

**UNIVERSITY OF CALIFORNIA
RIVERSIDE**

**Voice, Loyalty, Exit or 'Extension'?
Indigenous Options in the Mexican Political System**

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of the requirements for the degree of**

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in

Political Science

by

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June 2006

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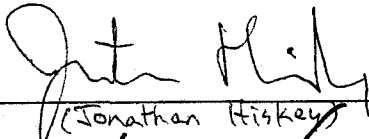
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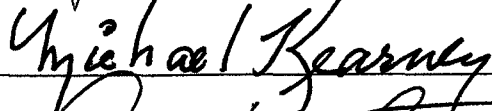
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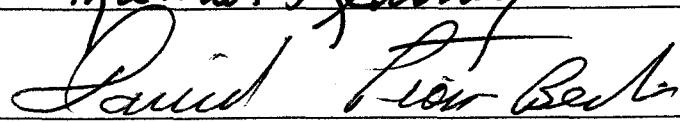
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DEDICATION

This is dedicated to my great uncle Dr. Francisco Grijalva Barrio for reasons only he would understand.

ABSTRACT OF THE DISSERTATION

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Indigenous Options in the Mexican Political System

by

Gary LaMoine Goodman, Jr.

Doctor of Philosophy, Graduate Program in Political Science
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Dr. David Pion-Berlin, Chairperson

*This dissertation examines the local economic and political consequences of the formal recognition of indigenous-based electoral institutions in the state of Oaxaca, Mexico. Though devised as a means to recognize and strengthen indigenous communities within the state, I argue that the establishment of *usos y costumbres* as the basis for the selection of local leaders has led to an increasing detachment and isolation of these communities from their state and national level political system. Likewise, though greater local autonomy has spawned an increased economic self-sufficiency through migratory remittances, the overall result has been the further economic marginalization of these communities from the formal sectors of the Mexican economy. Through the combination of quantitative and qualitative methodologies, this project carries out a multipronged sub-national comparative analysis of *uso* municipalities in Oaxaca and non-*uso* municipalities in both Oaxaca and the neighboring state of Guerrero, offering one of the first systematic assessments of the impact local institutions can have on indigenous communities' place in their formal political and economic system.*

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LIST OF ACRONYMS

CIDAC	Center of Research for Development
COCEI	Worker, Peasant and Student Coalition of the Isthmus
COMVIVE	Committee for Urban Life
CONAFE	National Council for Educational Promotion
EZLN	Zapatista Army of National Liberation
FFM	Municipal Development Fund
FGP	General Fund
IADB	Inter-American Development Bank
IEE	State Electoral Institute
IFE	Federal Electoral Institute
IMF	International Monetary Fund
INEGI	National Institute of Statistics, Geography and Information
INI	National Indigenous Institute
NFO	New Oaxacan Force
PAN	National Action Party
PFD	Diversified Federal Participation
PNR	National Revolutionary Party
PRD	Democratic Revolutionary Party
PRI	Institutional Revolutionary Party
PRONASOL	National Solidarity Program
PT	Workers Party
PVEM	Mexican Green Ecological Party
TSO	We are all Oaxaca

Chapter 1

Institutional Reform and Indigenous Communities During an Uneven Transition

An enduring but increasingly critical question in the current context of globalization is how to incorporate the world's indigenous populations into the political and economic systems of their respective countries.¹ As was evident in the case of the Zapatista rebellion led by the Zapatista Army of National Liberation (EZLN) in Mexico, the failure to allow for the meaningful, formal political involvement of indigenous populations can have far-reaching consequences for the economic and political development of a country (see e.g. Collier 1994, Chomsky 1999).

My research intends to sharpen our understanding of how federal, state and local political institutions affect the nature and extent of the participation of indigenous peoples in the formal political and economic systems of their country. Specifically, I examine the impact the formal constitutional recognition of *usos y costumbres* (customary law) in Oaxaca, Mexico has on the political and economic behavior of the primarily indigenous-based *uso* municipalities.² *Usos* is an extremely complex social and political traditional normative system encompassing a process of municipal elections. Designed to reinforce municipal level cultural identity and direct democracy, *usos*, though having existed de

¹ For a working definition of indigenous peoples, see Cobo (1986). He writes, "Indigenous communities, peoples and nations are those which, having a historical continuity with preinvasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the societies now prevailing in those territories, or parts of them. They form at present nondominant sectors of society and are determined to preserve, develop and transmit to future generations their ancestral territories, and their ethnic identity, as the basis of their continued existence as peoples, in accordance with their own cultural patterns, social institutions and legal systems."

² For purely stylistic purposes, the term "*usos*" is used interchangeably referring to the system of *usos y costumbres*. The term "*uso*" is used when referring to municipalities/communities that employ *usos y costumbres*.

facto for decades, was officially recognized in Oaxaca on 30 August 1995 when the state congress approved the Code of Political Institutions and Electoral Procedures of Oaxaca (Código de Instituciones Políticas y Procedimientos Electorales de Oaxaca).³ Through analysis of dramatic variations in local institutions across the municipalities of Oaxaca and Guerrero, two states in southern Mexico, I hope to offer insights into a question that more and more developing countries are being forced to confront as the world moves deeper into the era of globalization – “how best can indigenous communities move from marginalization and exclusion from the formal political and economic sectors to active participants within those systems *while maintaining centuries-old customs and beliefs?*”

The history of western efforts to address this issue has tended towards the extremes of either complete marginalization and exclusion (e.g., reservations) or forced assimilation into the dominant society (see e.g. Roper et al 2003, Assies et al 2000, Van Cott 1994). For clear reasons these strategies are no longer tenable, but rather some means of inclusion within the formal sector while recognizing traditions now stands as possibly the only viable option. This research offers, as a first step toward such an option, an examination of the role local institutions can play in either fostering or preventing such a combination of inclusion and recognition.

A longstanding argument concerning the low levels of indigenous formal political participation and their general absence from the formal economy is that cultural norms are the principal source of such anti-system behavior (see e.g. RAPION 2002, Menochal

³ In March of 1997, articles 25, 25, and 98 were reformed to make the electoral rights of *usos y costumbres* more explicit and led to the final 1998 legislation, roughly translated as the Law of Rights of the Towns and Indigenous Communities of Oaxaca (Ley de Derechos de los Pueblos y Comunidades Indígenas de Oaxaca).

1998). However, my research challenges this proposition by suggesting that such behavior is likely more a result of longstanding local political and economic institutions that discourage indigenous peoples' entrance into the formal political and economic system. Thus, rather than being a manifestation of indigenous culture, my research posits a central role for state and local political institutions in impeding (or fostering) a democratic political culture, reducing levels of formal political participation, reinforcing political and economic manipulation via clientelism and an insignificant increase in the provision of basic services among indigenous people.

The highly indigenous neighboring states of Oaxaca and Guerrero provide us with a unique opportunity to test this argument. While Oaxaca and Guerrero share many similarities – culture, language, geography, an indigenous orientation and a core set of customs – a critical institutional difference separates those living in Oaxaca from their neighbors in Guerrero. In Oaxaca, indigenous customary law (*usos*) concerning the election and governance of predominately-indigenous municipalities is legally recognized as a legitimate means of selecting municipal representatives to serve in Mexico's formal political system. In Guerrero, no such formal recognition exists. Rather, the indigenous living in Guerrero must forego their traditional means of selecting municipal level political representatives and abide by electoral codes established in the Guerrero State Constitution. While this may sometimes only be a de facto selection process of community leaders chosen by other means, this still forces indigenous populations in Guerrero who wish to engage in *usos y costumbres* to play the charade of electoral politics. By comparing those living in Oaxaca with those living in Guerrero, I attempt to

isolate the role this key institutional difference, the formal recognition of *usos* plays in shaping the political and economic behaviors at the municipal level.

In Guerrero, indigenous municipalities, separated by a line drawn on a map, and similar on a laundry list of standard independent variables, are not permitted to forego the formal electoral system and elect their local officials via customary law. *Usos* operates in Guerrero through de facto machinery that imposes formal political machinery, oftentimes contrary to indigenous customary law. Indigenous customary law in Guerrero has not been institutionalized as it has in its neighbor to the south. It is this critical subnational institutional difference driving the entirety of the analysis.

Thus, I am interested in discovering what happens when the state formally recognizes one aspect of indigenous cultural norms and compare these changes with a similar population where such formal recognition does not exist. In considering *uso* municipalities in Oaxaca, what happens to formal political participation and economic development after the state formally recognizes customary law? What are the differences observed among Oaxacan *uso* municipalities as compared to Guerrero? That is, do institutions matter in shaping the nature and extent of political and economic participation for better or for worse?

There is an extraordinary body of literature that addresses the question of the role institutions play in affecting political attitudes and behavior in developed countries (see e.g. Duverger 1954, Rae 1971, Lijphart 1994, Blais and Massicotte 2001). In the American context, Weaver & Rockman (1992) seek to discover how (and which) institutions affect governmental effectiveness, how institutions affect policymaking

decisions and what we are able to learn from these institutional consequences. They suggest that institutional constraints determine the decision-making process and subsequent policymaking capabilities and choices leading to policy outcomes (9). My research intends to add to this discussion examining the role *local* customary laws, when formally institutionalized, play in affecting governmental effectiveness, political participation and meeting the developmental needs of the municipality.

Numerous studies have found that institutional structures affect formal electoral participation (see e.g. Powell 1986, Jackman 1987, Jackman and Miller 1995, Blais and Dobrzynska, 1998, Lander and Milner 1999). As Norris (2003) notes, “Even after controlling for levels of development, the basic type of electoral system is a significant indicator of turnout.” My dissertation asks what happens to electoral and economic behavior when the institutional design of the electoral system is based on customary law. As we examine the role local institutions play in the impeding of fostering of electoral participation, we are able to see which institutional features determine the palpability of electoral participation.

If institutions are as North (1990, 3) suggests, the rules of the game, then it is worth noting how the institutionalization of *usos*, a change in the rules, affects the winners and losers of the system. Anderson and Guillery (1997) explore system support as, in part, a function of whether an individual wins or loses in politics and how such outcomes are mediated by the type of democracy in which she resides. Ultimately, consensual democracies narrow the “democratic satisfaction” gap between winners and losers. As *usos* seemingly promotes a communitarian form of consensual democracy,

then one may argue that the move towards *usos* is a response to flawed local institutions that as Hiskey and Seligson (2003) note depress levels of citizen support for the national political system. Shepsle (1986) argues that institutions persist only when they function better than any other possible alternative. As Oaxaca moves towards a change in the institutional structure of local politics, the choice to make an institutional change toward *usos* should be based on the expected benefit the institutional structure provides (see e.g. Eggertsson 1999, Geddes 1990).

One alternative is that *usos* may be a type of decentralization by national politicians trying to secure their electoral futures at the subnational level (O'Neill 2003). Additionally, Eaton (2001) explores the impact of decentralization as a way for national legislators to strengthen subnational offices directly affecting their futures. As institutional structures fail at the local level in providing the best outcomes for citizens and politicians, an institutional change becomes rational (see e.g. North 1990, 8). In chapters 3 and 4 an analysis of the decentralization of federal transfers in the Zedillo administration highlights this argument.

Ultimately, my research adds to this discussion by, in part, showing how one subnational institutional change affects the perception among indigenous people of their role in democratic governance as once losers moving, hopefully, towards winners. If the formalization of *usos* is a response to previously flawed local institutions, then such a move may provide newfound system support. Likewise, Brooks notes that the literature needs to address “the link between governmental form and individual political attitudes”

(1988, 220). This dissertation adds to the literature by making the linkage between institutional design and municipal level political and economic attitudes.

Hirschman's (1970) seminal work on individual responses when political or economic situations deteriorate (as well as corporations and organizations), posited three options: voice, exit or loyalty. Essentially, Hirschman suggests that when the political or economic climate within a political system deteriorates, individuals opposed to the status quo have two choices: voice opposition within the system or exit the system. Hypothetically, politicians will take the cues from both the exercise of voice and exit and attempt to fix what is going wrong politically or economically. The third option, loyalty, is based on a rational decision to stick with the system and not exit. The loyalty option suggests support of the status quo and politicians take this as a cue to maintain current policy choices and efforts to correct political and economic degradation (ultimately, this is less of a permanent option for Hirschman than it is a postponement of the exit option).

Indigenous populations, often marginalized and kept from the formal political system often find Hirschman's voice option unviable, and thus exit the system or remain silent, a choice that often is misinterpreted as loyalty. In Chiapas, for example, the voice of the indigenous population was heard only after the EZLN uprising (see e.g. Ross 2000, Katzenberger 1995). The political and economic climate of southern Mexico further illustrates a deterioration of the political and economic arenas as economic crisis after economic crisis has plagued the country, often most devastatingly and dramatically affecting the highly indigenous states. In the end, the indigenous population, unable to

effectively voice their concerns via formal channels chooses either a revolutionary voice or the option of exit. One indication of the increasing tendency of this population to opt for the exit strategy lies in the rapid increase in the percent of out-migration from indigenous states to other areas of Mexico, the United States and Canada over the last few decades. However, in light of the institutional change in Oaxaca where traditional means of electing local officials is formalized and legally recognized in the state constitution, the indigenous populations in Oaxaca may find an option of voice that, prior, made indigenous political practices nothing more than a symbolic act. The formal recognition of *usos* allows the state to explicitly recognize and incorporate indigenous customs into the formal political process that can foster substantive voluntary political and economic participation among indigenous groups as well produce as a dynamic organization often employed to satisfy the needs of citizens otherwise not met by the state.

To return to Hirschman, loyalty is a third option when voice and exit are not viable alternatives. For much of the indigenous populations within Mexico, as noted above, voice has not been much of an option and, consequently, the exit option is often chosen. Still, more often than not, loyalty was the preferred option among indigenous communities where dependence for the standing political machinery, often encapsulated in the patron-client relationship, provided the necessary public goods of the community. However, as Mexico makes an uneven transition from a one-party regime to a more democratic multi-party system, the patron-client relationships dominant for 90 years of PRI (Revolutionary Industrial Party) rule, is breaking down (Farrera 2002).

For Oaxaca, does *usos* provide municipalities the ability to deal with Mexico's transition more effectively than its counterparts do in Guerrero? Where many communities dependent on the clientelism model found themselves able to get nothing from the government, are *uso* municipalities well equipped to handle this transition? I argue *uso* municipalities exist in an institutional environment that, contrary to much of the existent literature, increases local dependence on classical clientelism. *Uso* municipalities, I will show, by disconnecting themselves from the formal political and economic environment of Mexico through the elimination of local level political parties and the secret ballot box, become reliant on a bargain with the party in power for the necessary resources for economic sustainability.⁴ The one redeeming feature may be the transnational connections of *uso* municipalities with those in El Norte providing remittance monies necessary for the provision of basic services. It is unclear however, that what I will ultimately deem as "extension" provides *uso* municipalities with anything more than basic survival needs of its residents.

Preliminary research for this dissertation was begun with the idea that *uso* municipalities would be able to translate their newfound autonomy granted under the 1995 constitutional changes into a more effective, participatory local political system that could begin to step in where other levels and forms of government before had failed. That is, when governing institutions break down and do not provide public goods, *usos* would become a critical component for allowing these communities to fill this gap in

⁴ Castillo (2006) notes that in Oaxaca, many indigenous communities see the secret ballot as contrary to otherwise public discussions in communal assemblies as the core element of the decision making process.

development needs. *Usos* would provide the opportunity for political and economic engagement where the goal would be to meet the needs of the individual community and build the necessary social capital that had been unnecessary under the one-party dominant regime of Mexico's ruling party where the "rational" development strategy of communities was to foster and sustain very dependent, clientelistic relations with higher levels of government.

In the same vein, my initial hypothesis continued beyond building social capital by suggesting that *usos* may provide a reasonable substitute for a national judicial system that has displayed stark deficiencies in the protection of indigenous communities and the equal application of the rule of law. Teresa Sierra (1997) argues that the recognition of an indigenous normative system implies the recognition of the jurisdictional spaces that have been working de facto. De jure recognition of *usos* may then serve to diminish internal tensions as well as create a bond with outside communities. Without a de jure functioning of *usos*, the members of indigenous communities are often left with a judicial system unable to respond to indigenous needs. As Sierra (1997) notes, "the recognition of an indigenous normative system would contribute to fortify the society, which when assuming a real multicultural character, opens the possibility of resisting and of enriching the legal system in a way to construct a plural legal order."⁵ Again, the initial hypothesis behind this dissertation posited that the formal recognition of *usos* would lead to the building of social capital that would help, among other development processes,

⁵ Translated from Spanish

strengthen the foundation of an effective legal system via indigenous custom while also providing a much needed space for the federal law to be applied as well.

However, as is evident in the chapters to follow, the formal recognition of *usos* has produced a variety of what must be considered unintentional consequences, though it is not beyond belief that at least a few of the architects of the 1995 constitutional reform had some idea of what those reform might produce. First and foremost among these unintended consequences is a significant decline in political and economic engagement by *uso* communities in the formal political and economic systems of Mexico. In the following pages I develop and test a theory that seeks to make sense of these unintended consequences from an institutional perspective, suggesting that far from being unexpected, the increasing isolation of *uso* municipalities is in fact a somewhat less than surprising outcome. In the process I provide specific analyses of how the institutional recognition of indigenous customary law has affected political participation levels and economic development (specifically in the area of the provision of basic services) in *uso* municipalities over the past ten years.

An evaluation of Hirschman's exit option offers a point of departure for consideration of the proposition that rather than empowering *uso* communities, formal recognition of *usos* only further insulated or isolated them from their national political and economic systems. Hirschman suggests that besides voice and loyalty, exit is an option and Oaxaca, indeed, is a state where many individuals have opted to exit, producing each year over the past several years record levels of out-migration. One may see this as support for Hirschman's argument that when there is deterioration

economically or politically, exit is often a quick and effective response. However, in Oaxaca, out-migration may not represent solely the “exit” option, but rather a fourth alternative left unexplored by Hirschman – “extension.” *Extension*, explored more fully in chapter 6, suggests that *uso* municipalities use the financial resources associated with migration as an alternative to governmental provision of basic resources. The dynamic of *extension* requires extensive group development and participation. Though not fully explored in this dissertation, the idea of *extension* represents the next frontier of research in how to fully deal with the indigenous question posited above.

Notwithstanding the arguments presented above, another, more normatively positive outcome may emerge from *uso* communities as well. Rather than leading to decreased participation within the formal political system, *usos* may instead create a situation where indigenous peoples become further incorporated into the formal system and increasingly rely on governments efforts to address the daily challenges of life in a developing country.

What such an alternative scenario offers for this research project, then, is the challenge to first establish that the formalization of *usos* does indeed have an impact on participation, and second to determine the nature of that impact. While I argue that the case for *usos* leading to generally negative outcomes with respect to economic and political development processes is more likely, the import of this research remains regardless of whether that proposition finds support in the data or if those same data suggest that *usos* in fact facilitate the development prospects of indigenous communities.

Either way, uncovering the impact of *usos* on indigenous communities is critical to understanding what options exist with respect to answering the “indigenous question.”

Across Latin America and the world, once locally confined indigenous movements began to move center stage by the 1980s. Resulting from economic crisis and the homogenization of identity (specifically throughout Latin America in the 1980s) unfriendly neoliberal policies and political exclusion were forced, as oftentimes painful medicine, upon the indigenous communities (see e.g. Haughney 2006). In the wake of the 1980s debt crisis throughout Latin America and the subsequent neoliberal policies spearheaded by the International Monetary Fund (IMF) governments met resistance among the indigenous communities. Indigenous movements in both Ecuador (CONAIE) and in Chile (Mapuches) successfully fought neoliberal policies. The result was an awakening of an indigenous movement leading to a call for indigenous recognition and demand for a seat at the political table among indigenous groups. In Guatemala (Pan-Mayanism) and Ecuador, indigenous movements called for constitutional recognition of the multicultural orientation of the country (as well as in Mexico). Brazil saw indigenous efforts to secure land rights and in Bolivia (via the Movimiento Katarista) and Colombia, indigenous activists took office (see e.g. Yashar 1999, 2005; Reed 2003).

For the Zapatistas in Mexico, the struggle began as Marcos (the General Commander of the EZLN) wrote, as “a product of 500 years of struggle.”⁶ However, the modern era of indigenous movements in Mexico most likely began, after the 1968

⁶ *Comandancia General del EZLN*. 1993 “Declaración de la Selva Lacandona HOY DECIMOS ¡BASTA!” <http://palabra.ezln.org.mx/>

Tlatelolco massacre of 300-400 university students in Mexico City. The Tlatelolco massacre marked the beginning of the end for the PRI (Middlebrook 2004).

In 1970-6, President Echevarria, the man behind the Tlatelolco massacre, in attempting to regain PRI legitimacy and stability engaged in classical cooptation of his opposition, buying off protestors, the workers and even the opposition (Philip 1988, 103). The goal of the Echevarria administration was to return PRI legitimacy, but the façade of legitimacy, already removed, made cooptation less tenable across the indigenous regions in Mexico. By the mid 1970s, the PAN (National Action Party) became a major political player challenging the legitimacy of electoral results and PRI victories across the country. In 1976, the PAN claimed that the PRI was winning elections only through fraud. The PAN did not present a presidential candidate in 1976 due in part to internal crisis and the party's elite growing weary of always being second. However, the result of presenting no candidate and allowing López Portillo to run unopposed forced the issue of further electoral reforms (see e.g. Cornelius 1986, Aguilar Camín 1993).

The PRI maintained its response throughout the late 1970s through cooptation and adjustments to electoral laws. Though the change in the electoral laws was a blow to the electoral stronghold of the PRI as more parties and lower candidate thresholds were implemented, the PRI, it seemed, was forced to liberalize the country's party and electoral systems (Middlebrook 1986). The resultant effect was a rise in opposition forces and new political parties and the emergence of NGOs (often aligned with indigenous groups) seeking to create more transparent electoral procedures. Cooptation was less and less an option as a share of the wealth was ever shrinking.

In 1982, Mexico faced a severe debt crisis in part as a result of the petroleum price shocks, where Mexico borrowed against inflated crude oil futures, of the 1970s. The result for President de La Madrid's administration was an implementation of neoliberal policies handed down from the IMF after Mexico was unable to meet its debt payments.⁷ These policies of economic reform and liberalization led to new divisions within the political elite. While the policies called for painful medicine, Mexico faced further economic stagnation and budget shortfalls. The neoliberal reforms ultimately eroded PRI support among indigenous and the poor (see Crespo 2004)

By 1988, the arguably fraudulent election of president Salinas further divided the ruling party elite and a new commitment to electoral transparency was on the horizon, marking an end to PRI assurances of victory. In 1989, the PRD (Democratic Revolutionary Party) was founded and the PAN and the PRD effectively eroded the base of support for the PRI. The PRI, in attempting to maintain legitimacy and power, was once again forced to further liberalize electoral policies and create a more transparent electoral process. Nonetheless, in the early 1990s President Salinas turns power of election certification over to the Federal Elections Institute (IFE), providing IFE with its own budget and staff. For the first time, election certification was out of PRI control (see e.g. Gómez Tagle 2004, Eisenstadt 2003).

