of the PRI was likely to erupt in an intra-institutional struggle at the local and regional level. When that happened, the electoral chances of the opposition were enhanced and Procampo's electoral design would have failed.

Ultimately, this study raises questions about the political feasibility of Mexico's attempt to aggregate economic development priorities at the continental North American level. The questions emerge because the regional economic integration project that NAFTA entailed for Mexico was predicated on the existence of a coherent national administrative apparatus. Yet, as I have shown here, administrative efficacy in Mexico has varied from region to region due to varying degrees of isolation. The root cause of administrative disarray did not suddenly disappear with the neoliberal economic reforms. Indeed, in many respects, the economic reforms exacerbated the intra-institutional dissonance that had been latent throughout the statist era when the primary goal was to superficially accommodate into the corporatist political design as many sectors of the population as possible. Thus, Mexico's accession to NAFTA can be understood as an international integration experiment before the national economy and political system of one of the member states is not fully consolidated under one sovereign authority structure.

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APPENDIX A:
CACIQUE INDEX: Z VALUES PER CAPITA BY DECADE

	Chiapas	Guanajuato	Guerrero	Jalisco	México	Michoacán	Oaxaca	Puebla	Sinaloa	Tamaulipas	Veracruz	
1880s	Federal Income											
	Postal Revenue	-1.16	.22	-2.04	-0.69	-1.5	-.62	-1.93	.18	1.77	1.47	4.55
1890s	Fed hospitals											
	Agro wages											
	Phone lines reach											
	Post office agencies	-4.46	-1.57	0.54	-1.97	1.61	-1.09	-1.12	-1.85	-.53	11.4 4	-1.38
	Libraries											
1900s	Newspapers											
	Museums											
	Banks											
	Public expenditure											
	Students in public schools	-1.2	-.4	-4.48	.11	-1.11	-3.02	-4.15	-.1	5.61	11.3 3	1.03
1920s	Museums and Libraries											
	Newspapers											
	In-migration to state											
1920s	Vehicles	.74	.18	1.24	.04	.9	.63	1.19	1.03	-.6	-.57	.4
	Public Servants											
1930s	Students age 6-10											
	Roads Km.*	-1.5	.01	-3.2	-.4	2.81	-.11	-.58	-.45	1.15	4.14	-1.89
	Vehicles											
1940s	Literacy											
	Wage earners											
	Public Schools											
	Minimum wage											
	Mail traffic											
	Rail line Km*	-4.51	-.02	-8.34	3.91	-.89	-2.58	-5.54	2.06	4.81	8.35	2.75
	Public Servants											
	Students age 6-10											
	Roads Km.*											
	Vehicles											

* Standardized according to the surface area of the state

	Chiapas	Guanajuato	Guerrero	Jalisco	Mexico	Michoacan	Oaxaca	Puebla	Sinaloa	Tamaulipas	Veracruz	
1950s	Literacy rate											
	Children without education											
	Students											
	Print media											
	Radio stations											
	Urban ratio (cities >2500)	-5.84	-0.98	-5.31	5.46	-1.02	-1.14	-2.85	.63	3.4	5.68	.86
	Vehicles											
	Public servants											
	Students age 6-10											
	Roads Km.*											
1960s	Ratio of Spanish speakers											
	Literacy rate (age>14 yrs)	-3.94	.99	-2.93	1.43	2.52	-.1	-4.41	-1.5	3.33	3.27	0.01
	Access to specialized training/universities											
	Roads Km. *											
1970s	Literacy (>age 10 yrs.)											
	International mail traffic											
	Radio and TV stations	-3.56	.52	-2.51	4.39	4.0	-1.01	-3.7	-.04	-.09	4.0	1.97
	Urban ratio											
1980s	International mail traffic											
	Vehicles											
	Phones (per household)	-4.52	-1.5	-1.51	8.16	-2.65	-1.68	-1.92	-.3	3.1	4.3	-1.22
	Info. tech. revenue											
	Out migration											
1990s	Telegrams											
	Mail traffic											
	Literacy (age>10 yrs)	-6.7	-.47	-3.46	5.48	5.01	-.18	-5.39	-.23	1.5	1.65	2.78
	Sec. Ed. (age>10yrs)											
	Car ownership											
	Pop. with no/low inc.											

* Standardized according to the surface area of the state

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