Paradoxically, the opening of the Mexican political system also meant an increase in inequality and poverty across Mexico. Income poverty in the 1990s was higher than in the 1960s and one-fifth of Mexico's total population and two-thirds of the rural

⁷ Such policies included cutting spending, privatization, the allowance of foreign direct investment, and free trade.

population were living in poverty. The result was disillusionment with politics and electoral abstention. Democracy, it seemed, was not without its own price tag.

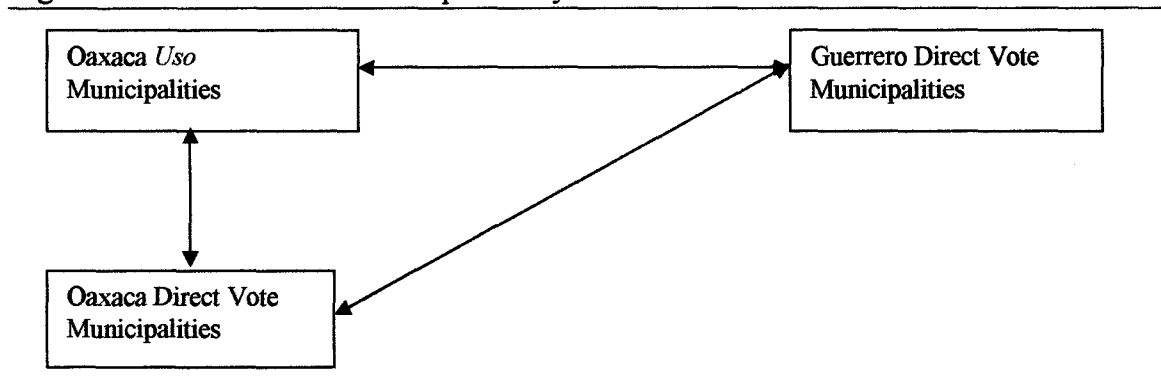
On the eve of the Zapatista uprising and the ratification of the North American Free Trade Agreement (NAFTA), Marcos wrote, “we call on all of our brothers and sisters to join us on the only path that will allow us to escape a starvation caused by the insatiable ambition of a seventy-year-old dictatorship” (*Comandancia General del EZLN* 1993). It is from here that the indigenous question is of particular importance. How does Mexico resolve the rise in inequality, political coercion, clientelism and violence as it transitions to democracy? How does Mexico lessen the gap of inequality and poverty among the indigenous and increase the opportunity for the poor to participate meaningfully in politics?

Usos y costumbres is perhaps one answer to the indigenous question. The institutional design of allowing local level political autonomy marks a distinct divergence from the response to the rest of the indigenous communities across Latin America. For Oaxaca, the recognition of indigenous identity and customary practices may be the institutional design that reinvigorates the local in political and economic development. A relaxation of the democratic process and the infusion of neoliberal policies at the local may offer the indigenous community in Oaxaca opportunity to internally resolve the indigenous question. Conversely, the formal recognition of *usos* may have far-reaching and devastating effects. It is with these questions in mind an analysis between Oaxaca and Guerrero proves useful. Where both states employ *usos* in indigenous municipalities, only in Oaxaca is the practice formally institutionalized.

With such a design, a certain measure of control over national, cultural and historical factors is attained, providing more analytical leverage in identifying the impact state and local institutions have on municipal, group and individual level political and economic behavior. The choice of analyzing a single institutional difference across two neighboring states in Mexico, Oaxaca and Guerrero, is thus driven by the clear methodological advantages of subnational comparative analysis that allows for the control of other competing independent variables (see Snyder 2001). These controls allow for tremendous leverage in examining the impact of one critical independent variable, the formal institutional recognition of *usos*. In examining the consequences of these institutional differences at the municipal level, the research design seeks to further strengthen the general findings concerning the role institutions play in providing possible answers to the indigenous question.

Through analysis of variations in the level of formal political and economic participation among *uso* and direct vote municipalities in Oaxaca and Guerrero, I examine aggregate participation levels in municipalities across three distinct institutional settings – (1) Oaxaca municipalities with local electoral institutions based on *usos y costumbres*; (2) Oaxacan municipalities with party-based local electoral institutions; and (3) Guerrero municipalities with party-based electoral institutions (Illustrated in Figure 1.1).

Figure 1.1 – Variations of Municipal Analysis



The proposition is that *usos* results in decreased opportunity for indigenous populations to enter the political sphere. The working hypothesis is that as the state formally recognizes indigenous-based modes of participation, regardless of the cultural norms of the community, these populations will less likely take advantage of the political opportunities within the system. Thus, between Oaxaca and Guerrero, we should see lower aggregate levels of participation in both formal and informal modes of participation in politics and economics in those Oaxacan municipalities with local electoral institutions based on traditional methods of selecting leaders. Additionally, the groups of Oaxacan municipalities where such institutional designs are not employed will provide another control group that will strengthen the comparison between Oaxaca and Guerrero municipalities.

In order to further parse out the impact that the formal recognition of has on political behavior I pursue a second analysis. I evaluate the differences between municipalities in both Oaxaca and Guerrero that select their local leaders through the formal electoral process. The driving question here is what the impact state-level factors may have on differences in participation levels across these two groups of municipalities.

Even though we observe greater statewide acceptance of indigenous customs in Oaxaca, we should expect that participation levels in Oaxacan municipalities, even those that do not employ *usos*, to be lower than similar municipalities in Guerrero. Lower levels of participation, less political opportunity, lower levels of empowerment and a greater political and economic manipulation should still be observed in those Oaxacan municipalities that use direct vote.

A third analysis incorporates intrastate variation within Oaxaca itself. It is worthwhile to observe what the institutional effects are between municipalities with elections by vote as compared to municipalities with elections according to *usos y costumbres*. Not only does this comparison provide us with further control in evaluating the intra/interstate residual effects of institutional differences, but also we are able to realize to what degree the freedom to choose how a municipality elects its local officials affects localities within a state.

Usos y Costumbres: Quasi-Autonomy

Not only is the de jure recognition of *usos* in Oaxaca unique to Mexico, Oaxaca in of itself is a special case. It was not until the Revolution (1910-17) swept Mexico did Oaxaca, and its indigenous residents, find themselves subject in any substantive way to the authority of Mexican government. Until this time, Oaxaca enjoyed relative anonymity within Mexico due to its mountainous geographic characteristics and minimal sets of desirable natural resources. As a result, Oaxaca remained in relative political, economic and cultural isolation from the rest of Mexico. Oaxaca, scholars argue, saw

itself separate from the rest of Mexico and its lack of national identification is evident in the attempt on two occasions to gain state sovereignty (see Garner 1985).

Ultimately, however, after the Great Revolution, the National Revolution Party (PNR), the predecessor to the Institutional Revolutionary Party (PRI), made every effort to consolidate its power from the federal to the local level of government. By the end of President Cárdenas' (1934-40) term in office, the PRI was successful in a complete consolidation of power at every level of government. The actions of PRI consolidation between 1910 and 1940 also meant increased political involvement in the state of Oaxaca. While the literature is unclear as to the progression of events that led to the dynamic of local level politics in Oaxaca, a series of regional bargains were struck among indigenous municipalities and the PRI. The bargain forged an alliance between municipalities and the PRI where indigenous municipalities would be allowed to continue governing the local through customary law (*usos*) in exchange for electoral support and endorsement of the PRI at the state and federal levels of government.

Scholars likewise disagree as to whom the winners and losers were in the de facto *usos* bargain struck in Oaxaca. Bailón Corres (1999) suggests the arrangement benefited indigenous communities while other scholars such as Dennis (1976) and Greenberg (1989) argue that the bargain deteriorated into as Owolabi eloquently notes, “a clientelistic method of authoritarian control, as traditional customs and practices were manipulated by *caciques* (2003, 30). I suggest that while the bargain may seem as benefiting de facto *uso* municipalities or even creating a scenario of mutual benefit, if history has taught is anything in Mexico during this period, the PRI would have had little

trouble maintaining its consolidation of power at the local. Although de facto *uso* municipalities did benefit from the relationship, until the 1980s, the PRI controlled the bargain.

The apparent end of the bargain really began during the governorship of Heladio Ramírez (1986-92) as he campaigned on increased recognition of culture, indigenous tradition and identity among the indigenous population in Oaxaca. By 1990, Ramírez pushed for reform to Oaxaca's constitution. The reforms, according to Muñoz (2004), included recognition of jurisdiction, *tequio* (communal work), and *usos* within indigenous communities (among other reforms). While the proposed reforms did not translate into much, the legislation did pave the way for the 1995 legislation that officially recognized *usos* in the state constitution.

Carrasco, who succeeded Ramírez, continued the sets of policies of the previous governor. Unfortunately for Carrasco, the EZLN uprising overshadowed his efforts and an invigorated indigenous community, domestically in Oaxaca, and across Mexico sought new legislation to recognize the needs and role of indigenous in Mexican society. As noted above, *usos* was officially recognized by the state constitution of Oaxaca August 30, 1995 and by October 1, 1997 *usos* moved from a de facto institution, to a formal, de jure institution for the election of leaders and the management of governing affairs at the municipal level (Muñoz 2003).

In more detail, *Usos* is akin to a form of self-governance through which indigenous municipalities govern themselves via their own normative systems based on cultural norms and language that are rooted in pre-colonial history. *Usos* regulates the

communitarian life of many native communities and functions primarily like individual organizations in each municipality. Though the functioning of *usos* in each municipality may vary dramatically, the basic structure of *usos* is a cargo system – or a hierarchical system of positions that are assigned and accepted as part of the obligations each individual has as a member of the community. The cargo system working in nearly all *uso* municipalities is based on a number of positions and community responsibilities from which members of the community work from the bottom to top of a four-tiered hierarchical structure (Stephen 1990).

There are four levels of the *usos* cargo system starting at the bottom with the appointment of messenger, police or guard of public buildings as well as an ability to be a *mayordomo*, a religious position with heavy financial burdens. The second level consists of tax collectors, conflict revolvers and supervisors of communitarian work. Individuals serving at this second level also are charged with appointing individuals to serve in first-level positions. At the third level presides the office of the mayor or *presidente municipal*. On average, a mayor in a *uso* municipality is generally wealthy and often embodies the traditional customs and norms of the municipality (Centeno and Cepeda 1997).

The fourth level of the cargo system, signified as the principal level, is attained after passing through the previous three levels. Often highly symbolic, members of the principal level are respected and honored for their relative wealth, tradition and wisdom. Members of the principal level function as recognized authority figures providing advice and council to the lower levels. In addition, in many municipalities, the principal level

appoints the mayor with approval through the communitarian assembly (consisting of adult citizens of the municipality). It is worth noting that the selection of successive mayors in *uso* municipalities reinforces a centralization of power among the municipal elite. Though consensus of the assembly is required, there is no uniform or political process for appointing a candidate for mayor (Centeno and Cepeda 1997).

Collective authority rests in the communitarian assembly. All members of the municipality (with some exception) are members of the communitarian assembly.⁸ The assembly embodies that which is considered *usos y costumbres*. The assembly is a public body of adult citizens functioning akin to New England town meetings in the United States.

Existing in most indigenous-based communities as a de facto functioning of the municipality, the lack of formal recognition of *usos* ties the municipality to the political machinery of the state. Therefore, *usos* is highly symbolic in communities where it is not formally recognized by the state. Furthermore, the state often pressures de facto *usos* communities to abandon their own normative system and play by the formal rules of the state. In Oaxaca, however, *usos* has been formally recognized by the state via constitutional reform in 1995 (see Assies et al 2000). The formal recognition of *usos y costumbres* in Oaxaca, Mexico is the significant independent variable throughout this dissertation. Oaxaca has institutionalized *usos* and removed the requirement for adherence to a state political structure and subsequent party politics.

⁸ In approximately 18% of all post-1995 *uso* municipalities, women do not have the right to vote (Centeno and Cepeda 1997, 208).

Outline of Chapters

Chapter 2 examines the participation consequences of Oaxaca's 1995 legislation to formally recognize *usos* as a legal mechanism to select local leaders. Through an analysis of voter turnout rates of municipalities across the states of Oaxaca and Guerrero, after controlling for a variety of factors, citizens in *uso* communities in Oaxaca participate significantly less in federal elections than their counterparts in non-*uso* municipalities. The result suggests that a detachment from the formal political system, at least at the federal level is underway across Oaxaca. While this chapter suggests only that *uso* municipalities vote less for federal offices, the chapter lends itself to telling a story where the design of institutions mattered. That is, as the rules of the game changed, the voting patterns, too changed.

In chapter 3, the story continues by evaluating the effect of the decline in voter turnout on the rate of public financing, specifically the distribution of federal *participaciones* (or federal transfers) to the municipal level. Central to the argument in this chapter is to uncover the effects of the findings in chapter 2 on the economic livelihood of municipalities. Of interest in chapter 3 is to evaluate the impact of declining levels of voter turnout and what I suggest is a detachment from the formal political system. As the chapter unfolds, a story emerges suggesting that though turnout is on the decline among *uso* municipalities in Oaxaca, the distribution of *participaciones* was disproportionately higher for *uso* towns. The story unfolding, the PRI vote share for federal elections seemed to be a driving factor in the allocation of these federal transfers. By the end of chapter 3 the story told is that while turnout may be on the decline, the

maintenance of PRI electoral support translated into the positive, and disproportionate distribution of federal transfers to *uso* municipalities.

However, chapter 3 tells us only that federal level electoral support among *uso* municipalities translated into higher levels of *participaciones*. In chapter 4, we go one-step further to unpack the dynamic between PRI vote share, *uso* municipalities and the distribution of *participaciones*. In this chapter, we look at state level electoral support for the PRI in Oaxaca to unravel the connections made in chapter 3. Chapter 4 argues that the interaction between the Zedillo decentralization policies (e.g. RAMO 33) of the 1990s and the constitutional recognition of *usos* created an institutional dynamic that led to maintenance of what I call classical clientelism between *uso* municipalities and the party elite. Thus, as turnout was on the decline at the federal level of government, state level electoral support and turnout for the PRI was on the rise. By the end of chapter 4, I argue that the institutional design that reinforces detachment from the formal political system led to a need to make a deal with PRI elite consisting of electoral support in exchange for federal money.

The story, still incomplete, rests on the findings of chapter 5 where we come full circle. Chapter 5 points to the provision of basic services as the final examination into the effects of *usos* on electoral support, turnout and biases in federal transfers. The results suggest that *uso* municipalities are keeping up with direct vote municipalities but it is not clear where the extra *participaciones* are going in Oaxaca. The chapter allows us to suggest, however, that the deal between the PRI and *uso* municipalities meant more money for the municipalities and more votes for the PRI. But also the analysis suggests

that *uso* municipalities are unable to translate more money into a better provision of basic services. While clientelism seems to wield its ugly head because of *usos*, the benefits of clientelism are realized only by the PRI.

The story ends with the conclusion where I discuss the implications of the story that unfolds and offer insight into what might be the ultimate ramifications of an institutional design that may harm more than help the predominantly indigenous *uso* community. In the conclusion, a discussion on how migration may provide at least an unseen benefit in the provision of basic services is included.

Research Implications

This dissertation seeks to demonstrate how institutions affect political participation, the provision of federal funds and ultimately, the provision of basic services and provides further evidence that institutions do indeed matter. We are able to show that through institutional change that aligns itself with tradition and custom, an indigenous population in Mexico can be incorporated into a system that may otherwise prevent indigenous political and economic engagement in the formal sectors. This is important because whether globalization is good for the indigenous populations around the world or not, globalizing interdependence requires inclusion over marginalization.

Second, we can show how one institutional change manifests itself at various levels affecting the political and economic engagement of those targeted by the institutional change. This dissertation intends to offer support for the proposition that such institutional change can lead to new engagements by the affected population at the

macro level through the micro. Demonstrating not only how institutional change affects behavior but also how individuals perceive institutional change.

In addition, we are able to show the negative and positive ramifications of institutional (policy) change. As I show how institutions matter in affecting behavior, we can also begin to show what institutional changes have negative and positive impacts on indigenous integration. This dissertation does not hail the institutional change of *usos y costumbres* as the lifesaver for Oaxaca. However, it does examine how *usos* changes the face of political and economic engagement. Where the Mexican political system goes from here is dependent on future institutional change and its manifestation in the system via indigenous integration or marginalization.

Indeed, as previously discussed, the formalization of *usos* may in fact produce a set of negative or positive outcomes with respect to the goal of successfully incorporating indigenous communities into the formal economic and political systems of their respective countries. As *uso* communities move towards the idea of “going it alone,” what are the ultimate ramifications of this choice? Does the preservation of indigenous norms and customs at such a high cost warrant the formal recognition of indigenous customary law? Does a state reinforce marginalization and exclusion by allowing indigenous communities to “go it alone” or does the state take the initiative and develop institutional structures that preserve culture and encourage incorporation?

Oaxaca provides a first step in understanding what happens when indigenous customary law is institutionalized and formally recognized by the state. We deepen our understanding of the role institutions play in affecting political behavior, if at all.

Additionally, we deepen our understanding of an otherwise understudied and underrepresented group and the effects of an institutional change directed at a specific population. For political scientists and the development community more generally this dissertation provides an opportunity to see what happens as we move from institutional structures that, by design, encourage marginalization to a set of institutional structures that encourage, well, something else.

However, it is not entirely clear how that something else has manifested itself over time. This dissertation begins to explore how subnational institutions affect political participation from the local to the national. We may find that as institutional structures encourage and support indigenous customs, that the indigenous question is one step closer to being answered. That institutional design that incorporate indigenous customary law *may* promote the development of social and human capital through the protections of indigenous ways of life and new protections to the civil rights and liberties of oftentimes unprotected segments of the population. Conversely, we may find that de jure recognition of indigenous customary law leads to a weakening, not deepening, of democracy; ultimately discovering that customary law harms more than it helps.

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Chapter 2

The Participation Paradox of Local Autonomy: Voter Turnout in *Usos* Municipalities in Oaxaca, Mexico¹

Norris writes “political institutions and legal rules [prove] to be strongly and significantly associated with voter participation” (13, 2001). In the following pages I examine the effects of a single change in the selection methods for local leaders in the state of Oaxaca, Mexico on voter turnout for the lower chamber of the national Congress between 1991 and 2003. In 1995, the state of Oaxaca became the only state in Mexico to formally recognize the indigenous practice of *usos y costumbres*, or customary law, as a legal means of selecting mayors. Though long, the de facto selection method for the majority of Oaxaca’s 570 municipalities, the practice was formally prohibited and municipalities were required to register their *usos*-selected candidate as a member of the country’s ruling party, the Institutional Revolutionary Party (PRI). An additional requirement of this implicit bargain was that for all state and national-level offices, the municipalities employing the *usos* method at the local level were required to offer unanimous support for the ruling party’s candidates. With the 1995 legislation, these strings attached to the use of *usos* as a local selection method were removed and citizens in these municipalities were free to vote for whomever they wanted in state and national elections.

¹ An earlier version of this paper was presented in conjunction with Jonathan T. Hiskey at the 2006 Latin American Studies Association Congress.

Our question in this chapter is whether this formal recognition of an indigenous-based method of leader selection at the local level had any significant impact on citizens' political participation in non-local matters. That is, is there an institutional spillover where local level rules and procedures affect, positively or negatively, the turnout rates at other electoral levels? If so, what is driving this process and, perhaps most importantly, what might be its effects on the incorporation or further marginalization of indigenous populations in Southern Mexico?

The constitutional recognition of *usos* in Oaxaca has been championed as legislation that, while providing quasi-autonomy at the local levels for the selection of local level officials, takes strides at reincorporating a population otherwise marginalized since Cortez. Through the official embrace of indigenous methods of selection at the local level *usos* communities were seen by many as more likely to take their place in the state and national levels of Mexico's political system, avoiding the consequences of political exclusion that were so dramatically revealed in the neighboring state of Chiapas in 1994.

Notwithstanding these seemingly good intentions behind the formal recognition of *usos*, it remains an empirical question as to the actual impact of this legislation on indigenous people's willingness to participate in the formal political system of Mexico. For as much as such formal recognition might lead toward greater participation at the national level, I view as equally, if not more, likely the possibility that with increased local autonomy will also come a tendency to disengage from the national political system and turn inward toward the indigenous community itself. In short, the potential for a

participation paradox is emerging from local autonomy – as the latter increases, the former may in fact decline. In the process, we move one-step closer toward a fuller understanding of what the formal recognition of *usos* means to democracy in Mexico for its indigenous communities.

Though the principal concern in this chapter is how a change in a local institution affects political behavior in other levels of the political system, we ideally would begin with an analysis of how *usos* affects an individuals' level of participation in local politics. At this point, the best estimation of the impact *usos* has on local participation is that it has a positive impact on citizen participation in the selection of local representatives when compared with citizen involvement in non-*usos* towns. Indeed, many *usos* systems require near unanimity among eligible citizens before an individual can be selected as the municipal leader. In an interview with local officials of an *uso* municipality in central Oaxaca, the process of leader selection was described as an all-day affair in the town square where all adult citizens would gather and remain until a consensus was reached as to who would serve as the next town mayor. Thus, it is likely that participation rates in these types of local affairs are much higher in *uso* municipalities than in non-*usos* towns for the selection of local leaders. Unfortunately, the best at this point is offering that observation as a proposition, as the data to systematically test it is unavailable.

Of principal interest, however, is in how this local-level change in institutions altered citizen behavior in state and national-level politics. For it is indigenous communities' participation in these higher level of politics that arguably will allow them a greater role in Mexico's economic and political development processes. The formal

recognition of *usos*, in electoral terms, can be seen as an attempt to provide a marginalized and disenfranchised population entry into the political system. Through legislation that allowed for the local autonomy necessary for the selection of community leaders with none of the strings that had been attached to this practice during the era of one-party rule, *uso* communities were viewed as having gained a newfound voice in the formal political system. During the era of PRI rule, the PRI developed a relatively consensual relationship with indigenous municipalities with respect to the practice of *usos*. In exchange for PRI loyalty at the ballot box and an expectation that local leaders would register as PRIistas, the PRI allowed a de facto continuation of customary practices in indigenous communities (Rubin 1996). The scenario on the surface was a win-win situation for both groups. However, for the municipality using de facto *usos*, the tradeoff was a loss of voice at the state and federal levels and the PRI was very willing to step in and enforce this implicit bargain if *uso* communities attempted to challenge the party line (Bailón Corres 1999). De facto *uso* communities, as a result, often voted unanimously for the PRI regardless of party preference and were relatively disenfranchised beyond the local level. The one redeeming feature of this situation, ironically, was that with the dominance of the PRI across Mexico during this time, the loss of voice suffered by *uso* communities during this period was not that different from other regions of Mexico. Thus, the bargain was more beneficial for *uso* communities during the one-party regime because they were giving up something, political voice, they likely would not have had anyway. Only as true electoral competition began to emerge in Mexico during the 1980s did this “deal with the devil” begin to carry with it real

consequences. It remains to be seen, though, how the termination of this deal affected citizens' willingness or ability to exercise their newfound political voice.

Electoral Participation in Southern Mexico

For most of the 20th century, southern Mexico hardly fits much of the arguments provided by scholars on the relationship between institutional structures and turnout. For example, Franklin (2004) echoes a widely supported finding that turnout is in part a function of the level of competitiveness of the election itself. Historically, however, turnout rates in Mexico have not followed this logic. For the duration of the PRI's one party rule Oaxacan municipalities, as in other parts of Mexico, reported absurdly high turnout rates for elections that, essentially, did not matter (at least not for those casting the ballot). Likewise, as elections have become more democratic and competitive, turnout for federal elections has declined across much of Mexico. Turnout for the 2003 midterm elections was in fact the lowest recorded under the current system.

In parts of Mexico, though, the positive relationship between electoral competition and voter turnout has begun to emerge. The local and state-level races in the northern border states, as well as several of the central-west states appear to follow this pattern. Yet states such as Oaxaca and Guerrero seem to remain mired in the past in terms of the determinants of electoral turnout, with pockets of PRI support typically producing higher levels of turnout.

Lupia and McCubbins note "the people who are called upon to make reasoned choices may not be capable of doing so" (1998, 1) pointing us to the important role that education plays in voter turnout. Lupia and McCubbins' assessment of individual ability

to vote may provide insight into the Mexican case where education levels across the country vary widely. Yet once again, the standard suspects from western models of political participation do not seem to hold up well when applied to citizens in a developing country. Increasingly, scholars of political behavior in developing countries are finding that education levels either have very little impact on participation rates or are inversely related to one another, with lower educated people tending to participate more in politics than their better-educated counterparts do.

Turning to work in developing countries, Blais and Dobrynska (1998) suggest that there are multiple factors affecting turnout. Such factors include the usual suspects including compulsory voting, suffrage laws, the electoral system itself, competitiveness of elections, number of parties and various SES indicators. Kostadinova in examining Russia illustrates how a “disenchantment effect” plays a critical role in the decline in voter turnout (2003, 743). While others argue that regardless of the rules of the game, in non-compulsory electoral systems the economy is the driving factor of turnout (Wolfinger and Rosenstone 1980, Radcliff 1992, Jesuit 2003). Specifically, Scholzman and Verba point out the role economic hardship plays in the decline in voter turnout (1979). If this is the case, we should find consistently high levels of voter turnout in southern Mexico, where economic hardship abounds.

Other factors, however, may work against increased voter turnout in Oaxaca. Low education rates, highly rural, isolated communities, and rules that prohibit party activity in *usos* municipalities with populations less than 5000 all may serve to depress citizen participation in non-local elections. Several scholars argue that mobilization of

the electorate helps drive turnout (Rosenstone and Hansen 1993, Franklin 1992 and 1993, Gray and Caul 2000, Readcliff and Davis 2000). Franklin notes that campaigning by parties helps voters remember political allegiance, reinvigorating their desire to participate in elections (1992). The prohibition on party activities in small, *uso* communities then may serve to drive down participation rates. In the following analysis I attempt to incorporate as many of these possible factors as the data permit in order to adequately isolate the impact that the formal recognition of *usos* has had on turnout rates once controlling for these other factors.

Exploring the Participation Paradox of Local Autonomy

As discussed above the basic question driving this analysis is whether the formal recognition of *usos y costumbres* at the local level affects electoral participation at the national level. Several competing hypotheses suggest themselves and each carries with it substantial implications for the growing movement toward such formal recognition of indigenous institutions across Latin America.

The first such proposition is simply that local electoral institutions have little if any impact on individuals' choices about whether to participate in national-level elections. Indeed, though not as dramatic as the contrast between partisan-based, western-style local elections and non-partisan, indigenous-based methods of choosing local leaders, there exist countless differences in electoral institutions across the local governments of many countries. Yet little if any research exists that suggests these institutional differences have any impact on voter turnout for national elections. In the United States, where an abundance of research exists on the determinants of voting, no

findings were found that suggest local electoral institutions that define, for example, the partisan nature of local elections have any impact on whether citizens will vote at the national level. While much work has been done how local institutions affect local participation, few works have taken the next step and examined how these local institutions affect national turnout.² Thus, it is plausible that no significant connection exists between local-level institutional structures and participation in national-level politics.

Conversely, it may be the case that the recognition of indigenous-based institutions at the local level will serve as a catalyst for indigenous voters to participate more in national elections. This prospect seems to have been, at least in part, the strategy behind the recognition of *usos* in Oaxaca. Though difficult to verify, the adoption of legislation that formally recognized *usos* by the state-level PRI government in 1995 appears to have been driven by efforts to consolidate the indigenous community support for the PRI at state and national levels that had historically been relatively strong. In allowing for the formalization of *usos* at the local level, the hope among PRI officials would almost certainly be for that legislation to spur turnout for higher-level offices.

Finally, the adoption of indigenous-based local institutions may lead to the further isolation and disengagement of indigenous communities as they turn increasingly inward and provide fewer incentives to candidates of national-level offices to pay attention to these communities. This possibility of a negative relationship between the adoption of *usos* at the local level and voter participation at the national level is heightened by the

² With certain exceptions such as Posner 2004.

fact that in Oaxaca, political parties are prohibited by law from campaigning in municipalities with fewer than 5000 people. In interviews conducted for this chapter, state electoral officials viewed this provision as one that served to protect small indigenous communities from being overrun by political party operatives that would exploit the communities' relative isolation from state and national-level politics. However, though, this provision simply exacerbates that isolation, making it less likely that citizens in these communities will be willing to participate in national elections. More generally, *usos* Municipios (municipalities) would seem to have less of a connection to the state and national-level party apparatuses and networks and this ever-tenuous connection would seem likely to also depress voter participation. This posited impact of *usos* on turnout in national elections has echoes in the work of Fox and Aranda (1996), who examined Oaxacan municipalities' experiences with a demand-based development program during the early 1990s. One of their principal findings was that *uso* municipalities were less likely to have successful development projects due to their relative lack of connections with state officials who could offer additional funds, technical advice, and other forms of support to municipal officials. Thus, a similar form of detachment from the political system may occur for citizens of *usos* communities, leading them to stay home on national election days.

The data gathered for this project allow for testing of the above propositions. As mentioned above, the study employs at its base level a "two-stage" most similar systems design, comparing the 427 *usos* municipalities of Oaxaca with the remaining direct vote municipalities of the state (143), as well as with the direct vote municipalities of the

neighboring state of Guerrero (76).³ Through this multiple layered comparison, tremendous analytical leverage is gained in parsing out any effects the adoption of *usos* may have had on voter turnout rates for national elections. The data for the municipalities of Oaxaca and Guerrero were collected from two principal sources Mexico's census bureau (INEGI) and the Federal Electoral Institute (IFE), Mexico's principal electoral oversight institution. From these two sources, turnout data were calculated for each municipality for the five federal elections held between 1991 and 2003 and municipal-level socioeconomic characteristics were assembled using the 1990 and 2000 census data. The turnout rates will serve as the dependent variables in the following analysis and the socioeconomic data will provide the basis for a variety of control variables that will allow for identification of the unique effect that the formal adoption of *usos* has on municipal turnout rates.

Before moving to a discussion of the various controls included in the models, a brief account of the construction of the dependent variables is necessary. Measuring voter turnout in Mexican federal elections is not quite as straightforward as one might expect. The first, somewhat negligible concern is that for federal elections in Mexico, as in the United States, electoral districts do not correspond to municipal borders. This typically results in several municipalities being included in one electoral district, but can also produce the opposite situation for the larger metropolitan areas where several electoral districts are found in one municipality. In both situations a model of voter

³ For the analyses carried out in this chapter, I use the initial list of *usos* municipalities produced by the Oaxaca electoral institute following the 1995 legislation. By 2005, the number of *usos* municipalities had contracted slightly to 418 where it now stands. Analysis of the reasons behind this shift from *usos* to non-*usos* of these nine municipalities and the impact in political participation that this change brought awaits.

turnout that uses municipalities as its cases is somewhat problematic in terms of the posited relationship between certain independent variables and the dependent variable. For example, a widely accepted finding in voter turnout literature is that the more competitive an election is the higher the voter turnout will be. In the analysis we can only roughly tap that posited relationship because the competitiveness of elections can only be truly measured at the district level, not at the municipal level. Since our socioeconomic data are measured at the municipal level, it is extremely difficult to construct an appropriate district-level data set, and thus we are able only to recognize the problem as such and move on.

Another even more problematic issue with voter turnout as the dependent variable is the limited availability in Mexican election data of a critical component of any voter turnout measure – the number of registered voters. For reasons unknown to us, Mexican electoral offices have only made available municipal-level voter registration numbers for the 2000 and 2003 federal elections, leaving only state-level turnout data for the 1991, 1994, and 1997 federal elections. In order to more fully analyze the impact that the formal recognition of *usos* had on voter turnout, we pursued an alternative means of constructing municipal-level voter turnout data. Taking advantage of the fact that data were made available for the total number of votes cast in a municipality, a proxy for the registered voter list the census bureau's data for the total number of citizens age 18 and older within a municipality for 1990 and 2000 was used. Using these two figures as our starting point we then calculated the annual growth rate between 1990 and 2000 for the 18 and over population and then, based on this growth rate, estimated an 18 and over

population for the years 1991, 1994, and 1997. These figures were then used as the denominators to calculate a municipality's voter turnout rate for the federal elections held in those years.

In order to check how closely these data approximated the official turnout data, turnout figures for the 2000 and the 2003 elections were estimated and then compared these figures to the official IFE turnout figures provided for those two elections. Based on the correlations of our estimates and the official turnout figures (.88; $p < .001$ and .90; $p < .001$ respectively) the turnout numbers for elections during the 1990s at least come close to tapping the actual rate of citizen participation in those elections.

Moving on to the models of voter turnout across the municipalities of Guerrero and Oaxaca, I employ as independent variables a series of measures that tap those socioeconomic factors commonly associated with voter turnout such as education, economic development, and the size of the municipality. For education, used is the percent of a municipality's population over the age of fifteen that has less than a primary school education. Given that the completion of primary school represents a significant achievement in the developing states of Guerrero and Oaxaca, where over 50 percent of the over-15 population has less than a primary school education (mean=.53) this as an efficient measure of the aggregate level of education within a municipality. Alongside this variable included is the percent of the municipal population that was classified as indigenous by the 2000 census.

Included are two economic measures designed to tap the two ends of a municipality's income scale – the percent of the economically active population that earns less than “one minimum wage” and the percent that earns “more than five minimum wages.”⁴ With these variables, the hope is to use the relative size and import of these two significant income groups as a proxy for the overall income profile of the municipality in question.

The last socioeconomic variable is the percentage of households within a community that has both running water and indoor plumbing. Of the basic services these two are the least available in Mexico and thus offer a good indication of the overall infrastructural development of a municipality. With all of these measures of municipal development the expectation is in line with the standard model of voter turnout that sees better off individuals as more likely to turn out to vote. That said, it is recognized that employed is a municipal-level measures to capture what is essentially an individual-level behavior and thus run the risk of falsely inferring causes of voting from aggregate-level relationships. Once again though this approach as instructive in identifying potential patterns that in the future may be further explored with individual-level data.

Another important control variable inserted into all of the models is the percentage of a municipality's households that had at least one member reside in the United States between 1995 and 2000. Other research has identified high levels of

⁴ This use of the minimum wage as a unit of income measurement is standard for the Mexican census bureau, and indeed the two categories we employ as municipal income measures are the two extremes of the census income items.

emigration as a significant depressant of voter turnout for national elections, and thus argues it is a necessary control to include in the present analysis.

Despite the reservations discussed above concerning the incompatibility of electoral districts and municipal borders, included are two variables designed to capture the impact that the competitiveness of the electoral race had on turnout within a municipality. The percentage vote received by the PRI is used as an overall measure of the PRI's presence in the region. Given the pressures on voters brought to bear by the PRI in its areas of dominance, it is possible that contrary to standard accounts of electoral competition's positive impact on turnout, we may see PRI-dominant municipalities produce high levels of turnout. Included is a second measure of the electoral environment – the margin between the PRI and its principal electoral threat in the region, the PRD. Measured simply as the PRI vote share minus the PRD vote share we view this a necessary control due to the contentious, often violent, relations between these two parties during the 1990s that may have affected voter turnout patterns throughout this period (Klesner 2001; Klesner and Lawson 2001).

The final set of variables are those central to the analysis. I first include a dummy variable that assigns a value of 1 to those municipalities officially recognized as *usos y costumbres* municipalities (427 of 570 municipalities in Oaxaca for which data were available). Next I employ another dummy that compares municipalities with populations under 5000 to other municipalities (150 of Oaxaca's 570 municipalities). What both of these categorical variables are designed to do is isolate the effect that the formal adoption of *usos* had on voter turnout independent of any other factors, and what the additional

impact of the adoption of *usos* was among those municipalities with less than 5000 where political parties were forbidden by law from campaign activity. For both of these variables, the expectation is to find a negative impact that serve to lower the rate of turnout in these municipalities. In the following section are the results for the 1997, 2000, and 2003 elections.

Results

Table 2.1 displays the results of the analyses of the three federal deputy elections from 1997 to 2003. These elections represent in many ways three dramatically different yet equally important events in Mexico's political development. 1997, the first federal election following the 1995 legislation that formally recognized indigenous selection methods at the local level, represents the historic loss of majority control over Congress by the PRI. The opposition parties combined to win a slight majority of the seats in the lower half of Mexico's Congress thus changing virtually over night the governing role of this institution in Mexican politics. The year 2000 represents the PRI's loss of the executive branch, a watershed moment considered by many to mark the end of Mexico's democratic transition. Finally, the 2003 federal elections were the first held under an opposition presidency and recorded the lowest turnout rate of any federal election held under the current system. Given the tremendous differences in electoral dynamics that surrounded these three elections, any systematic effects we uncover across the three elections would seem unlikely to be a product of the particular electoral context but rather a fundamental effect of the variable at hand.

One glance at the results in Table 2.1 reveals that the most systematic and significant result is the consistently negative impact that the *usos* dummy variable has on electoral turnout. Put simply, after controlling for a host of other important factors, citizens living in those municipalities that formally adopted the *usos* system voted at much lower rates than their counterparts in direct vote municipalities. The strength and consistency of this result, given the very different elections under study, is striking. What these results suggest is that when controlling for other factors, turnout rates in *uso* municipalities were five to seven percent lower for federal elections than in non-*uso* towns.

The other consistent results across the three models are revealing as well. The coefficients for the migration intensity variable are highly significant and in the same direction for the three elections, supporting previous findings that suggest migration has a consistently negative impact on the participation profile of municipalities. In contrast, the strong positive impact on voter turnout that the level of support for the PRI appears to have runs counter to extant research on turnout rates, at least for the 2000 and 2003 elections, in which higher levels of turnout were associated with regions of opposition support (Klesner 2001). Though not able to fully explore this finding in this chapter, it appears that Oaxaca and Guerrero, even as late as 2003, still reflected somewhat the voting behavior patterns of the one-party era in which the PRI was typically able to generate high levels of voter turnout. Adding to this notion are the negative coefficients for the PRI-PRD vote margin. Though only significant (at $p < .05$) for 2003, in all three models the coefficient is fairly strong and again suggests that across the municipalities of

Oaxaca and Guerrero, the pattern of heightened competition leading to increased turnout found in other regions of the country was not evident. These findings clearly merit more attention in future studies of political participation across Mexico.

The final set of control variables produced fairly unstable coefficients that are perhaps a reflection of the very different dynamics of the three elections under study. Of these socioeconomic variables only the education variable, the percentage of a municipality's population with less than a primary education, performs as expected where lower education levels translated into lower levels of turnout. The relatively strong performance of the models, however, suggests that we have included a proper set of control variables, and makes all the more compelling the central finding that the formal recognition of indigenous institutions at the local level translate in to lower participation rates for national level offices. I address the implications of this finding in the final section of the paper.

Before moving to that discussion of the implications of this finding, however, I pursue two other slightly different approaches to testing for the impact of the 1995 formal recognition of *usos*. Using the same models as above, I first examine how this collection of independent variables fares in explaining the 1994 and 1991 municipal turnout levels. Our expectation is that the *usos* dummy variable will have considerably less of an impact on turnout levels, and indeed may produce a positive effect on turnout. This expectation is based on the implicit bargain that had been struck between *usos* communities and the state and national-level PRI officials during the PRI's era of one-party rule. As discussed above, this bargain essentially allowed for the use of indigenous means of selecting local

leaders in exchange for the automatic and unanimous electoral support of the PRI offices at the state and national level by the municipality in question. What this produced, then, was an official vote tally for state and national offices among *usos* municipalities that came close many times to *averaging* 100 percent turnout and 100 percent support for the ruling party during the 1980s. While slowly changing during the 1980s, the big change came in 1995 with the formal recognition of *usos*, thus ending the decades-old informal bargain. For our purposes then, we expect a significant decline in the import of the role of the *usos* dummy variable in models for the 1994 and 1991 elections.

Table 2.2 reveals the results of the 1994 and 1991 models of voter turnout and support much of what we have discussed above. First, the overall model performance again suggests a reasonably efficient set of controls are included in the models. Second, the strength and significance of the PRI vote share as a predictor of turnout remains, further supporting the contention that in Oaxaca and Guerrero, the turnout patterns we find in the post-1995 elections still include strong remnants of the one-party era because, in many ways, these two states remained stuck in the past. Third, the diminished importance of both the *usos* dummy variable and the migration variable strengthen the results for the post 1995 models in that for neither variable should we find a substantial effect because both tap dynamics that only fully emerged in the latter part of the 1990s.

Though the *usos* dummy variable is significant and negative for 1994, the absolute lack of any effect for the 1991 model suggests that the institutional change itself, and not some set of uncontrolled for endogenous characteristics of *usos* communities is what is driving the effects we see in the post-1995 elections. Thus, these pre-reform

models are suggestive of how voters in *usos* towns, once released from the implicit electoral bargain that had guided electoral behavior for so long, chose to withdraw somewhat from the national electoral process and perhaps turn increasingly inward to a local electoral environment that explicitly recognized indigenous means of selection.

Another method of checking the strength of our results is to model turnout rates only for Oaxaca's 570 municipalities. It may be the case that even though we include a state dummy variable, the dynamics of electoral turnout vary between the two states under study so much that they mask the role of important intrastate processes. Thus we will examine the performance of the model when used to analyze only the municipalities of Oaxaca. Another possible factor affecting the results reported above is the population size of municipalities in Oaxaca. While included is a dummy variable to test for the posited effect of a municipal population below 5000 (the results of which were inconclusive at best) it does not take into account a very peculiar but potentially important feature of many Oaxacan municipalities that may distort models of voter turnout. This feature is the simple fact that 105 of the 570 municipalities in Oaxaca have official populations of fewer than 1000 individuals. In terms of the voting age population in these municipalities, then, the numbers (in 2000) range from 71 to 631 individuals over the age of 18 and thus eligible to vote. From one perspective, these small numbers should not matter because the aggregate voting profile of a municipality, no matter how large or small, still tells us something about the level of engagement of that community. Conversely, with such a small pool of potential voters, the aggregate turnout rates produced in these municipalities are much more vulnerable to large, somewhat arbitrary

fluctuations over time that have very little to do with the actual electoral participation profile of the municipality. In a municipality of 100 eligible voters, for example, a flu bug that keeps ten people home on election day will produce a ten percent drop in turnout. Thus if our aim is to analyze a community's general proclivity to participate, we may not be able to tap into this through the modeling of turnout rates in these smaller municipalities. In order to address this concern, we run an analysis of only those municipalities with a population of over 1,000. Though admittedly a fairly arbitrary cutoff point, we feel that municipalities larger than 1000 may provide a more stable and reliable participation profile when looking at their federal election turnout rates.

The method of testing the above results and addressing the potential instability of any one year of turnout rate is to model a municipality's average turnout rate over multiple elections. Thus, I also provide the results of a model of the average turnout rate among the municipalities of Guerrero and Oaxaca for the 1997, 2000, and 2003 federal deputy elections. The hope is that if the results are consistent across all of the various approaches to modeling turnout, then we will have stronger support for our contention that the formal recognition of *usos* as a means of selecting local leaders served to diminish the rate of participation in national politics among citizens of these *usos* communities.

Table 2.3 displays the results for these final attempts to determine the unique impact the formal recognition of *usos* had on turnout for federal elections. Though only the results of models using the average turnout for 1997-2003 as the dependent variable are displayed, also ran were separate models for each individual year as well, with each

producing similar results. As is clear, the effect of *usos* on turnout for national elections is singularly strong, significant, and negative across all models. Simply put, no matter how one chooses to analyze it, the formal recognition of *usos* has served to significantly depress the participation of citizens in *uso* communities in national politics. These results hold up against a variety of fairly stringent tests we have applied including not only those reported but a variety of other variations of the models presented here. In each series of tests, the negative impact of *usos* on turnout remained strong.

Though clearly only one of several methods that can be employed to explore the basic question of this research, the strength and consistency of the results displayed above are certainly suggestive of a perhaps quite consequential unintended consequence that has emerged from the 1995 *usos* reforms. For if the findings are correct and indicative of a larger withdrawal from national politics by citizens in *usos* communities, these communities may find themselves in a precarious position as Mexico continues along its path towards greater democracy. In the final section, I briefly discuss those consequences and offer suggestions for future research.

The Participation Paradox of Local Autonomy

The core finding of this chapter suggests is that an institutional change that on the surface sought to empower indigenous communities at the local levels in order to enhance their participation at the state and national levels seems only to have accomplished the former. While formal recognition of *usos* has produced tremendous vitality in some Oaxacan communities, (at least as evidenced in interviews and the findings of secondary research) this institutional change seems to have brought about a

withdrawal of these communities from the larger political systems of which they are a part. Though more research is necessary, if this central finding is indeed correct, the implications for Oaxacan *usos* communities can be potentially devastating. Devastating in the sense that as the Mexican political system becomes increasingly democratized, as the national Congress plays a stronger role in the policymaking process, and as state governments gain more fiscal power, diminished participation by *usos* communities in Oaxaca is occurring at precisely the time when their voice matters the most. The risk posed by this process is clear – in a system where small, rural municipalities still depend in large part on higher levels of government for their principal source of revenue, communities where voter turnout continues to decline will provide state and national politicians fewer incentives to expend much political capital on these electorally inconsequential constituencies. The vast majority of these *uso* municipalities are small, isolated, rural, communities to begin with and thus not well positioned to catch the attention of their political representatives in far off political centers. With low levels of political participation, their position becomes even worse. Given that the corporatist framework of the PRI's one-party system has essentially crumbled, those indigenous communities who do not give electoral voice to their demands risk further marginalization.

Added to this obvious consequence of diminished turnout rates is the related work that suggests that communities with high levels of migration also tend to withdraw from national-level politics and increasingly rely on emergent transnational communities as a source of revenue and development. In Oaxaca during the 1990s emigration among

indigenous communities became more and more pronounced, leaving many of the state's smaller communities void of any viable workforce or, perhaps more importantly, political voice. The combination of this finding with the independent impact that the formal recognition of *usos* appears to have had on electoral participation makes many *usos* municipalities even further marginalized from their state and national political representatives. Though the analyses failed to produce any significant interaction effect between migration and the adoption of *usos*, my sense is that these two factors together further exacerbate the tendency of these communities to disengage from their systems and turn toward more local (but transnational) networks of support.

Finally, not only do *uso* communities risk losing their political voice, they also face the potential concrete consequence of not having adequate "connectedness" to the tools of the state in terms of development projects, expertise, and funding. Across all of these areas, the isolation that appears to be growing in *uso* communities promises to further cut off valuable development processes that in many cases have become the cornerstones of Mexico's social development strategy, one that is based on communities and the state working in partnerships in an effort to break from the systematic "development dependence" that was imposed on localities across Mexico throughout much of the post-Revolutionary period. As other regions of Mexico move ahead in breaking from this past, the *uso* communities of Oaxaca, again paradoxically, risk increasing their submissive dependence on national largesse as their local autonomy increases.

In both political and economic development, then, *uso* communities appear to have *perhaps* won local autonomy and preservation of *usos y costumbres* at the cost of ever greater dependence and submissiveness at the national level. Though this prospect is still clearly only one possible outcome, it may come to pass sooner rather than later if the patterns we have identified in this paper continue. And yet, from what we can ascertain, indigenous communities themselves, and arguably many of those observers concerned with the well-being of these communities, have not carried out a systematic analysis of exactly what the formal recognition of *usos* has brought to these communities, and what it holds in store for the future. It is this challenge, in our view, that researchers must pursue with urgency in order to identify possible resolutions of this participation paradox of local autonomy.

Tables

Table 2.1 – Post-1995 Turnout Rates in Oaxaca and Guerrero

Variables	2003	2000	1997
Constant	.29	.54	.38
Pop. w/ less than primary education	-.03 (.04)	-.19** (.04)	-.24** (.05)
Pop. earn less than one min. wage	-.04 (.10)	-.24 (.09)	-.23 (.12)
Pop. earn more than five min. wage	.04 -1.79* (.77)	.01 -.11 (.70)	-.01 -3.25** (.95)
Households with water and sewerage	-.15 .04 (.05)	-.01 .09 (.05)	-.22 .20** (.07)
Percent mun. pop. that is indigenous	.04 -.002 (.01)	.11 -.01 (.01)	.17 .003 (.02)
Percent households with at least one member in US, 95-2000	-.01 -.002** (.001)	-.03 -.004** (.001)	.01 -.001** (.001)
Percent vote for PRI	-.15 .28** (.06)	-.26 .24** (.07)	-.06 .53** (.10)
PRI vote minus PRD vote	.35 -.06 (.04)	.33 -.07 (.04)	.55 -.16** (.06)
State (Oax. = 1)	-.14 .05** (.02)	-.17 .07** (.01)	-.32 .02 (.02)
Municipality with less than 5000 (=1)	.15 .02 (.01)	.20 -.003 (.01)	.04 .04** (.01)
Usos municipality (=1)	.08 -.04** (.01)	-.01 -.06** (.01)	.25 -.07** (.01)
Adjusted R ²	-.18	-.26	-.25
F-stat	.13	.21	.15
(N)	9.39	16.75	11.34
	(642)	(644)	(639)

Each cell contains the unstandardized coefficient on top with the standard error in parentheses and the standardized (beta) coefficient on the bottom.

Table 2.2 – Modeling Pre-Reform Turnout Rates

Variables	1994	1991
Constant	.62	.30
Pop. w/ less than primary education	-0.61** (.07) -.37	-.20 (.11) -.08
Pop. earn less than one min. wage	-.02 (.05) -.02	.09 (.08) .05
Pop. earn more than five min. wage	-1.62* (.77) -.09	-4.04** (1.22) -.15
Households with sewerage	.08** (.03) .12	.11* (.05) .10
Percent mun. pop. that is indigenous	-.009 (.01) -.02	.004 (.02) .07
Percent households with at least one member in US, 95-2000	-.001* (.001) -.08	-.001 (.001) -.06
Percent vote for PRI	.16* (.08) .25	.39** (.11) .38
PRI vote minus PRD vote	-.03 (.04) -.07	-.09 (.07) -.13
State (Oax. = 1)	.001 (.02) .002	-.09** (.03) -.15
Municipality with less than 5000 (=1)	.03* (.01) .11	.09 (.02) .22
<i>Usos</i> municipality (=1)	-.04** (.01) -.15	.02 (.03) .06
Adjusted R ²	.21	.17
F-stat	16.11	12.56
(N)	(639)	(637)

Each cell contains the unstandardized coefficient on top with the standard error in parentheses and the standardized (beta) coefficient on the bottom.

Table 2.3 – Alternative Models of Average Turnout Rates, 1997-2003

Variables	Avg. turnout (97-2003)	Avg. turnout (Oaxaca only)	Avg. turnout (pop.>1000)
Constant	.38	.44	.37
Pop. w/ less than primary education	-.19** (.03)	-.20** (.04)	-.14** (.03)
Pop. earn less than one min. wage	-.26 (.08)	-.27 (.08)	-.22 (.08)
Pop. earn more than five min. wage	.06 (.03)	.06 (.03)	-.01 (.03)
Households with water and sewerage	-1.33* (.65)	-1.40* (.71)	-.30 (.62)
Percent municipal population indigenous	-.13 (.04)	-.13 (.05)	-.03 (.04)
Percent households with at least one member in US, 95-2000	.08 (.01)	.11* (.01)	.04 (.01)
Percent vote for PRI	.11 (.01)	.13 (.01)	.06 (.01)
PRI vote minus PRD vote	-.003 (.001)	-.005 (.001)	.000 (.0001)
State (Oax. = 1)	-.01 (.01)	-.02 (.01)	.00 (.01)
Municipality with less than 5000 (=1)	-.003** (.001)	-.003** (.001)	-.002** (.0001)
<i>Usos</i> municipality (=1)	-.21 (.06)	-.20 (.07)	-.19 (.06)
	.38** (.06)	.38** (.07)	.34** (.06)
	.58 (.03)	.59 (.04)	.55 (.03)
	-.13** (.03)	-.13** (.04)	-.11** (.03)
	-.34 (.01)	-.34 (.01)	-.30 (.01)
	.06** (.01)	-- (.01)	.06** (.01)
	.18 (.01)	-- (.01)	.24 (.01)
	.02 (.01)	.02 (.01)	.000 (.01)
	.08 (.01)	.08 (.01)	-.02 (.01)
	-.05** (.01)	-.04** (.01)	-.06** (.01)
	-.22 (.01)	-.19 (.01)	-.32 (.01)
Adjusted R ²	.19	.19	.15
F-stat	14.29	14.00	14.51
(N)	(636)	(560)	(533)

Each cell contains the unstandardized coefficient on top with the standard error in parentheses and the standardized (beta) coefficient on the bottom.

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Chapter 3

Participaciones Federales: Rewards and Punishments for PRI support in post-1995 Usos Municipalities

This chapter continues the exploration of how the *usos y costumbres* legislation of 1995 affects the political and economic environments in Oaxaca, Mexico. As previous chapters discuss a central role for *usos* as an explanatory variable for the overall decline in turnout in federal and state elections, I move a step further with the analysis and evaluate the role *usos* has on state and federal level public financing. Of interest is to observe the impact of the *usos* legislation beyond the simple (or not so simple) act of voting. In doing so, the central question is does the 1995 legislation providing for local level quasi self-governance for municipalities in Oaxaca have an effect on the role state and federal government plays in its distribution in public finances? Specifically, does *usos* change the level of federally distributed funds or federal participation known as *participaciones* at the municipal level in an observable way?

Given the results delineated in preceding chapters on the role of *usos* on levels of turnout, there is reason to argue for a detachment between *uso* municipalities and government at the state and federal level. Chapter 2 demonstrates that for federal elections *usos* has a demonstrable effect on the levels of turnout for the election of federal deputies. Consequently, these findings are suggestive of a climate in *uso* municipalities of further political disengagement or detachment. As several plausible reasons are provided to explain the phenomenon, the analysis is clear on one point: the 1995 legislation had an unintended consequence (at least unintended by the PRI) of

significantly lowering the turnout rate of those municipalities that chose to formally embrace *usos* at the local level.

In the same vein, it is further plausible that as these *uso* municipalities increasingly ignore the formal political structures at the state and federal levels, so too will the state and federal governments ignore them. The apparent lack of voice exerted may very well be interpreted by federal or state authorities as an exit from the formal political arena. With a loss of electoral support in these municipalities, there is little rational interest for state or federal agencies to participate with the *uso* municipality. As V.O. Key once suggested, “The blunt truth is that politicians and officials are under no compulsion to pay much heed to classes and groups of citizens that do not vote” (1949, 527). This pattern may be playing itself out in electoral terms in Oaxaca.

Thus, the initial hypothesis concerning the role of federal participation in the overall gross earnings from federal and state agencies relates to this previous finding on the negative impact on voter turnout of the formal recognition of *usos*. Without the exertion of a voice at the state or federal levels, *uso* municipalities may lose a critical role they would otherwise play in the dissemination of federal funds. As a result, one would expect that federal participation in *uso* municipalities would decline after 1995 as a response to the apparent exiting from the formal electoral system currently underway.

This chapter, thus, examines the political dynamic behind intergovernmental financing in an era where quasi-autonomous *uso* municipalities are pulling away from state and federal level electoral participation and becoming ever more fiscally dependent on the state at the same time that the country as a whole is moving closer to a more

democratic system. Solé-Vilanova (1990, 351) identifies this behavior as “consumption federalism” in autonomous municipalities in Spain; in Oaxaca this uneven balance may be a quantifiable indicator of clientelism designed to maintain PRI control at the state level.

Willis, Garman and Haggard suggest that the debate concerning the manipulation of *participaciones* must be open to the possibility that “despite the formulaic nature of federal-state transfers, state transfers to the municipal level are subject to substantial discretion” (1999, 44-5). At the state level, scholars argue this discretion leads to a political manipulation to maintain a clientelistic relationship and PRI domination of state offices while attempting to oust *panista* municipal governments by failing to equitably distribute federal funds (see Bezdek 1995, Crespo 1995, Rodriguez 1995). Bruhn notes, “A hostile central government could deny access to these additional funds to make particular local governments look bad” (1999, 33). Evidence of political manipulation of funds of Solidarity and other programs demonstrates the extent of this political manipulation (see Bruhn and Yanner 1995, Fox and Moguel 1995, Fox 1995).

It is widely argued, for example, that anti-poverty programs that make up a significant proportion of federal *participaciones* are susceptible to political manipulation (see Schady 2000, Graham and Kane 1998, Bruhn 1996, Gershberg 1994, Molinar and Weldon 1994, Dresser 1994). Harvey (1998) contends that much of the unrest experienced in Chiapas (circa 1994) among indigenous municipalities was a direct result of the PRI’s manipulation of PRONASOL funds towards *priista* municipalities.

Thus, not only are anti-poverty transfers and other federal *participaciones* creating a vicious cycle of political and economic dependence, they are subject to the “subnational political environments through which those programs must pass” (Hiskey 2003) leading to potential civil unrest. For Thomas (2002) the critical factor is not uneven federal transfers, but the fact that the dependence on federal transfers in the first place leads to political dependence. Though Thomas makes a compelling argument, it is the postulation that these transfers are subject to a subnational political manipulation that leads to uneven distribution based on political loyalty that is of critical importance. Unfortunately, this chapter does not examine the consequences of dependence on federal revenue. However, the data presented below offers compelling evidence that a mechanism is in place in Oaxaca where the state is able to allocate resources in an uneven and politically biased fashion.

Ultimately, however, Thomas (2002) notes many studies fail to demonstrate quantitatively any patterns of strong partisan biases. He does note that of the studies he examines, all of them “found qualitative evidence that the PRI did use the distribution of divisible resources to maintain clientelistic ties with voters” (2002, 105). This chapter continues the debate on federal spending and offers a statistical analysis that suggests that federal funds/transfers are manipulated at the state level with *uso* municipalities (often supporters of the PRI) the main benefactor. This chapter likewise takes a first cut at suggesting, statistically, that PRI vote share is positively and significantly associated with the distribution of *participaciones* in, at least, *uso* municipalities.

As the PRI experienced radical decline in electoral support between 1992 and 1995 at the federal level (upwards of 30% in *uso* municipalities), federal *participaciones* are used to maintain the electoral support of state level *priista* governance. Between 1995 and 2003, PRI support leveled off approximately 50%. While some scholars (see Recondo 2001) suggest there is no connection between PRI success in their post-1995 electoral stabilization and *usos*, I offer an alternative explanation in that the ability to manipulate federal *participaciones* provided the PRI with the necessary capital to maintain the corporatist structure in place before 1995.¹ Where prior to 1995 the bargain between the PRI and de fact *uso* municipalities was political, post 1995 the bargain becomes economic.

Federal Participaciones

The dependent variable for this chapter is municipal level per-capita federal participation (*participaciones federales* or *participaciones*) for the years of 1991, 1994, 1997 and 2003 (INEGI). *Participaciones*, or revenue sharing funds, account for anywhere from 50 to 100% of a municipal budget and, as a result, are the largest source of funding for a municipality (Diaz-Cayeros and Martinez-Uriarte 1997 as cited in Thomas 2002; IADB 1997). There are two main revenue sharing funds, the General Fund (FGP) and the Municipal Development Fund (FFM). A third type of

¹ The relationship between PRI vote share and *usos y costumbres* for the election of federal deputies loses its significance only by the 2003 election. In both the 1997 and 2000 elections in *uso* municipalities the PRI captured on average 4% more of the electorate than in direct vote municipalities (p = .01). By 2003, PRI vote share in both *uso* and direct vote municipalities are virtually even. It is erroneous however, to suggest that the PRI still did not maintain a level of advantage. PRI electoral support levels out over the 1997 – 2003 period while the PRD and PAN fight for votes. This is further exemplified in the LIX local congress where the PRI has 25 legislatures. The remainder split by the PRD (8) and PAN (7). The PCD and PT won one seat each.

participaciones, classified as Diversified Federal Participation (PFD), consist of “special,” often-undefined taxes (accounting for less than 10% of all *participaciones*). Federal law mandates that portions of each fund goes directly to municipalities and earmarked for specific municipal expenditures. Though the formula for disseminating funds to states from the federal government provide an overall equitable accounting for population, 9.7% of the FGP is set aside and divided according to a poverty indicator designed to encourage the development of a variety of social needs programs (Quintana Roldan 1998). For the states of Oaxaca and Guerrero their relative similarity in population and tax effort (the formula for determining 90.7% of the FGP) makes this figure negligible. Again, the most similar system design of this dissertation allows for considerable leverage for between state comparisons.

Key for the analysis it that there is no uniform federal law mandating the distribution of funds to municipalities once funds are disbursed to the state. This leaves state officials a considerable amount of leeway to determine the allocation of *participaciones* and room to place blame when the system seems to allocate funds in a less than equitable fashion. According to Nickson (1995) not only is there no uniformity in distribution formulas, some states have no formula whatsoever. This further exacerbates the potential for political manipulation of funds by the party in power at the state level. Ward and Rodriguez note that in Puebla, for example, the formula was used to punish large municipalities governed by opposition parties (1999, 690). Whereas the very opposite occurred in Oaxaca where the PRI still maintained control of the largest cities, municipalities with smaller populations, governed by opposition (often PRD)

parties, were subject to the politically charged allocation of funds (which means less funds).

Due to the opportunity for discretionary allocation of funds from the state to municipalities, *participaciones* have been of considerable interest among scholars in hopes to uncover a political bias behind revenue sharing allocation. Because of the fluidity and uncertainty of allocation of funds from the state to the municipality, federal participation as a dependent variable provides considerable leverage in analyzing the role *usos* plays in the allocation of these funds. The comparative analysis between Oaxaca and Guerrero are further developed as both states, once again, provide a most similar systems design controlling for a host of standard variables potentially affecting *participaciones* from the federal level.

The *participaciones* data is collected from INEGI census data between 1991 and 2003 that compile gross municipal revenue of federal *participaciones*. The data is further modified by calculating per-capita *participaciones*. This is done to provide for a level of control of population over time and population between large and small municipalities. Of interest is the change in municipal level per-capita federal *participaciones* over time given post-1995 de jure recognition of *usos y costumbres* in Oaxaca and the PRI vote share over the same period.

The *participaciones* data does not allow us to fully understand the logic behind the state level decision making for allocation of these funds to municipalities. A certain level of theoretical inferences must be drawn in order to evaluate and potentially understand the relationship between the dependent and independent/control variables.

Furthermore, INEGI data offer three categories of revenue into a general category. It would be interesting to see if there were variations between the three sources of municipal funding, but we are unable to observe variations between categories. Furthermore, it is not clear the role, if any, the municipality plays in the disbursement of *participaciones* and, though we provide several independent variables designed to explain the logic of disbursement, the relationships between resource disbursement and the independent variables are suggestive at best.

Data - Controls

Two independent variables are of interest in this analysis. First, I am interested in the post-1995 de jure recognition of *usos y costumbres* as it affects *participaciones*. Again, this dissertation is interested how a formal institutional change affects a variety of municipal level governmental and economic activity. In the data, *usos y costumbres* is treated as a dichotomous independent variable. For the OLS regressions conducted, each municipality is given either a 1 (one) or 0 (zero) value. A 1 indicates that after 1995 this municipality chose to formally and *legally* elect its municipal government and conduct local level municipal business via customary law without a formal party structure in place. A 0 indicates that a municipality elects its local leaders via a ballot and follows a formal set of electoral practices with party affiliation. No customary practices are recognized in electing local leaders.

The second variable of interest is the municipal level PRI vote share for the same year I evaluate allocation of *participaciones*. That is the 1997 analysis of *participaciones* as the dependent variable also has in the analysis the 1997 PRI vote share. The PRI vote

share variable is the same measure as conducted in chapter two.² In each year analysis, the PRI vote share is calculated by dividing the number of PRI votes cast by the total number of votes cast. Of interest in this independent variable is the relationship of resource allocation and PRI vote share. If both PRI vote share and *usos* are significant, then we are further able to determine why particular municipalities are on the receiving end of more *participaciones* while others receive statistically lower levels.

The remaining control variables in the analysis help the model explain between and within state variation on the dependent variable. Because both Guerrero and Oaxaca are highly indigenous states and there is a strong linkage between municipal indigenusness and poverty, which may affect municipal levels of *participaciones*, this control variable is necessary to further assure we are not creating a spurious relationship between are independent variables of interest and the dependent variable.

Furthermore, since it has been argued that Oaxaca has, on occasion, developed formulas for the allocation of *participaciones* with a bias against smaller municipalities and because political parties are not able to participate in *uso* municipalities less than 5000 in population, a control for population is also included. This particular control is limited by the qualitative argument behind biases in the allocation of *participaciones*. However, because I am interested in the political game associated with dependent variable, the control maintains usefulness in controlling for the role the party may play in smaller municipalities.

² See chapter 2 for an in-depth analysis of the development of the PRI vote share variable.

A migration control variable is included in this analysis to control for the role higher levels of migration may have on municipal finances. With fewer economically active individuals in a municipality, migration may have a driving effect on the level of federal dependence. The migration control helps tease out the relationship, if any, between migration and *participaciones*.

Finally, a series of socio-economic variables are included in the model to evaluate the effect these usual suspects have on the dependent variable. The first of these variables is education attainment. To tap into the level of education attained, the model controls for the percent of the municipal population, age 15 or older, that has not completed primary education. For the 1991 and 1994 analysis, INEGI 1990 census data is used, for 1997 and 2003, the 2000 INEGI census data is used.

For economic controls, two variables are included in the model. The model controls for the percent population receiving less than one minimum wage and more than 5 minimum wages. Again, the attempt is to control for income as federal *participaciones* are supposed to be economically driven (at least in part). Following the same logic as the education control, INEGI census data is collected for 1990 and 2000.

The final set of SES controls is a proxy for economic development. I use percent houses with water in 1990 and percent houses with drainage and water in 2000 as reported by INEGI. Dwellings with indoor plumbing are a useful indicator of the level of economic development. Higher levels of economic development are associated with higher levels of dwellings with indoor plumbing. The 1990 and 2000 controls are tapping two relatively different levels of development. However, I postulate that most

dwellings that have running water have some way to drain the runoff water if for any reason to not damage the dwelling.

Control Variables

% Indigenous in a municipality
Population less than 5000 within a municipality
Migration dummy (perremit > 10)
% Population 15 and older with primary education. incomplete 1990/2000
% Population receiving less than one minimum wage 1990/2000
% Population receiving more than five minimum wages 1990/2000
Houses with water 1990
Houses with drainage and water 2000

The Linkages between *Usos* and *Participaciones*

In echoing the idea of electoral detachment and political alienation of V.O. Key, the initial hypothesis of this chapter was that the *usos y costumbres* legislation of 1995 would create a detached electorate creating an environment where economic interests by the federal government would diminish. Chapter 2 demonstrates that after 1995 *uso* municipalities voted less in federal elections (at least of federal deputies). The result seemed to support the argument that de jure local level quasi-autonomy created a detachment between the federal government and the municipality. The analysis presented in this section, however, begins to reshape the story concerning the relationship between electoral decentralization and the role of the state. Where ballot casting may be on the decline due to the *usos* legislation, federal economic participation via *participaciones* is on the rise. As the data shows, through a series of OLS regressions, after 1995 the relationship between *participaciones* and *uso* municipalities is striking.

Before we discuss the results post-1995, Table 3.1 provides a snapshot of the relationship between *participaciones* (noted as Federal Participation) and *usos y costumbres* for the two federal election cycles directly prior to the 1995 de jure recognition of *usos* by the state of Oaxaca. As I suggest in previous chapters, the PRI and most of the municipalities who opted for post-1995 de jure *usos* functioned via a bargain. The bargain allowed municipalities to engage in de facto *usos* for electing local officials and for various local level administrative functions. In exchange, these municipalities would register local leaders as *priistas* and show complete allegiance to the PRI at the state and federal levels. Thus, the initial expectation is that for an analysis of *uso* municipalities prior to 1995, we should see either a positive relationship between *usos* and federal *participaciones* or because the PRI need not provide any fiscal incentives for electoral support, we should see *usos* as not significant.

As was expected, *usos* is positive but not statistically significant (see Table 3.1). Simply being a de facto *usos* municipality and engaging in a bargain with the PRI does not mean that federal funds are also funneled to the municipality. The PRI vote share further supports this argument for both 1991 and 1994 where in neither election year does the share of electoral support translate into increased federal funds. In 1991, the PRI vote share among *uso* municipalities was 10 points higher than all other municipalities.³ The PRI, with great discretion of fiscal allocation, however did not reward electoral support with an uneven distribution of funds, mainly because they were not in a position that required them to do so. The bargain between de facto *uso* municipalities and the PRI

³ PRI support of 75.67% in *uso* municipalities versus 65.39% in all other municipalities.

before 1995 did not require the PRI to use money to win electoral support. The PRI already provided these municipalities with a critical resource they wanted: the ability to engage in the de facto practice of *usos y costumbres*.

Insert Table 3.1 Here

Several control variables function as expected prior to 1995. Population less than 5000 functioned as expected for both 1991 and 1994. Larger cities were allocated more money, a finding consistent with the literature concerning political biases in allocation formulas. State is also consistent with expected allocation of federal participation as, if the story presented here is true, the PRI would need to allocate more funds in states where bargains were not already in place to assure PRI support. In Guerrero, in the 1990s the PRD was actively chipping away at the PRI support base and, as a result, *participaciones* may have gone to Guerrero to help maintain electoral support. However, the relationship between states is not clear given this analysis and further research is necessary to tease out the relationship between *participaciones* and state before 1995. It is likely that the electoral dynamics of Guerrero and Oaxaca play a role in the allocation of federal resources; however, I present this finding with caution. The causal relationship is suggestive at best given the analysis.

After the formal recognition of *usos* in 1995, a different picture emerges concerning the relationship between *participaciones* and *usos* municipalities. As noted in Table 3.2, in 1997 and 2003 (the first and third election cycles after 1995), the relationship between *participaciones* and *usos* is positive and significant. This unexpected finding suggests that *uso* municipalities receive a larger portion of

participaciones than do direct vote municipalities. Why would municipalities who are voting less, receive more *participaciones* money than direct vote municipalities? Several arguments present themselves.

First, it is possible that these municipalities have a significantly larger poverty index than do other municipalities. However, income is not a consistent measure over time in the model. A second possibility is that *usos* municipalities tend to be the larger municipalities the PRI government supports most often. Again, however, the data suggests that in 1991 and 1994, this was not the case. There is no relationship between *usos* and municipal size for 1991-94 that would show support for the post-1995 results. Given that 81% of *usos* municipalities have a population over 5000, if population was the driving factor, we would see *usos* significant pre-1995 as well. Since this pattern does not present itself, something else must be driving the model.

In Table 3.1 PRI vote share was a significant indicator of municipal level *participaciones*. The argument is that prior to 1995, the percent of the vote captured by the PRI had no impact on the disbursement of *participaciones* to municipalities. A third alternative to the increase in post-1995 *participaciones* is that the PRI allocated federal *participaciones* from the state to the municipality as a reward for PRI support. Table 3.2 clearly shows that after 1995, PRI vote share became a statistically significant indicator for the allocation of *participaciones*. In an era where the PRI electoral bargains of the past are no longer in effect, the PRI must find alternative venues to garner and maintain support as Mexico undergoes a democratic transition. Unfortunately, the data is only suggestive of a relationship between *usos* and PRI vote. It is not clear from the analysis

in Table 3.2 that the two independent variables are driving the allocation of *participaciones*. Nonetheless, the dynamic is suggestive that the analysis is tapping into something unique concerning *usos* and PRI vote share. In the discussion section, I elaborate on how *usos* and PRI vote share may be the ideal avenue of further inquiry into the biases in *participaciones* in the state of Oaxaca.

Insert Table 3.2 Here

Of interest to note is the state variable in the post-1995 models. State becomes insignificant in 1997 and then is significant and positive (a flip from the pre-1995 models) by 2003. One explanation for the changes observed in the state variable is the set of constitutional reforms of Article 115 (and subsequently RAMO 33) put in place by President Zedillo. By 2000 distribution of *participaciones* from the federal government to the state are strictly regulated. The change in sign by 2000 may be indicative of a more accurate allocation of resources from the federal government to the state. In other words, post-1995 provided more money to Oaxaca than Guerrero because the formulas that determine funding deemed it so. However, it may also be the case that “state” is not a useful variable to evaluate beyond accepting that something is affecting the disbursement of *participaciones* between states. Given that there is no significant difference between Oaxaca and Guerrero in share in GDP, GDP per capita and tax revenue per capita, one would expect to not see a significant difference in the disbursement of *participaciones* from the federal level to the state.⁴

⁴ For Guerrero and Oaxaca respectively: Share in GDP – 1.6, 1.5; GDP per capita – 33.737, 28.224; Tax revenue per capita – .74, .82 (in thousands of pesos).

Discussion

Distributions of *participaciones* from the state to the municipal level seem to be positively associated with two critical variables: *usos y costumbres* and PRI vote share. Though the analysis leaves us asking more questions than it does answer, it does set the stage for future analysis. We are left asking why *participaciones* are not affected by *usos* or PRI vote share before 1995 and are strongly and positively associated with their disbursement to the municipal level post-1995. Several plausible arguments arise. First, of course, is that the relationship is spurious. The models do not account for possible intervening variables that are driving the observed behavior. Second, stricter allocation of federal resources from the federal government is translating into stricter allocation of these resources from state to municipality. Third, the *usos y costumbres* legislation of 1995 ended the bargain between the PRI and *usos* municipalities. The resulting effect was a diminished support for the PRI as the PRD and PAN gain support. As a response to this electoral competition, the PRI uses federal *participaciones* at the state level to reward PRI support. Since de jure *usos* meant a diminished role for the party in *uso* municipalities, *participaciones* gave the PRI the necessary leverage to maintain support.

Given the limitations of the analysis, it is plausible that the observed relationship between the independent and dependent variables of interest is spurious. With the low r-squared values, something else may be driving the reported results. While, I am willing to recognize that all research has the potential to create spurious relationships, this option seems to be unlikely. The primary evidence suggesting the model has merit is the pre-

and post-1995 tests. Because our variables act as we expect them to before the *usos* legislation, the post-1995 results become even more striking.

The second option suggests that the observed results are a consequence of an increasingly uniform formulation for the allocation of *participaciones*. Thus, it is not that there was a dynamic political change at the local level in 1995 that is driving the disbursement of *participaciones* at the local, but that resources were being disbursed in an equitable and responsible fashion. It is widely documented in the literature that *participaciones* once disbursed to the state are subject to political manipulation (see Willis, Garman and Haggard 1999, Bezdek 1995, Crespo 1995, Rodriguez 1995). Thus, though, in part, a more transparent allocation of resources may be in effect, again this option appears unlikely.

The models do lend support for a relationship, at minimum, between PRI electoral support and municipal level disbursement of *participaciones*. Where numerous studies lack statistical evidence supporting a political manipulation of *participaciones*, this chapter may lend to the debate and provide an avenue for future study. The analysis presented in Tables 3.1 and 3.2 suggest that as post-1995 *uso* municipalities were the benefactors of the allocation of federal funds at a significantly higher rate than direct vote municipalities. Likewise, the analysis also shows that after 1995, PRI vote share became a significant player in the allocation of resources. Thinking about the political environment of post-1995 Oaxaca and the 20-year decline of PRI domination, a plausible story emerges.

Prior to the 1995 de jure recognition of *usos*, *usos* existed de facto for many of the 420 post-1995 *uso* municipalities. The de facto existence was made possible by a bargain made between the PRI and de facto *uso* municipalities. These municipalities agreed to provide electoral support for the PRI in exchange for the ability to maintain the traditions and customs that embody local politics. For the PRI, this was a win-win situation. As challenges to PRI legitimacy unfold over a 20-year period before the eventual loss of federal control in 2000, indigenous municipalities were able to effect legislation that allowed a formal, constitutional, recognition of customary practice at the local. The bargain with the PRI and the *uso* municipality no longer existed.

Yet, the clientelistic relationship between the PRI and the *uso* municipality still thrived. As the party in power wielded a considerable level of influence over municipal finance, as do local party bosses, the party used its fiscal resources to maintain support. In the years prior to the landmark 2000 election, the PRD and PAN began their campaign for electoral support in the south and across Mexico. Coupled with the loss of the bargain in Oaxaca and the slow erosion of electoral support, the PRI used *participaciones* as a mechanism to maintain some level of control over the municipality, rewarding supporters and punishing dissenters.

As the indigenous-based *uso* municipality faced the ramifications of migration, marginalization and poverty, the PRI was able to maintain clientelistic ties via *participaciones*. These much-needed funds provided the PRI with a new bargain. State level officials use *participaciones* then as a tool for electoral support for state offices. Where local level offices around Oaxaca were and are falling to opposition parties, it is

the *uso* municipality which provides the PRI with the most opportunity to maintain support.

Future research is necessary to expand the hypothesis developed from this chapter. The analysis in this chapter is limited by the data available and the design of the models. In the era where Mexico is undergoing a democratic transition and increased transparency at all levels of government is a prerequisite for democratic consolidation, understanding the dynamics of federal funds as political tools at the municipal level helps us understand where consolidation stands in Mexico today. A lack of institutional transparency means democracy has a long way to go before consolidation in Mexico (and perhaps even further in the southern region). *Usos y costumbres*, again, seems to be a polemic in this transition. Detachment from the formal system and susceptibility to economic and political manipulation, *uso* municipalities seem to be a step in the wrong direction for democratic consolidation in Oaxaca. The PRI has capitalized on this scenario and maintained considerable electoral control in Oaxaca using *participaciones* as rewards and punishments for its own gain.

Tables

Table 3.1 – *Usos y costumbres* and Federal Participation (1991-1994)

Variables	Federal Participation 1991	Federal Participation 1994
Constant	140.569 (10.829)	188.164 (29.697)
State (Oaxaca=1)	-82.906*** (6.033)	-61.604*** (16.027)
<i>Usos y costumbres</i> (=1)	5.516 (4.319)	19.674 (11.714)
% Indigenous	-.619 (4.678)	-15.709 (12.975)
Population < 5000 (=1)	-19.557*** (4.207)	-64.208*** (12.209)
Migration dummy	-6.195 (4.056)	-4.639 (10.797)
% pop. 15+ primary ed. incomplete 1990	-52.675** (23.242)	-96.048 (65.625)
% pop. receiving less than min. wage 1990	-38.171** (18.466)	-73.035 (49.028)
% pop. receiving more than 5x min. wage 1990	-174.264 (273.019)	-1702.028** (736.887)
Houses with drainage	14.779 (10.979)	106.627*** (30.683)
PRI vote share 1991	3.622 (8.908)	-
PRI vote share 1994	-	39.773 (22.75)
Adjusted R ²	.267	.108
(F-stat)	(23.766)	(7.374)
N	625	529

Note. Unstandardized coefficients reported; standard errors in parentheses. ** $p < .05$; *** $p < .01$.

Table 3.2 – Usos y costumbres and Federal Participation (1997-2003)

Variables	Federal Participation 1997	Federal Participation 2003
Constant	213.138 (120.927)	282.424 (246.626)
State (Oaxaca=1)	-13.562 (65.458)	532.381*** (136.408)
Usos y costumbres (=1)	119.544*** (48.6)	265.502*** (95.895)
% Indigenous	-65.306 (51.984)	-10.430 (105.368)
Population < 5000 (=1)	-351.716*** (49.945)	-768.336*** (98.378)
Migration dummy	-12.828 (41.863)	34.793 (91.079)
% pop. 15+ primary ed. incomplete 2000	210.798 (249.074)	261.103 (511.798)
% pop. receiving less than min. wage 2000	-13.210 (379.080)	-917.685 (781.875)
% pop. receiving more than 5x min. wage 2000	-4656.340 (3350.377)	-19796.4*** (6376.270)
Houses with drainage and water 2000	596.814*** (217.462)	1482.504*** (453.095)
PRI vote share 1997	556.975*** (120.099)	-
PRI vote share 2003	-	980.084*** (251.431)
Adjusted R ²	.268	.336
(F-stat)	(19.373)	(31.791)
N	513	608

Note. Unstandardized coefficients reported; standard errors in parentheses. * $p < .10$; ** $p < .05$; *** $p < .01$.

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Chapter 4

From Machine Politics to Technocratic Governance and Back Again: How Fiscal Decentralization and *Usos y Costumbres* Reinforced Classical Clientelism

In the previous chapter I argue that post-1995 *uso* municipalities and the distribution of *participaciones* are positively correlated with one another. In both the states of Oaxaca and Guerrero, Mexico, the distribution of *participaciones* after 1995 is positively correlated with the level of PRI support at the federal level. I suggest that this relationship is consistent with the literature on distributive politics and the electoral manipulation of federal transfers. Based on a series of analyses of such transfers one thing appeared certain: the allocation of federal monies to municipalities in Oaxaca and Guerrero (*participaciones*) did not follow the technocratic, need-based distribution of resources President Zedillo hoped to achieve in his era of “new federalism” (see Ward, et al, 1999).¹

Chapter 3 only tells part of the story behind intergovernmental transfers in post-1995 Oaxaca however. This chapter provides a closer examination of the distribution of *participaciones* at the state level through an analysis of state and federal levels of electoral support in the mid-2000s. I argue that the combination of the formal recognition of *usos y costumbres* in 1995 and Zedillo’s “new federalism” agenda provided a window of opportunity for the resurgence of clientelism, albeit in a somewhat modified form, at the state level in Oaxaca. What we find through analysis of this confluence of state and national-level reforms is an extensive opportunity to manipulate

¹ Zedillo’s era of New Federalism increased revenue-sharing allocations, local capacity to raise local revenue and increased control of local development to the states from the federal government. Zedillo was attempting to shift the balance of power in these areas to the states and municipalities.

the distribution of *participaciones* for electoral gain by the state-level PRI in Oaxaca. The observed decline in federal level electoral participation discussed in chapter 3 and the connections between PRI electoral support, *usos*, and the distribution of *participaciones* in chapter 3 are a byproduct of a shift of focus from the federal to state level politics. As the Zedillo administration pushed for reform and accountability, Oaxaca's unique quasi-autonomous municipalities did not fit the mold for reform. Returning to the underlying question of "Do institutions matter?" then, we once again see that they do.

For Oaxaca, I argue that the municipal autonomy gained through the formal recognition of *usos* after 1995, coupled with fiscal decentralization reforms being pushed by Zedillo provided the opportunity in Oaxaca for the state-level ruling party to maintain clientelistic relationships, punish and reward municipalities depending on electoral support and help create a stronghold for PRI rule in the southern state regardless of reform coming down from the federal level. Before the 1980s such a scenario was business as usual as *cacique* bosses (local bosses) maintained strict political control through a complex design of clientelism. In exchange for electoral support from the local to the national, municipalities and its citizens would benefit from strategic provisions of federal resources. For several decades this clientelistic relationship functioned well enough to allow the PRI to maintain control of nearly every elected office in Mexico as challenges to *cacique* control were often met with violent resistance and punishment (Martinez Assad 1985).

However, by the 1980s PRI legitimacy was being challenged. Across Mexico, municipalities were electing opposition governments and we began to see state and federal legislative seats held by members of varying opposition parties (mainly the PAN and the PRD). Even in parts of Oaxaca, organized opposition to the PRI began to emerge during this period in the form of the Worker, Peasant and Student Coalition of the Isthmus (COCEI in Spanish) movement that was centered in Juchitán, Oaxaca (see Rubin, 1994). Unable to maintain legitimacy as Mexico faced one economic and political crisis after another, the strength of clientelistic relations weakened. Where once the PRI was able to punish dissent, after it was clear PRI legitimacy was not going to be maintained voters began punishing bad government at the ballot box. Both the Salinas and Zedillo administrations attempted to restructure the one-party system in hopes of maintaining power through decentralization and limited democratization. These efforts, however, required the PRI to actually govern effectively, as its performance became, at least in relative terms, far more important to its hold on power than in the past. Government, it seemed, was increasingly being held more accountable for economic investment and municipal needs as the PRI's electoral success began to falter and its clientelistic grip began to loosen.

The PRI found itself having to be more accountable due to new institutional structures implemented at the federal level. Specifically, the Zedillo administration pushed for equitable distribution of federal funds from the federal government to the state and to the municipality. That is, federal transfers to the state would be based on a mathematical formula based on local need and ability to generate local revenue where

those municipalities in greater need, receive more federal funds. The allocation of these transfers would, as a result, not have a political bias in their distribution. Accountability, as it were, meant that the very funds used to support patronage was now federally regulated and generally distributed equitably to the state. The era of new federalism seemed to mean the end of the era of old clientelism.

In Oaxaca, however, *usos y costumbres* may have provided the PRI with a different opportunity. After the 1995 legislation legally recognizing *usos*, the ballot (the formal mechanism of local accountability) was removed from 412 municipalities in Oaxaca. While proponents of the legislation argue that local autonomy will strengthen indigenous identity and carry with it an indigenous-based form of “communal accountability”, the fiscal decentralization reforms that gave state governments more decision making autonomy with respect to the disbursement of funds to municipalities created new opportunities for old-style distributive politics in Oaxaca. Removing the ballot box and the party from local elections meant that the level of accountability and opportunity for punishing politicians at the local level was mitigated by the ability for the state-level party officials to enforce a PRI agenda and electoral support at the state level in exchange for a positive flow of federal transfers from the state to the local. This dynamic provided an avenue to manipulate federal transfers at the state level. The Oaxaca PRI machine was able to continue to disburse *participaciones* based on classical clientelism despite national-level trends moving away from such mechanisms.

The analysis in this chapter supports this idea that the institutional design of *usos* provides a significant opportunity for the manipulation of *participaciones* by state-level

officials. I argue that the institutional feature of formally recognizing *usos y costumbres* as a means to elect local officials eliminated the post-1980s ability for citizens to reward and punish politicians (and the party) for their performance through the ballot box.

While local elections may never have meant much for de facto *usos* municipalities during the PRI's one-party regime, the feature of fiscal decentralization providing newfound means of accountability in other states exacerbated the consequences of the absence of local elections in *uso* municipalities. While municipalities in other states are able to send a message to their elected officials about the need for economic support and growth, in Oaxaca, with no similar opportunity to send a message at the local level, municipalities stayed at the mercy of fiscal allocation as the ruling party sees fit.

Arguably, *uso* municipal mayors (*presidentes municipales*) are held highly accountable for their actions while in office. As it is less likely that municipal mayors have further political aspirations beyond the municipal level, a fallible mayor will not go without punishment (if nothing more than local ostracizing). Central to the thesis of this chapter is the argument that the institutional design of *usos* allows for clientelism to prevail. Among several plausible explanations worthy of further discourse and exploration is the argument that *usos* severs connections between local leaders and state officials, and weakens the interaction of accountability between state and local leaders. State leaders, thus, find it necessary to use federal transfers to keep local leaders in line. In direct vote municipalities, state level party officials often depend on the support of local officials and vice versa, thus making a connection of accountability between the two levels that does not exist in *uso* municipalities. Ultimately, *usos* not only eliminates

the ability of citizens to punish their leaders at the ballot box but severs connections between the leaders of the state and local levels as well. The dynamic reinforces classical clientelism based on the needs of the local and the ability to take advantage a system without formal electoral ties.

In the analysis to follow, I demonstrate that *uso* municipalities are the benefactors of increased levels of *participaciones* compared to their direct vote municipal counterparts. While municipal turnout rates tend to be higher for state elections than federal elections across Oaxaca, *uso* municipalities exhibit even higher rates than direct vote municipalities. These higher turnout rates coincide with higher levels of electoral support for state-level PRI officials among *uso* municipalities and this appears to produce the payoff of a larger share of federal funds for *uso* municipalities. While the PRI maintains control of the governorship and the state legislature, the loyal *uso* communities are rewarded in kind. The analysis shows that direct vote municipalities in Oaxaca have higher levels of support for opposition parties and, after controlling for other factors, appear to suffer the consequence of receiving smaller share of *participaciones* per capita. In controlling for several of the factors such as municipal education and income levels (major determinants in the allocation of *participaciones* at the federal level), evidence emerges suggesting that the political manipulation of resources in exchange for electoral support and political survival is alive and well among *uso* municipalities in Oaxaca, even in Mexico's new "democratic century." Thus it appears that *uso* municipalities continue to enjoy the deal (with the devil?) that sustained them, albeit at subsistence levels, through the heyday of the PRI's one-party regime. Though this arrangement may indeed

be producing short-term benefits for *uso* communities, it also may be leading to a long-term disaster for citizens in these areas as Mexico moves further and further down the road to democracy. For it is only those citizens and communities in Mexico with a true and effective voice in Mexico's political system that will be able to fight for and win meaningful progress in the future.

The chapter is organized as follows. The first section will provide an overview of the literature on fiscal decentralization and municipal governance. The next section focuses on the institutional changes by both the federal government and the state of Oaxaca from the 1980s through the 1990s that led to a reinforced classical clientelism among *uso* municipalities in Oaxaca. Section three presents the analysis linking *participaciones* to municipal level electoral support of the PRI at the state level. The chapter concludes with a discussion of the findings and their implications.

Toward Fiscal Independence

Most research on fiscal decentralization begins with consideration of the 1956 seminal piece by Tiebout. Post-Tiebout work on decentralization was sparse until Oates (1972) recharged the discussion concerning the role of the federal decentralization by reintroducing the need for municipalities to have local autonomy of fiscal matters. Both scholars argue that local governments must have a role, if not complete control, over municipal finances. Local autonomy in fiscal matters, specifically expenditures, provides the local the opportunity to strategically develop needs otherwise overlooked in a top-down structure. Tiebout suggests that beyond encouraging local fiscal responsibility that in turn leads to increased levels of economic development and the provision of necessary

public goods, fiscal decentralization will also create competition between municipalities. Ultimately, Tiebout suggests that citizens will move to municipalities with the best set of fiscal policies.

Oates suggests that at the center of the issue for fiscal decentralization is the wide variation of needs at the municipal level which the state and federal governments have an increasingly difficult time conceptualizing. Fiscal decentralization for Oates provides the only alternative for dealing with the wide disparity of needs between municipalities. In the end for both Tiebout and Oates is municipal-level fiscal responsibility. Both scholars contend that decentralization of fiscal matters will increase local accountability and handicap political manipulation at the local by citizens either leaving (exit) or voting (voice) (Hirschman 1970). However, both scholars also assume a high level of sophistication among the citizenry. As democratization swept the developing world, a body of literature surfaced criticizing the theories and practices of fiscal decentralization within the developing world.

In developing countries, fiscal decentralization poses a series of problems Tiebout and Oates ostensibly ignore. Several scholars suggest that fiscal decentralization creates a massive imbalance in economic stability, income inequality and economic productivity (Prud'homme 1995, Tanzi 1995). In what otherwise seems a useful means to provide local level government with the ability to meet local needs, the decentralization process has not always included the development of a set of institutions that allow local politicians to know what local needs are. Scholars note that in developing countries, expressing policy preference is a difficult and convoluted process for citizens. Citizens

often do not know what the most pressing needs of the municipality are and often lack vision in regards to the future to support measures for long-term municipal development (see Bahl and Linn 1992, Fukasaku and Hausmann 1998). Thus, even in the best of circumstances where fully free and fair elections at the local level and a politically active and aware citizenry exist, policy specific communication between voters and their elected officials may be limited.

In sum, what is often lacking in the decentralization process is an institutional design that allows for the implementation of local fiscal policy that best serves the needs of the target population (Ter-Minassian 1997, Litvak 1998, Bird and Vaillancourt 1998). The critical problem for fiscal decentralization is having a set of institutional structures in place designed to ensure that decentralization does not result in state level governmental manipulation or policy biases and preferences for one group at the cost of another. In developing countries, citizens at the municipal level may lack the tools to make effective fiscal policy choices and local leaders may appropriate municipal revenue for the provision of private rather than public goods. Exacerbating this process is the fact that the voice and exit options relied on by Tiebout and Oates as the theoretical linchpin of decentralization are often not an option, or exist very unevenly, in developing countries. At the municipal level in developing countries, the result for fiscal decentralization is as Moreno notes as a top-down action considering national priorities, not local outcomes (2005, 7). Without effective measures to voice policy preference, fiscal decentralization may mean that municipalities are subject to economic and political control of a new set of actors at the state or local level.

More and more, researchers are finding that fiscal decentralization is insufficient to alleviate municipal woes. Putnam (1993), Tandler (1997) and Fiszbein (1997) all suggest that the critical component to good government is a vibrant citizenry rich in social capital. For these scholars, civic participation is a critical determinant of good government and, likewise, fiscal responsibility. Civic groups provide a venue for developing an understanding of local needs in the context of the municipality and not simply the individual. These civic groups then become the catalyst for the development of sound institutions that allow local governments the ability to function more smoothly with the state and federal government. Thus, for fiscal decentralization to work also requires the local to be active in civic groups.

Ward (1998) argues that the traditional clientelistic/partisan style of government is being replaced with a technocratic approach to governance because of a general trend in decentralization. Partisan considerations, according to Ward, are less of a concern for municipalities in Mexico as reforms at the federal level have decentralized several areas of policymaking. The move from what was once a partisan style of government is moving into the technocratic era of governance at the local. The once “machine politics” before the 1980s are moving toward a technological rationality for decision-making.

Ward contends that the rise in opposition parties and the ensuing competitiveness along with federal decentralization that calls for effective local government, forces a movement toward technocratic governance. No longer are parties able to wield their influence and maintain relationships of patronage in modern Mexico. The key, Moreno

(2005) notes, is electoral competition at the local level that is rarely examined.² Even so, all the talk of decentralization in Mexico is hindered by one stark reality: Mexico is still centralized. This crucial proclamation reiterates the difficult space in which the municipality in Mexico finds itself. Fiscal decentralization, electoral competition, technocratic governance and a highly centralized political system highlight the dynamic nature of Mexican politics. All of which also stress the need for sound institutions for a genuine attempt at decentralization and ultimately democratization. I still don't think this paragraph works but is acceptable if you really feel the need to keep it in.

Institutional Mismatch

Central to the hypothesis of this chapter is the argument that there were two separate institutional mechanisms that resulted in what can best be described as an institutional mismatch. The first institutional mechanism is that of fiscal decentralization from the federal level to the state. As delineated above, fiscal decentralization refocused municipal level fiscal responsibility from the federal level to the state and municipal levels resulting in a move toward a more apolitical, technocratic governance. The second institutional mechanism is the 1995 *usos y costumbres* legislation in Oaxaca that formally removed the ballot box from 412 municipalities for municipal elections. The interaction between these two structural features created a reversal of technocratic governance back to the machine politics dominant across the Mexican landscape prior to the 1980s.

In 1983, de la Madrid created a set of municipal financing reforms via amendments to Article 115 of the Mexican Constitution, a deconcentration (not quite

² Moreno (2005) notes that the effects of local electoral competition has received some attention by Hiskey (2000), Diaz-Cajeros and Magaloni (2003) and Cleary (2003).

decentralization) of fiscal responsibility of municipal governance by the federal government³. Davis (1994) notes that the idea of fiscal deconcentration was rooted in the Mexican debt crisis and extreme overcrowding in the Federal District (D.F.) of Mexico where deconcentration of control would mean increased efficiency and decreased accountability for federal authorities. The 1983 reforms according to Elias (1997) had three goals: decentralize federal agencies, strengthen federalism and promote local economic growth and development. However, as the goal of deconcentration ultimately meant power was still concentrated at the federal level while fiscal accountability was relinquished, this first step at decentralization meant for state and municipal governments an opportunity for increased economic autonomy as local level fiscal accountability meant a more responsive and active local political atmosphere. The paradox of centralization through decentralization (see Rodriguez, 1997) was that local control over fiscal matters meant accountability at the local by the local and ultimately political decentralization. The increase in spending autonomy quickly translated into dissent at the ballot box where, for the first time, local governments were punished for shortsighted local fiscal policy.

de la Madrid's reforms left municipalities to manage their own finances, provide services they have never offered before, tax and develop urban planning without any assistance in developing the local institutional structures necessary for implementation. Power struggles ensued between municipal governance and federal authorities as municipalities grappled with the new requirements associated with the 1983 reforms and

³ See Baily 1994 on the debate between deconcentration or decentralization.

attempts by de la Madrid to maintain centralized power. As Rodriguez and Ward (1992) argued, fiscal decentralization was only possible in municipalities where government could hold its political power (political centralization)(see also Cornelius, et al., 1999; Rodríguez and Ward, 1994). Elias (1997) echoes Rodriguez suggesting that local fiscal autonomy depends on fiscal self-sufficiency but this is only possible in such municipalities that are less reliant on federal funding. Political power can still be concentrated at the federal level, and economic autonomy can exist at the local.

The consequence of this dynamic was tug-of-war between municipal governments attempting to provide the new sets of services and the federal government. Because municipal efforts were often doomed to failure, opposition governments were able to strategically gain support and control at the municipal level even as opposition governments had a difficult time with decentralization due to the power of purse strings maintained by central government that was PRI during 1990s. President Zedillo (1994-2000) enacted an agenda of “New Federalism” increasing revenue sharing, opening the door to new local taxation to raise revenue and allowing for control of regional development programs by further reforming Article 115.

Both the Salinas and Zedillo administrations found themselves in ever more challenging environments as opposition parties continued to take control of municipal and state level offices. Though fiscal decentralization is by no means the only institutional change that brought the PRI to its knees, forcing the local to become fiscally responsible also meant local governments had to become politically responsible. Coupled with the inability of the PRI to avoid fiscal and political crises, decentralization

paved the way for opposition governance (e.g. see Dresser 2001). The ballot box, which meant very little before the 1980s, became a powerful weapon at the local level against the ruling party during the 1990s.

In Oaxaca, a series of constitutional reforms enacted between 1995 and 1997 by governor Carrasco in light of the EZLN uprising in Chiapas took the ballot box out of 412 of the 570 municipalities in Oaxaca. Championed as a critical step in the politics of recognition of Oaxaca's multicultural status started by governor Ramírez in 1986, the 1995 *usos y costumbres* legislation legalized customary practice for governance at the local level. The legislation created a system at the local characterized by public voting for local offices, consensus building, communal service and an exclusion of political parties (see e.g. Anaya Munoz 2002, Velasquez 2000).

While the legislation is designed to ensure the survivability of local customs and identity, *usos* also means a move away from the formal political system at the local. The formal recognition of customary law (*usos*) in Oaxaca is the critical institutional change of interest in this dissertation. While *de jure usos* represents Mexico's first formal attempt at recognizing its multicultural roots, *usos* also means no ballot box at the local, no political parties, very little official oversight of *uso* practices, and in some cases limited electoral participation by women and select minorities. The resulting effect is that *usos* municipalities take a huge step away from the electoral-based democratization process taking place in Mexico and, as a consequence, find themselves further subjected to the classic clientelism that is on the demise across much of the rest of Mexico.

Central to the thesis of this chapter is the removal of a formal electoral process at the local. The institutional feature of secret, regular elections is a primary component of the democratization process and is the mechanism across Mexico that allowed opposition governments to gain electoral support beginning in the 1980s. Without the institutional feature of formal secret elections, *uso* municipalities are at a distinct disadvantage in punishing bad local government in the context of state-level party politics. The fiscal decentralization that opened the door to opposition governments is harder to open as a result. Simply put, elections mean a diminished strength to clientelism. *Usos* means that clientelism, particularly given the decentralization of fiscal resources to the state, can continue to function as electoral patronage is rewarded with fiscal benefits.

The two institutional structures, while independently seeming to represent sound institutional designs, create a perhaps unintended consequence in Oaxaca. For Oaxaca, the removal of the ballot box meant that the PRI would be able to maintain its clientelistic control over *uso* municipalities. While the PRI has demonstrated a distinct interest in recognizing multiculturalism in Oaxaca, as the PRI support diminished across Mexico, the PRI may have recognized an opportunity to maximize electoral support in Oaxaca by removing the one feature of fiscal decentralization that was costing them electoral support in other municipalities across Mexico: the ballot box. Though it is not known if the PRI had the foresight to recognize what *usos* may mean in electoral terms for them at the state and federal levels, the two institutional features have certainly provided the state-level party machine a convenient tool to maintain a loyal base across the state. From the perspective of Oaxacans in *uso* municipalities, however, new federalism and *uso*

recognition have combined to produce a 21st century version of 20th century one-party control.

Federal Participaciones-Redux

This chapter employs the same dependent variable as the previous chapter, *federal participaciones* (or federal contributions) for the year of 2003 as reported by INEGI.⁴ In the previous chapter the goal was to use the *participaciones* variable to determine if there was a bias in federal transfers for *uso* municipalities given PRI vote share for federal electoral offices. The data demonstrated that, in fact, there was a casual relationship between federal disbursement of *participaciones* and PRI vote share among *uso* municipalities. The analysis allowed us to suggest that *participaciones* were not distributed in an equitable fashion from the state to the municipal. At best, we are able to suggest that the bias toward *uso* municipalities in the distribution of federal transfers was a product of PRI electoral support at the federal level. As noted in chapter 3, however, there has been a distinct decline in overall electoral participation at the federal level since the formal recognition of *usos*. This chapter continues the analysis shifting the focus from federal elections to state level elections. As much of the literature suggests electoral support is shifting from the federal to the state in Oaxaca given the electoral detachment *usos* may create, it is worth our time to analyze the effects of *participaciones* in the context of the era of new federalism and the formal recognition of *usos* in Oaxaca.

The dependent variable, *participaciones* in 2003, once again provides considerable leverage to determine the relationship between electoral support of the PRI

⁴ See chapter 4 for a detailed discussion of *participaciones*.

and the allocation of resources. If electoral support of the PRI is higher among municipalities that also receive higher levels of federal transfers that passed through state-level offices, the pattern of patronage observed in the previous chapter is further reinforced. Furthermore, the analysis allows us to extend the argument one step further from chapter 3 and suggest that the removal of the ballot box and political parties automatically creates an environment ripe for the political manipulation of government funds that had been so pervasive during the “golden years” of the PRI. Consequently, if the analysis is correct, we are able to use *participaciones* as a proxy to suggest that a clientelistic relationship between state-level officials and local leaders is still in place. That is, municipal needs for *participaciones* force local leaders and voters to exchange their political voice and right to vote for opposition parties and pursue local policies that run counter to the wishes of state-level PRI officials for the chance to obtain much needed government transfers (see Fox and Aranda, 1994). State and federal level officials use the distribution of *participaciones* as a means to garner the necessary electoral support in their respective offices. Thus, though the dependent variable has not changed, two critical independent variables have been included in this chapter to shift the analysis from the federal to the state.

Data – Controls

I develop three independent variables to test the relationship between PRI electoral support, *usos* municipalities and *participaciones*. The first independent variable of interest, designated as “ Δ PRI vote cast 03-04,” is a continuous variable calculating the percent change in total votes cast for the PRI by municipality from the 2003 federal to the

2004 state elections. The exact formula for developing this independent variable is as follows:

$$\text{(NFO 2004 Total – PRI 2003 Total)/PRI 2003 Total}$$

Where “NFO 2004 Total” represents the total votes cast for the NFO in the 2004 state elections and “PRI 2003 Total” represents the total votes cast for the PRI in the 2003 federal elections.

The NFO, or “Nueva Fuerza Oaxaqueña,” is a collation party consisting of the PRI, PT and PVEM to elect PRI candidates in the 2004 state level elections. While this measure may suggest that the total votes cast for the PRI in 2004 are inflated given the coalition, the NFO functioned via the PRI party headquarters and only PRI candidates were up for election. Indeed, we must be cautious as we interpret the results. However, as is the case where state elections receive less attention than federal elections and since the NFO acted primarily to benefit the PRI slate of candidates, the NFO measure is still a useful proxy. While the development of coalition parties often convolute what message the voters are trying to send in terms of policy preference, for the 2004 state elections the impetus behind development of the NFO coalition was clear: to effectively defeat PAN and PRD candidates.

In response, the PAN and PRD also developed a coalition party, the “Todos Somos Oaxaca” (TSO) consisting of the PAN, PRD and Convergencia. Unlike the NFO coalition, it is less clear how the votes are divided among the TSO coalition. Moreover, while the PAN sat at the helm of the TSO coalition party, the PRD actively ran

candidates and developed the coalition party platform. The NFO, however, was a PRI dominant coalition and the PT and PVEM were subsidiary partners in the coalition.

The NFO votes cast were collected from the Instituto Estatal Electoral de Oaxaca (IEE-Oaxaca) web site.⁵ The PRI 2003 federal election votes were collected from CIDAC.⁶ This calculation provides us with a continuous variable of the percent change in total votes cast for the PRI from 2003 federal to 2004 state elections. Chart 4.1 shows among direct vote and *uso* municipalities an overall mean increase in PRI votes cast in the state level election of 2004 (both types of municipalities cast more PRI votes in the state election as compared to the federal election). However, as Chart 4.1 shows, the mean for *uso* municipalities is .275 higher than direct vote municipalities. Suggesting that *uso* municipalities experienced a far more dramatic increase in votes cast for the PRI than did direct vote municipalities. With the higher turnout rate in state elections, this chart highlights that, more people decided to not only vote, but to vote PRI than in previous elections. The figure does not tell us turnout rates, rather it illustrates the sheer increase in votes cast for the PRI in an election cycle that produced overall higher levels of turnout.

*** Insert Chart 4.1 Here ***

This measure may be skewed by the fact that the PRI was part of a coalition in 2004. However, the considerable difference between the two means suggests that *uso* municipalities cast more votes for the NFO/PRI in the state elections as compared to the

⁵ The IEE data can be accessed via <http://www.iece-oax.org.mx/m-estadisfinal/diputados.php>. Author accessed data 4/20/06.

⁶ See chapter 3 for a detailed discussion of the 2003 federal election data collection.

federal elections. This is suggestive, at least minimally, that the experience of being a *uso* municipality is unique in the 2004 state election. The next section discusses potential implications of this disparity.

The second independent variable is the change in vote share for the PRI between the 2003 federal and 2004 state elections. This particular variable denoted as “ Δ PRI vote share 03-04,” provides us with an actual picture of the electoral share as compared to all other parties. Given the argument posited in this chapter that state level electoral support for the PRI translated into increased *participaciones* in *uso* municipalities, it is worthwhile to see if there is any variation between direct vote and *uso* municipalities in the 2003 federal and 2004 state elections. Specifically, “ Δ PRI vote share 03-04” is a continuous variable measuring the percent change in the PRI vote share for the 2003 federal to the 2004 state elections.

The variable is calculated as:

$$\frac{(\text{NFO 2004 Vote Share} - \text{PRI 2003 Vote Share})}{\text{PRI 2003 Vote Share}}$$

Both the 2003 and 2004 figures were calculated by taking the PRI total for the given election divided by the total votes cast (as reported by CIDAC and IEE-Oaxaca, respectively). This calculation, thus, provides us with the percent change of all votes cast in each election. As Chart 4.2 shows, the mean difference between direct vote and *uso* municipalities is not significant (.001) in the 2003 federal election. However, in the 2004 state elections, the mean for the PRI was .04 higher than their direct vote counterparts.⁷

*** Insert Chart 4.2 Here ***

⁷ Comparison of means, significant at the .05 level.

The third independent variable is, once again, the post-1995 *usos* variable as discussed in previous chapters. This variable is a categorical dummy variable signifying if a municipality is a post-1995 *uso* municipality or not. For the analysis, a 1 signifies that the municipality elects its local officials via the practice of *usos y costumbres*. For this chapter, we are interested in observing the relationship between *usos*, *participaciones* and PRI electoral success in Oaxaca. The inclusion of this variable allows us to propose that the institutional dynamic of *usos* lends itself to political manipulation by party leaders at the state level.

A migration control variable is included in this analysis to control for the role higher levels of migration may have on municipal finances. With fewer economically active individuals in a municipality, migration may have a driving effect on the level of federal assistance.⁸ Furthermore, since migration is a major suspect for much of the economic success and failures of the southern region of Mexico, it is prudent to control for any variation migration may create. As a proxy for migration, the percent population ages 5 and older living in another country (INEGI) is used. The migration control helps tease out the relationship, if any, between migration and *participaciones*. However, the relationship between migration and federal transfers is not the central focus of this chapter.

⁸ The literature is not conclusive on the effect of migration. While some scholars suggest migration has a positive economic impact on a municipality through remittances others argue that the most capable migrate leaving a municipality in economic despair. Thus, controlling for migration mitigates the effects of migration, positively or negatively on the variables of interest.

As with chapters 3 and 4, a series of socio-economic variables are included in the model. Education, percent indigenous, percent population receiving less than one minimum wage and more than 5 minimum wages, percent houses with drainage and water as reported by the 2000 INEGI census data are all included as controls for the usual suspects affecting the allocation of federal transfers from the federal to the state level. These controls, as in the previous sets of analysis, allow us to tease out the relationship between the three independent variables of interest.

A population control variable is included in the model to strengthen the predictive ability of the model. The population control variable is necessary given that while SES plays a major role in the distribution of *participaciones* from the federal to state level, it has been argued that population is a critical variable for the distribution of *participaciones* from the state to the municipal level not only in Oaxaca, but across Mexico. Finally, the PRI 2003 federal and PRI 2004 state vote shares are also included as separate independent variables for control.

Control Variables

% Indigenous in a municipality
Population less than 5000 within a municipality
% Population 15 and older with primary education. incomplete 2000
% Population receiving less than one minimum wage 2000
% Population receiving more than five minimum wages 2000
Houses with drainage and water 2000

And the Winner is... Clientelism

The argument posited at the beginning of this chapter was that *usos y costumbres*, coupled with the decentralization of *participaciones* led to a maintenance and reinforcement of clientelism in Oaxaca, Mexico. The argument I present is that at the

same time the *usos* legislation comes into effect changing the institutional design of local elections for 412 municipalities in Oaxaca, the decentralization of *participaciones* created an institutional dynamic where state level officials would be able to use these federal transfers to maintain a relationship of patronage. While local leaders in direct vote municipalities have the connections of their party to offer support in the distribution of *participaciones*, *uso* municipalities were reliant entirely on the PRI for their distribution. *Usos* creates a detachment from the formal political system and to its detriment forces local leaders in *uso* municipalities into a clientelistic relationship with state level party leadership. As irony has it, pre-1995 *uso* municipalities experienced the same dependence on the PRI to maintain customary practices at the local. Thus, *uso* municipalities are forced to stay the course of clientelism as no other alternative presents itself due to the institutional design of the *usos* legislation and the removal of both party and ballot box at the local.

I run two OLS regression models that support this contention. In the first model, I evaluate the effects of the change in absolute votes cast from the 2003 federal to the 2004 state level on *participaciones*. As Table 4.1 shows, there is a significant and positive relationship between the percent change in votes cast for the PRI and *participaciones*. The data suggests that municipalities that cast more votes for the PRI in the state versus federal elections also received a higher share of federal transfers. Likewise, *uso* municipalities were among those most likely to increase their support of the PRI at the state.

This first model is limited in scope as to what it suggests. Essentially, we are able to say that as more votes were cast for the PRI in state elections relative to federal elections the amount of *participaciones* distributed to a municipality also increased. It is suggestive that electoral support translated into financial support for municipalities. As the analysis also includes the post-1995 variable, which is also significant and positive, we can further suggest that *uso* municipalities were among those most likely to increase their patronage for the PRI. While we cannot say this is conclusive evidence for clientelism, the argument for clientelism is heightened by the dynamic of non-competitive elections and the historical predisposition toward clientelistic behavior. In other words, *uso* municipalities are susceptible to clientelism given the institutional design of formal *usos*.

*** Insert Table 4.1 Here ***

The second model focuses on the change in PRI vote share. While similar to the first model, this model is unique as it specifies the percent change in electoral support for the PRI from the 2003 federal to the 2004 state elections in relation to all other parties. Once again, the model holds and the change in electoral support for the PRI is significant and positively correlated with the distribution of *participaciones*. As Table 4.1 illustrated, the distribution of *participaciones* is yet again correlated with PRI electoral support. Arguably, the measure is potentially skewed by the development of a coalition party in the 2004 state elections. Yet, regardless of the electoral bias the NFO coalition may have created, the bias in federal transfers to those municipalities supporting the PRI or the NFO is striking.

Model 2 also demonstrates that *uso* municipalities are strongly correlated with *participaciones*. Coupled with Chart 4.2, a story emerges from the data suggesting that PRI electoral support from *uso* municipalities means more federal transfers to *uso* municipalities. Since the coalition is skewed for both direct vote and *uso* municipalities the relationship between *participaciones*, *usos* and the level of PRI electoral support is irrefutable.

Several models were also run with interaction terms between vote share in both state and federal levels and the *usos* variable. Unfortunately, the analysis does not provide the concrete support for a linkage between votes cast for the PRI and *uso* municipalities as a function of the distribution of *participaciones*. Thus, we are unable to clearly delineate a direct effect between the increase in money received by *uso* municipalities and the increase electoral support for the PRI. The data does suggest indirect effects exist. A further unpacking of the data will allow us to tease out the relationship between *uso* municipalities and federal transfers. This is not to suggest that the relationship does not exist. Rather, the data as developed leaves the avenue open for further exploration and a fascinating story still emerges.

Both models paint a picture suggesting that PRI electoral success is translated into increased distribution of *participaciones*. While *uso* municipalities are not the only benefactors of this relationship (of the 50 municipalities with the largest percent change in *participaciones* from 1991 to 2003, 6 are direct vote municipalities), it is clear that *uso*

municipalities are the primary benefactor of the federal transfers.⁹ As both models control for a wide range of need-based indicators (i.e. income and education), something else must drive the lopsided distribution of *participaciones* to *uso* municipalities. There are clearly unaccounted for factors that may drive the results.¹⁰ However, while I grant the analysis is open for multiple interpretations, the analysis does point directly at a *usos* connection. Is it the dynamic of the institutional design of *usos* driving the analysis? While the analysis is not conclusive, it is indeed suggestive that the answer is yes. *Uso* municipalities leave themselves open for political manipulation resulting from the detachment from formal electoral politics inherent in *uso* municipalities. The removal of the ballot box and local political parties becomes the critical denominator in the institutional calculus for state party leaders. That is, *uso* municipalities are susceptible to political manipulation because their absence from the formal system permits an environment of manipulation.

Lastly, the model does not directly account for the process of decentralization itself. As chapter 3 notes, *participaciones* are distributed from the federal government to the state and, at times, to the municipal level according to a need-based formula (see chapter 3 for a detailed discussion). As a result, much of the change in *participaciones* may be in part due to the change in the formula implemented by the Zedillo

⁹ Approximately 28% of all municipalities in Oaxaca function via direct vote. 12% of the top 50 municipal increases in federal transfers between 91-03 are direct vote municipalities. This is yet another indicator that *uso* municipalities are on the receiving and “winning” end of unequally distributed federal *participaciones*.

¹⁰ Future analysis will allow us to tease out the need-based distribution of *participaciones* allowing a more clear understanding behind the distribution of federal transfers. The author acknowledges that need-based federal transfers may be distributed equally and the disparities between *uso* and direct vote municipalities is based on higher levels of need among *uso* municipalities and not political manipulation or a clientelistic bias. However, as future research will allow us to address this question more fully, the analysis is minimally suggestive of a bias toward municipalities, and specifically *uso* municipalities, that show their support for the PRI.

administration. While, it is the case that the formula itself may drive some of the observed variation, the model does attempt to control for a number of the

Discussion

In this chapter we have continued the debate concerning the role of the *usos* legislation on the distribution of federal transfers or *participaciones*. Moving from a federal to a state level analysis, a picture emerges suggesting that there is a positive correlation between PRI electoral support at the state level among *uso* municipalities and the distribution of *participaciones* in Oaxaca. While on the surface the dynamic between providing electoral support for a political party and, in return, receiving pork from government is nothing more than business as usual across democracies, the institutional design of *usos y costumbres* may lend itself more to gross political manipulation.

I argue that the institutional design of *usos y costumbres* lends itself to political manipulation by those who control the fiscal resources necessary for municipal survivability. In a catch-22, the legislation that offered quasi-autonomy at the local also caused incredible dependence at the state and federal. By detaching themselves from the formal electoral system through a removal of political parties and the ballot box, *uso* municipalities have become increasingly susceptible to political manipulation. Their isolation and autonomy becomes their political downfall. Where direct vote municipalities are able to cast a ballot and maintain political party ties at all levels of government, the “go it alone” mentality of *uso* municipalities have left them financially isolated as well.

The catch-22 for *uso* municipalities is that their desire for autonomy has instead resulted in a re-proliferation of classical clientelism. As the political party is removed from the local, so too are the political ties between the party at the local and the party who control the resources at the state and federal. Politically isolated, *uso* municipalities are left with no alternative but to engage in a patron-client relationship with the PRI. In exchange for electoral support at the state level (and to a lesser extent at the federal level), the PRI distributes *participaciones* in kind. While this may seem like a win-win situation for both the PRI and the *uso* municipality, the *uso* municipality loses its electoral voice in yet another bargain between themselves and the PRI. The message sent by *uso* municipalities to policymakers is diluted by the need for federal transfers and the resultant effect is a set of empty votes potentially not representative of the actual needs of the municipality.

It is this very dynamic that this dissertation is attempting to uncover, what happens to *uso* municipalities as they attempt to go it alone? What happens to their voice and what are the consequences of the institutional design set in motion in 1995? While the data presented here does seem to suggest that *uso* municipalities are reaping the rewards of patronage, it is not clear what the long term effects of the bargain may be. What happens to *uso* municipalities if the PRI loses its control over state level offices in Oaxaca? How do they extend their voice beyond the back door clientelistic deals made with the PRI?

To this point we are only able to say that there is a linkage between PRI electoral success and the distribution of *participaciones* and that in some fashion *uso*

municipalities seem to be the benefactors over direct vote municipalities. While we do not have conclusive evidence that *usos* and decentralization of federal transfers was the formula for a resurgence of classical clientelism among *uso* municipalities in Oaxaca, the evidence does suggest the relationship exists. In the next chapter we come full circle examining the development of basic service provisions between 1990 and 2000. From there we will be able to see how *participaciones* are being used in the municipality and if the increase in federal transfers is being used to improve the infrastructure and economic potential of the municipality or not. The next chapter, thus, explores the development question among *uso* municipalities and attempts to link votes and *participaciones* to service provisions.

Tables & Charts

Table 4.1 – PRI Electoral support and Federal Participation 2003

Variables	Federal Participation 2003	
	Model 1	Model 2
Constant	302.284 (256.757)	259.579 (254.650)
<i>Usos y costumbres</i> (=1)	324.008*** (99.244)	324.639*** (98.844)
% Indigenous	-23.016 (113.655)	-21.186 (112.040)
Population < 5000 (=1)	-650.705*** (102.328)	-636.992*** (102.096)
% pop. 15+ primary ed. incomplete 2000	337.496 (539.254)	188.893 (541.588)
% pop. receiving less than min. wage 2000	-991.250 (810.324)	-1179.998 (811.201)
% pop. receiving more than 5x min. wage 2000	-28398.74*** (6964.902)	-29597.29*** (6954.687)
% pop. 5+ residing in another country 1995	12057.243*** (1894.942)	12406.544*** (1882.424)
Houses with drainage and water 2000	1478.057*** (499.075)	1525.467*** (497.499)
PRI Vote Share, State 04	542.842*** (204.398)	248.561 (236.499)
PRI Vote Share, Federal 03	772.101*** (304.111)	1225.213*** (351.954)
Δ PRI vote cast 03-04	-9.920 (18.491)	-
Δ PRI vote share 03-04	-	107.546** (51.461)
Adjusted R ²	.271	..277
(F-stat)	(18.979)	(19.499)
N	532	532

Note. Unstandardized coefficients reported; standard errors in parentheses. * $p < .10$; ** $p < .05$; *** $p < .01$.

Chart 4.1 – Mean % Change in PRI Votes Cast from 2003 Federal Election to 2004 State Election

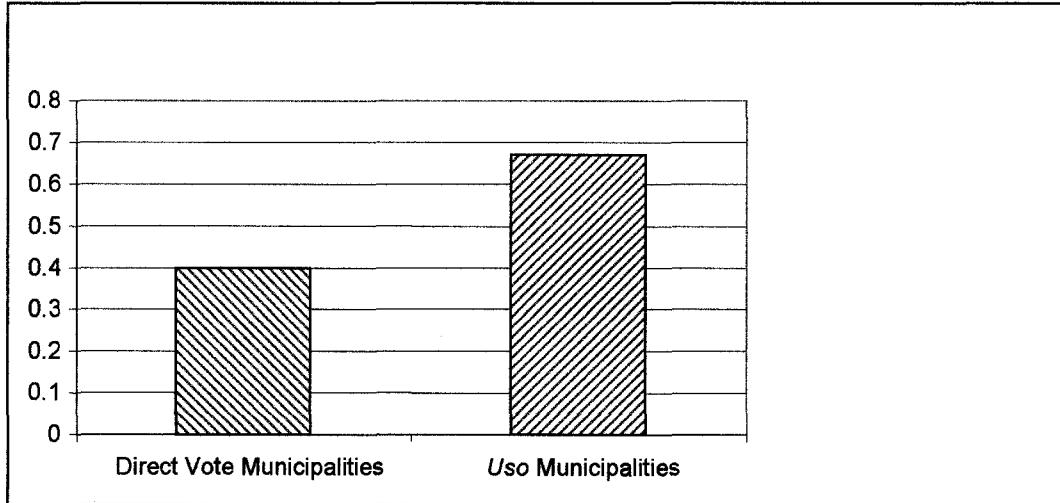
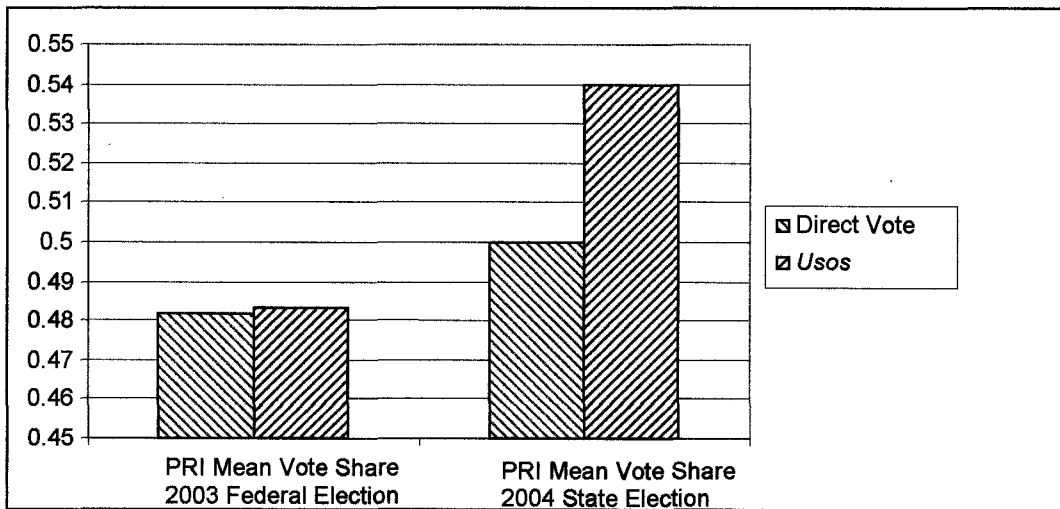


Chart 4.2 – PRI Mean vote share in Federal and State Elections by Municipal Type



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Chapter 5

The 'Extension' of Development? Voting, *Participaciones*, (migration) and the Provision of Basic Services in Oaxaca, Mexico

In the previous chapters, I have argued that the Zedillo decentralization policies associated with RAMO 33 and the formal recognition of *usos y costumbres* comprise of two institutional designs that intersect to create a reinforced clientelistic relationship between *uso* municipalities and state and federal political powers. Of primary interest has been the dynamic between the electoral support of the PRI at the state and federal levels of government among *uso* municipalities and the disproportionate distribution of *participaciones* in favor of *uso* municipalities. I suggest that the institutional design of *usos* creates a dynamic for classical clientelism where based on a combination of political detachment and the removal of the ballot box at the local the PRI is able to bargain federal transfers in exchange for PRI electoral support at the state, and to a lesser extent, federal levels.

Though the relationship between *participaciones* and electoral support of the PRI is one of a series of alternatives explaining the disproportionate distribution of the federal transfers to *uso* versus direct vote municipalities, it is clear that *uso* municipalities receive more, on average, than their direct vote counterparts (after controlling for other relevant factors. What then does the increase in *participaciones* mean at the local for development processes in these communities? For the Zedillo administration, the decentralization of *participaciones* was, in part, a response to the failures of PRONASOL as an effective means to alleviate poverty. While PRONASOL promised new funds for the development of local infrastructure such as water and electricity, local governments

had little or no role in the allocation of PRONASOL funds as the funds were often used as a source of political manipulation functioning “as a parallel structure to state and local governments” (Cabrero Mendoza 2000, 376). The Zedillo administration, in hoping to resolve the failures of PRONASOL and effectively respond to the issue of poverty, decentralized the process of federal transfers of *participaciones* via RAMO 33 and developed the Programa de Educación, Salud y Alimentación (Program for Education, Health, and Nutrition, Progresá).

Despite the fact that the decentralization is regarded as a positive move toward effective, transparent and responsive local governance across Mexico, I argue that in Oaxaca decentralization reforms created a power vacuum. The lack of ties between *uso* community leaders and state and federal party leaders because of the 1995 *usos* legislation left *uso* municipalities once again subject to classical clientelism. Given this scenario, the remaining question is whether the clientelistic payoffs that *uso* municipalities appear to have received during the latter part of the 1990s translated into any meaningful change in their development patterns? An effective test of this question is to evaluate the relationship between the allocation of *participaciones* and the provision of basic services across Oaxacan municipalities. This chapter explores that relationship and more generally offers an overview of development advances in Oaxaca during the 1990s. In an effort to determine whether the disproportionate allocation of federal transfers translated into any development gains. Rather than span the entire concept of development I will instead focus more directly on the area of education as this was a critical point of emphasis by the Mexican government throughout the 1990s, was a sector

that officials attempted to decentralize during this period, and is, in the view of many, the essential building block for long-term sustainable development. Thus if we can detect any progress made in the area of education across *uso* communities we may conclude that at least in the short term *uso* communities reaped meaningful rewards from their clientelistic relationship with state and federal officials. The exchange of a truly free political voice with no strings attached for precious development funds that actually translated into improvements would perhaps seem, given the general state of underdevelopment of *uso* municipalities, to be a reasonable bargain. If, on the other hand, no signs of development process emerge from this analysis of *uso* municipal development trends, then we can conclude that those extra monies pouring into these communities during the latter part of the 1990s remained in the hands of officials who were not interested in transforming those funds into development outcomes. The question, then, of what happened in development terms in Oaxaca during the 1990s becomes critical for understanding how the official recognition of *usos* in 1995 truly affected the daily development prospects of citizens within those communities.

Based on the overt political nature evidenced in the spending analyses of the previous chapter, as well as previous research on the negative development consequences of highly politicized development funds, I unfortunately expect that the extra monies received by *uso* communities did not produce development returns over and above what other municipalities enjoyed (see e.g., Hiskey 2003). I suggest that while across Mexico, provisions of basic services over the past two decades has increased dramatically, the higher levels of *participaciones* to *uso* municipalities resulted not in improved

development but rather in the hands of a select few. And while I do not claim to have the least bit of direct evidence regarding this claim, I would argue that it is not too far of a leap to conclude that when a certain set of municipalities votes heavily in favor of the state's dominant party, and then gets rewarded for that support through the provision of state and federal funds, but yet does not exhibit any significant change in development patterns, the smell of corruption certainly becomes stronger. Furthermore, if there are areas of significant increases, a final alternative in this dissertation is that the increase in basic services may be a result of the increase in remittances from migrants to their sending community. This dynamic is referred to simply as "extension." Though I discuss the concept of "extension" more fully in the conclusion, I introduce the concept at the end of this chapter.

Through several descriptive and OLS regression models drawn from INEGI data compiled by the Yale University Social Science Research Services and Social Science Libraries and Information Services, I demonstrate that while *uso* municipalities built fewer schools, on average, than direct vote, *participaciones* was only weakly and positively associated with the decrease in the ratio of students per school. To simplify, the increase in *participaciones* to *uso* municipalities did not translate into a significant increase in educational facilities or teachers over direct vote municipalities. In fact, while *participaciones* were funneled to *uso* municipalities, both direct vote and *uso* municipalities maintained a 10-year student to teacher average and were successful in building more schools to meet growing needs. Of the models presented below, only PRI vote share demonstrated a positive and significant relationship to the reduction of the

student to teacher ratio. An increase vote share for the PRI, it seems, translated into more teachers. With this finding, we have another piece of evidence for the highly politicized development process that municipalities in Oaxaca are experiencing. Not only is receipt of government funds dependent in part on how the community votes in state and federal elections, but also something as fundamental as *the provision of teachers*. Given the historical links between the teacher's union in Mexico and the PRI, this finding should not surprise, but it does. The fact that decisions regarding the staffing of schools hinge on election returns is all the evidence one needs of the nefarious elements of clientelism that may on the surface appear to be somewhat beneficial in the sense that poor towns are being rewarded for their vote with much needed money. Yet for every reward that goes to one town, another town is by definition punished. And in the area of education, the effects of this punishment will be felt for years and years to come.

On the other hand, the provision of water service and electrification across *uso* municipalities made gains, so too did direct vote municipalities. The result for the provision of water or electricity, however, was inconclusive with respect to how politicized this process was and how much the extra funds received by *uso* municipalities actually helped. It is clear that *uso* municipalities are making headway in the area of developing portable water systems. However, I contend that this provision may be due, in part, to the effects of migration on the receiving community. With high levels of emigration come, more often than not, high levels of remittances. *Uso* municipalities that have experienced migration, then, may have been able to use remittance funds to help improve the provision of basic services, though again this proposition needs future

research to more adequately understand the relationship between basic service provision and migration.

The story that emerges from this research then suggests that *uso* municipalities are on the receiving end of a bias in the distribution of *participaciones*. This bias exists due, in part, to the electoral support provided by *uso* municipalities. Yet, as the evidence presented in this chapter suggests, the increase in federal transfers translates into a minimally significant increase in the provision of educational services. As we do note some gains made by *uso* municipalities in the provision of water, however inconclusive and not significant, we must ask ourselves if the observation is based on *participaciones* or something else. Using earlier research on the development consequences of migration as a point of departure,, I suggest that the development of basic services at the local may be more of a product remittances than *participaciones*.¹ While a story can only be told, this first cut into the examination of the effects of the *usos* legislation comes full circle in this chapter demonstrating the reality of political disengagement, detachment, and manipulation that *usos* leaves in its wake and resultant ineffectiveness in moving the “indigenous question” forward.

Provision of Basic Services

Moreno notes that though several decentralization attempts have come down from the federal government over the last 2 decades, Mexico still is unable to meet its basic services needs (2005, 16). While Moreno examines service provision according to

¹ Here I am thinking in lines of successful COMVIVE (Committee for Urban Life) development programs that require high levels of civic participation to achieve development goals. Many COMVIVE communities have failed when civic participation was low. The COMVIVE argument illustrates the idea that for successful local development without party interference, local participation is critical (Pacheco, 2003).

municipal size, his assessment of basic infrastructure needs echoes the Oaxacan experience. Furthermore, as basic service provisions, indeed, vary across the incredibly heterogeneous municipal environment in Mexico I focus on a comparative examination between *uso* and direct vote municipalities. Municipal size is a major factor in the provision of basic services. However, as the central focus of this dissertation maintains a slant toward otherwise indigenous populations, the demarcation between *usos* and direct vote municipalities is a worthy measure.

It is worth noting that examining *uso* and direct vote municipalities may prove to be difficult. It is widely acknowledged that most *uso* municipalities are highly indigenous, poor, rural and disbursed across a wider region. That is to say, *uso* municipalities may use *participaciones* to meet basic survival needs rather than develop roads, electricity grids, drainage or water service. Likewise, a *uso* municipality may not exist in one centralized region but be spread out across a wide region (including often mountainous regions, i.e. the Mixteca region). This may mean that *uso* municipalities are simply unable to take advantage of several types of basic service provisions under examination here. As this may prove to be a hurdle, the analysis still helps us begin to evaluate the dynamic (or lack thereof) between *participaciones* and basic service provision. Furthermore, as this dissertation started out with the premise that the indigenous question to development and incorporation needed to be explored, we can not simply rule out an analysis based on the possibility that the results must be taken in context of the unique experience of the *uso* community.

Education

For *uso* municipalities, the development of basic services means developing steps toward the incorporation into the formal economic sector of the state and nation. While the road may be arduous, the need to incorporate rather than marginalize a significant segment of Oaxaca's population is a worthy task. Valdés (1995) shows that among the problems concerning the provision of basic services is bilingual education of school-aged children living in rural, small and highly indigenous communities. With nearly 1.5 million school-age children that speak an indigenous language, 200,000 of which are monolingual, the need to develop schools to teach Spanish and other basic skills is striking. This reality further plays itself out in indigenous *uso* municipalities where the quasi-autonomy of *usos* allows a detachment from the formal political, economic and oftentimes social structures of Mexican society. INI (Instituto Nacional Indigenista) estimates that 28.3 percent of children in highly indigenous municipalities do not have access to basic education (Embriz 1994, 44). Moreover, while the National Council for Educational Promotion (CONAFE) was designed to assist beyond the normal budgetary provisions for education in municipalities fewer than 200, CONAFE teachers generally have no more than a sixth grade education and often teach in the indigenous language in bilingual schools.

As a result of these educational policies and the sheer lack of educational facilities and staff among indigenous municipalities across Mexico, the illiterate indigenous population is a staggering 49 percent (INI) with women experiencing the lowest levels of literacy. Notwithstanding the debate between universal education of indigenous

populations and the loss of indigenous identity, for *uso* municipalities to be incorporated into the formal political and economic sectors of Mexican society, the dramatic differences in educational attainment must be mitigated. As this dissertation suggests that economic and political sustainability and development rest on incorporation not isolation, the debate on indigenous identity and pedagogical methodology of education is left for future discussion. Ultimately, education is a primary basic service to eliminate poverty.²

The enrollment rates in Oaxacan schools stay well below the national average and it is widely accepted that the enrollment rates among indigenous populations are dramatically lower. In 2000, the enrollment rates for 6 to 14 year-olds in Mexico was 92.8 percent. According to Jayasuriya and Wodon enrollment rates for 5 to 9 year-olds were 85.7 percent in Oaxaca. For children between the ages of 10 to 14 the average is 87.8 percent (2002). This figure does not represent the gender gap (or for that matter the indigenous gap) in the figures where the Mexican wide gap is 0.6 percentage points and 3.5 percentage points in Oaxaca. Once again, demonstrating that Oaxaca as a whole is behind in providing basic services to its population Table 5.1 shows the adult population in Oaxaca by educational level. As is evident in the table, a distinct gender gap in educational attainment between 1990 and 2000 has hardly improved.

² The debate on indigenous education is a hotly contested one. While the debate is not of central interest in this dissertation, I mention it only to recognize that the debate does exist. The basic argument among supporters of indigenous education is the maintenance of indigenous identity. Although the argument of securing indigenous identity through education via indigenous peoples' worldviews purged of indigenous discrimination and adapted to local context is ideal, the argument fails to realize that beyond the need to maintain indigenous identity is the need to be able to effectively function in society. Hence, this dissertation maintains a focus of basic service provisions of education as central to future economic growth and development.

*** Insert Table 5.1 Here ***

Table 5.1 does suggest that headway is being made in Oaxaca in terms of educational attainment among adult males. Moreover, while the statistic is promising, it does not necessarily mean that *participaciones* are being used to improve the educational system. Again, of interest in this chapter is to see if there is an observable change in the provision of basic services, in this case education, given the disproportionate allocation of federal transfers to *uso* municipalities. A detailed descriptive analysis paints a fairly constant picture among *uso* and direct vote municipalities. Chart 5.1 shows that between both sets of municipalities, *uso* municipalities are building more schools, per student, than their direct vote counterparts. These differences, however, are not significant, and thus merely suggest that *uso* municipalities are at least keeping up with demand for schools. Likewise, in 2000, both *uso* and direct vote municipalities averaged approximately 44 students per school.

*** Insert Chart 5.1 Here ***

Chart 5.2 continues the same story of consistency in educational provision. Between 1994 and 2000, both *uso* and direct vote municipalities were successful in reducing the student to teacher ratio. Once again, though not significant, *uso* municipalities seem to be doing a better job at reducing the student to teacher ration. While at first look this may seem to suggest a success for *uso* municipalities, we must be cautious in reading too much into these figures. *Uso* municipalities are often high migration municipalities and, as a result, are experiencing a decline in population. This means that while on the surface it may seem that *uso* municipalities are meeting the

demands of the community, the demand of the community may be declining. It is unclear from the results what is driving the statistic. Regardless, the figure is still promising for both direct vote and *uso* municipalities.

*** Insert Chart 5.2 Here ***

One of the few figures that present significant differences between *uso* and direct vote municipalities is the percent increase in the building of schools. An initial examination of the figures in Chart 5.3 suggests that *uso* municipalities are falling behind in the provision of absolute numbers in regards to the building of schools. However, in conjunction with Charts 5.1 and 5.2 it is clear that the demand for education within *uso* municipalities means they do not need to build as many schools to keep up with demand as their direct vote counterparts.

*** Insert Chart 5.3 Here ***

All in all, *uso* municipalities are keeping up with their direct vote counterparts in the provision of education. And while this figure is promising, and worth commendation, it is still unclear if the ability to maintain state-wide levels in the provision of education is due to the increased disbursement of *participaciones* in *uso* municipalities.³ Simply observing progress does not necessarily mean that the federal transfers are doing what they are designed to do. The question that remains is does the increase in *participaciones* contribute to the ability of *uso* municipalities to keep up with the provision of basic education or not.

³ A variable that would provide considerable leverage in the analysis is a quality of education index. Statewide standardized test scores are the closest approximation to providing this index. Unfortunately, at the time of writing this chapter, municipal level scores are not available.

I develop two OLS regression models that test the relationship between *usos* municipalities, *participaciones*, PRI vote share and the provision of education. As a proxy “student to teacher ratio” and “students per school” (both 2000) are used to evaluate the provision of education. The first dependent variable calculates the student to teacher ratio as reported by INEGI. The student to teacher ratio variable was created by computing a new variable from two variables, the total number of students per municipality 2000 divided by the total number of teachers per municipality 2000, from INEGI. Through the use of a lagged endogenous model, where the 1994 student to teacher ratio is used as an independent variable to help explain 2000 student-teacher ratios, this dependent variable allows us to assess how federal transfers, *usos* and PRI vote share at the state level affected the number of students per teacher. This assessment offers us the ability to develop causal linkages of how money is being spent, if at all, on the provision of educational services.

The measure of a student to teacher ratio is, granted, certainly not ideal in terms of assessing progress in education. While we are able to observe changes in the ratio between students and teachers, it is again with caution that we make casual claims. The variable does not allow us to know if the student to teacher ratio was affected by shifts in birth rates, population, migration or other factors that may skew the dependent variable. Further, it does not tell us about the quality of the teachers nor the quality of the schools they are teaching nor their effectiveness in keeping kids in school and getting them to the next level. However, as I grant the shortcomings in the variable, the leverage gained outweighs the possible challenges to the measure. Ultimately, the student to teacher ratio

allows us to tease out if there is a relationship between the provision of teachers in *uso* municipalities based on continual electoral support of the PRI or the disbursement of *participaciones*. Thus, while the measure is admittedly not perfect, for the purposes of this chapter, it indeed is a useful proxy.

The second model uses “students per school 2000” as reported by INEGI as the dependent variable. The students per school is, as the name suggests, simply the number of students (age 6-18) divided by the number of primary and secondary schools within the municipality. Again, this variable faces similar hurdles in interpretation. However, we are once again attempting to assess the provision of a resource and this measure does provide some leverage in at least giving an indication of the change in a municipality’s school infrastructure (if not output) and changes in the level of demand being placed on that infrastructure. In this model we are attempting to find a casual relationship between the provision of schools and *participaciones*, *usos*, and PRI electoral support. As schools, like teachers, are critical to the success of providing quality education, this model helps reinforce findings from the first model and allow us to more readably make casual linkages between our independent variables of interest and the two dependent variables.

Ultimately, both models allow us to assess the relationship between our dependent and independent variables of interest. As the dissertation comes full circle from demonstrating that *uso* municipalities do indeed receive more federal transfers as they provide greater levels of electoral support for the PRI, the analysis in this chapter

provides at least a partial picture of how the *participaciones* translate into the provision of basic services.

The independent variables consist of the same set of usual suspects from previous chapters. They consist of a percent indigenous (by municipality), population less than 5000, a migration control, and several standard SES variables (education, income, drainage, electricity). All of which provide considerable control for the critical factor of municipal development level that likely has a tremendous impact on the education indicators being analyzed.⁴ Specific to both models were a number of independent variables of particular interest. First, both models included the 2003 *participaciones* variable as developed in previous chapters. This is among the most important variables in the model. Since we know *uso* municipalities received more *participaciones* than direct vote municipalities, the inclusion of this variable as an independent variable allows us to observe if the increase in funds translated into the increase in the provision of the basic service of interest.

Second, the state level PRI vote share is also included in the model. Since we observed a casual relationship between PRI vote share and *participaciones*, it is important to determine the direct impact political support for the PRI had on what is already a relatively politicized sector of development, education. In conjunction with the previous chapters and the control variables included in the model, knowing whether

⁴ In earlier models, I also included an interaction variable between post 1995 de jure *uso* municipalities and 2003 federal *participaciones* as well as an interaction variable between *usos* and PRI vote share. As the hope was to tease out the relationship between the interaction variables and the provision of basic services, the final analysis proved insignificant.

support for the PRI directly affected education services will go a long way toward revealing how deeply embedded clientelism truly is in *uso* municipalities.

The findings from the OLS regression models are highlighted in table 5.2. In model 1, student to teacher ratio, two independent variables are significant, one of which is of particular interest. As noted in model 1, the PRI vote share in state elections is positively associated with a decline in the student to teacher ratio. Though the coefficient is negative, this means that an increase in vote share was associated with a decline in a municipality's overall student-teacher ratio. Thus, the negative coefficient signifies that PRI electoral support in state elections translated into more teachers hired (or fewer students, a possibility that is in part controlled for through the inclusion of the migration variable). What this finding offers, once again, is support for the existence and persistence of classical clientelism. However, since the *usos* and the *participaciones* variables are not significant, we cannot suggest that clientelism, in this case, is limited to *uso* municipalities. Rather, electoral support of the PRI across all municipalities translated into the provision of more teachers.

As the story has developed throughout this dissertation, electoral support of the PRI translates into benefits. In an era where decentralization, transparency, accountability and ultimately democracy are being touted across Mexico, the unique experience of Oaxaca (perhaps not simply *uso* municipalities) is brought further into focus. Electoral support in exchange for *participaciones* and now teachers are among the resources the PRI is able to use as bargaining chips at the state level in an era of decentralization. Though federal transfers were not significant, nor was *usos y*

costumbres per se, the story of significance here is the extent of the patronage in Oaxaca, where resources, human as well as fiscal, across multiple sectors, are allocated according to votes. In the case of education, federal transfers are not the only resource municipalities seek from government to cover expenses. It very well may be the case that in Oaxaca, the PRI has maintained its ability to use the provision of teachers as one of its few remaining chips.

Of concern among all Oaxacan municipalities is the effect of migration on any analysis. Model 1 shows that higher levels of migration does, in fact, translate into lower levels of student to teacher ratios. This is, of course, to be expected. However, the importance of migration being significant goes beyond the argument that migration is good for the provision of teachers to those left behind. Worth noting is that while migration significantly affects the ratio between students and teachers, PRI vote share remains significant. Suggesting that regardless of the effect migration may have on the student to teacher ratio in a municipality, support for the PRI also plays a critical role in resource allocation.

*** Insert Table 5.1 Here ***

In model 2, migration is once again significant. Model 2 is a test of the same sets of measures as in model 1 with the difference being in the dependent variable, “students per school 2000.” As such, it is not surprising that higher levels of migration translate into fewer students per school. Those who migrate, and their families who migrate with them, lessen the strain on the municipal needs for schools. Yet, of particular interest in

model 2 is the significance of post-1995 de jure *usos y costumbres* municipalities and *participaciones* (again, denoted as federal participation).

According to model 2, *uso* municipalities experienced a greater decline in the number of students per school between 1994 and 2000 than direct vote municipalities. Again, several explanations may prove plausible in this scenario. For instance, *uso* municipalities are often indigenous and as a result are more likely to be communities of high out migration. This possibility, however, is somewhat controlled for in that the model includes a municipality's level of migration. Thus there may be some other factor related to *uso* municipalities that is driving this result. It may be the case that in an era of heightened awareness of indigenous education, *uso* municipalities may be the benefactors of the building of new schools and other various increases in resources. Finally, *uso* municipalities may have an institutional design that links their openness to classical clientelism with the distribution of resources. The latter option may prove to be the best of all plausible alternatives.

Remembering that a basic premise in this dissertation that the institutional design of *uso* municipalities arguably provides more of an opportunity for manipulation of political and economic processes may shed some light on the dynamic between *uso* municipalities and the students per school ratio. Again, *uso* municipalities disconnect themselves, intentionally or not, from the formal political and economic structures of the state and nation through the constitutional recognition of a system of governance that removes political parties and the secret vote from these communities. This institutional design appears to have played a significant role in pushing citizens of *uso* municipalities,

and those who govern them, to strike bargains with political elites for resources. The bargain, votes for resources, plays itself out as maintenance of classical clientelism. Model 2 helps unpack the story of clientelism as *uso* municipalities are the benefactors of a decrease in the student per school ratio regardless of migration. However, PRI vote share is not significant in model 2. Yet, what is significant is the distribution of *participaciones*.

Participaciones, coupled with the *usos* variable, allows us to suggest at least minimally that the system of patronage is working just as it was in model 1. Though PRI vote share is not significant in this particular model, the previous chapter demonstrated that the increase in PRI vote share translated into the increase of the distribution of *participaciones*. In model 2, *participaciones* and *usos* are significant. If nothing more, the model does suggest that a dynamic exists between all three variables: *usos*, *participaciones* and PRI vote share. While neither model conclusively demonstrates an absolute connection a picture emerges that allows us to suggest with a reasonable amount of confidence that the relationship between the three variables is not spurious.

Both models suggest that based on the previous analyses on the relationship between federal transfers, *usos* and PRI vote share, the allocation of the basic service of education is also in part a product of clientelism. However, this is not to suggest that *participaciones* did the job they are designed to do. *Participaciones* in model 2 is only weakly associated with students per school. Thus, while the connections are reasonable, they are by no means conclusive. Rather, the takeaway from both models comes only from a consideration of the previous two chapters. In considering the previous two

chapters, the story of patronage or clientelism emerges. *Usos* municipalities get more federal transfers and vote for the PRI more as evident in chapters 4 and 5. Now, in chapter 6, model 1 reinforces the clientelistic relationship suggesting that PRI vote share was interconnected with a decline in the student to teacher ratio. In model 2, the federal money among *usos* municipalities get more of translated into lowering the student to school ratio.

Model 2 provides the best support that the bias in distribution of the federal transfers translated into an increase in the provision of a basic service. However, the relationship was weak and significant only at the .05 level. Thus, it is important not to be overly zealous in developing causal linkages between *participaciones* and the provision of basic services. The finding is still exciting and suggestive that future research in unraveling the linkages between the distribution of *participaciones* to *uso* municipalities and the provision of basic services may tell yet another story. Perhaps, while the PRI finds itself the electoral winner from a bargain of resources in exchange for votes, *uso* municipalities are using the increased funds in a meaningful way and are the ultimate winners in basic development.

Extension

The provision of basic services across the board is improving in Oaxaca. As the previous section illustrated, Oaxaca is making significant strides in attempting to meet increasing demands for education. The institutional design of *usos y costumbres*, while at times providing a slight edge in the provision of basic services based on a disproportionate receipt of *participaciones*, only slightly explains the advances made in

uso municipalities. The analysis, in fact, suggests that for the most part the provision of education and *participaciones* mean less than expected.

In other areas of basic service provision, headway in *uso* municipalities is being made as well. In terms of the percent change in homes connected to portable water systems, Chart 5.4 shows that across *uso* municipalities, efforts to connect homes to portable water systems was approximately 30 percent greater than in direct vote municipalities. While this figure does not provide us with a clear picture of homes with water, it does express a more rapid movement toward providing water in homes across *uso* municipalities.

*** Insert Chart 5.4 Here ***

Likewise, across the Mixteca region, a highly indigenous and mostly *uso* region of Oaxaca, rural electrification made significant improvements as well. Between 1994 and 2000, the rural region went from 19.6 percent electrified to 25.8 percent electrified (INEGI). Again, though municipal level data were not available, the Mixteca region (123 of the 154 municipalities in the region are *uso* municipalities) was able to make significant gains in electrification (see Chart 5.5), suggesting that across *uso* dominant regions, the provision of basic services were improving. However, based on the results of the education section analysis, *participaciones* and partisan politics only told part of the story in terms of the expansion of education services in Oaxaca. The question remains, then, what might be the critical factor driving the improvements in the provision of basic services observed in *uso* municipalities (and for that matter, across Oaxaca)?

*** Insert Chart 5.5 Here ***

One explanation is that the improvements across Oaxaca and in *uso* municipalities is a product of improved distribution of resources from both the state and federal levels of government outside of the provision of *participaciones*. However, this puts a lot of stock in suggesting that government is doing the job many non-governmental organizations suggest it is not doing. Furthermore, the statistics on literacy rate and educational attainment, as well as electrification, drainage, water service and health care are all below the national average. It is not clear from the research, then, that the government doing its job completes the story either.

Another plausible explanation is that the observed changes in the provision of basic services are business as usual and that over time the growth of the provision of these services is stable. While this may be the case, and further analysis is necessary to determine the likelihood of this scenario, the dramatically lower levels of basic services to indigenous based *uso* municipalities suggest something else is going on. More likely than not, the last 15 years have experienced a massive explosion in the provision of basic services. In an era of economic and political turmoil, perhaps our attention needs to turn elsewhere.

For future research, one alternative perhaps offers the greatest source of hope for meeting the needs of *uso* municipalities. While we know *uso* municipalities support, on average, the PRI more than not and seem to be the benefactors of a set of policy choices that favor *uso* municipalities in the distribution of *participaciones*, it is not clear that this relationship equates to the observed gains in basic services. I present one alternative that is, regrettably, not tested in this dissertation. In areas such as the provision of portable

water systems, communications (i.e. internet, telephones, or satellite TV), and even electrification, remittance money (money coming in from migrants to families back home) may provide the resources necessary to provide these basic services. Thus, as a result, the need to be reliant on classical clientelism or even the state is diminished (as far as the individual calls on government to provide certain basic services) due to the influx of remittance money.

And *uso* municipalities may be particularly well-suited to take advantage of the development potential of remittances based on their communal orientation. In most high migration communities, remittances are still largely an individual-to-individual interaction, with money sent home going directly to families that then spend it on personal consumption items and needs. In *uso* communities, however, the traditions of individual responsibility to the community as a whole, most explicitly manifested in the form of *tequios* and the *cargo* system, migrants truly stand to become an integral component of a broader, transnational, community development process that may increasingly turn away from the formal political system.

Since this proposition goes untested in this dissertation, I leave this idea for further discussion in the concluding chapter. However, an introduction to the idea that basic services may better be provided by remittance money at an individual level is worth noting. This idea, I refer to as the “extension” notion of local development. As the idea of a local community expands beyond the municipal, state and national borders, so too must our understanding of local provisions of basic services. Extension thus suggests

that municipal and individual needs are met through migration and the remittance monies sent home to the sending community.

These ideas represent the next frontier of research beyond this dissertation. As this chapter has demonstrated that *uso* municipalities, PRI vote share and increased levels of federal transfers are all interrelated, their significance is not carried over to the provision of basic services. Furthermore, future research may very well demonstrate that “extension” causes more harm than good for the provision of basic services; it is an important question that beyond speculation we cannot answer here.

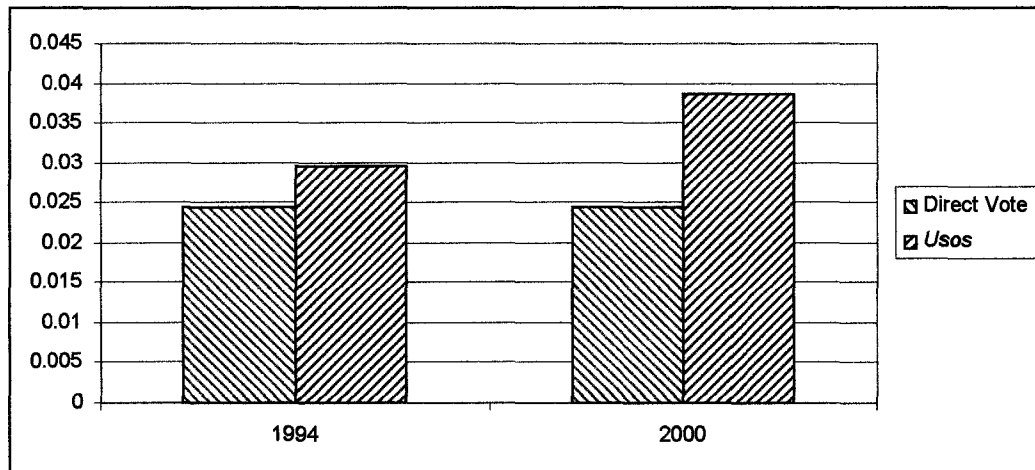
Tables and Charts

Table 5.1 – Adult Population in Oaxaca by Education Level, 1990 – 2000

	1990			2000		
	Total	Men	Women	Total	Men	Women
No education (%)	26	19.5	31.9	20.3	15.2	24.7
Incomplete primary (%)	29.3	31.6	27.2	24.8	25.9	23.9
Complete primary (%)	18.7	20.4	17.2	20.7	21.3	20.1
Above primary (%)	23.5	26.6	20.7	33.3	36.7	30.2

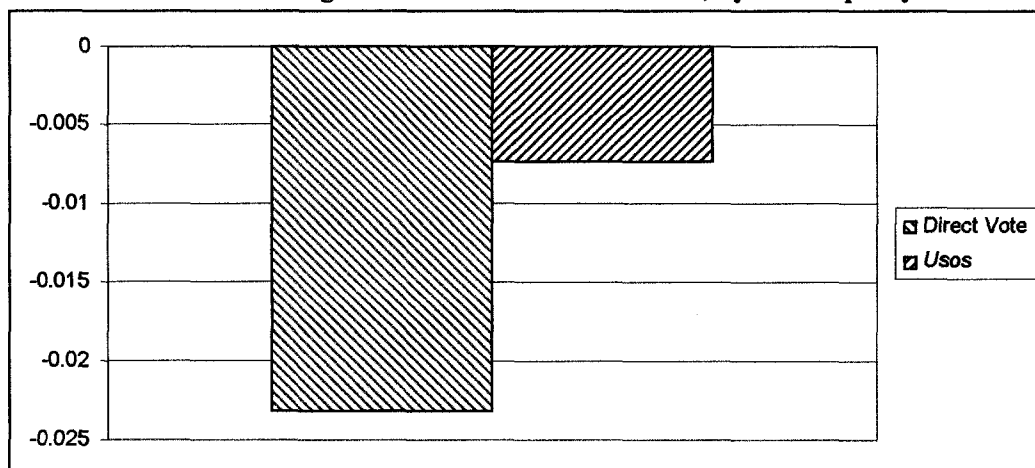
Source: INEGI.

Chart 5.1 – Schools per Student, by Municipality 1994-00



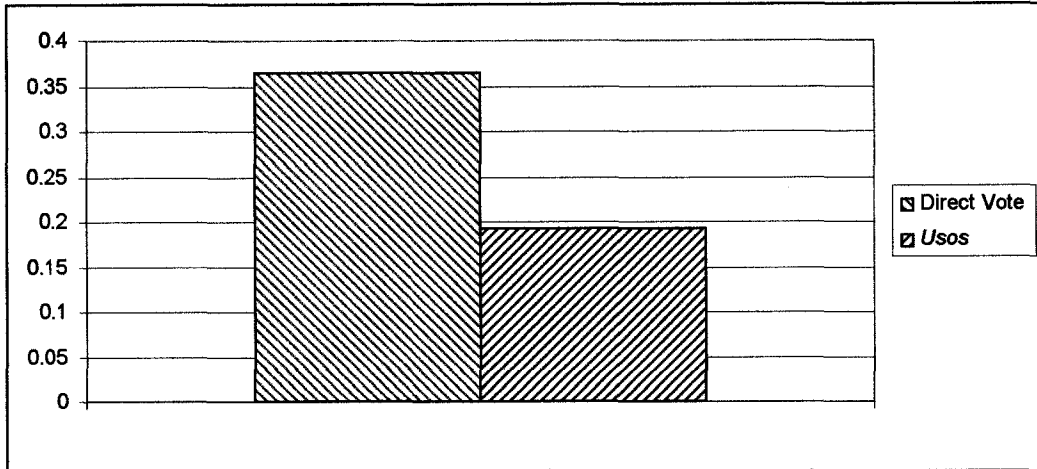
Source: INEGI.

Chart 5.2 – Percent Change in Student to Teacher Ratio, by Municipality 1994-00



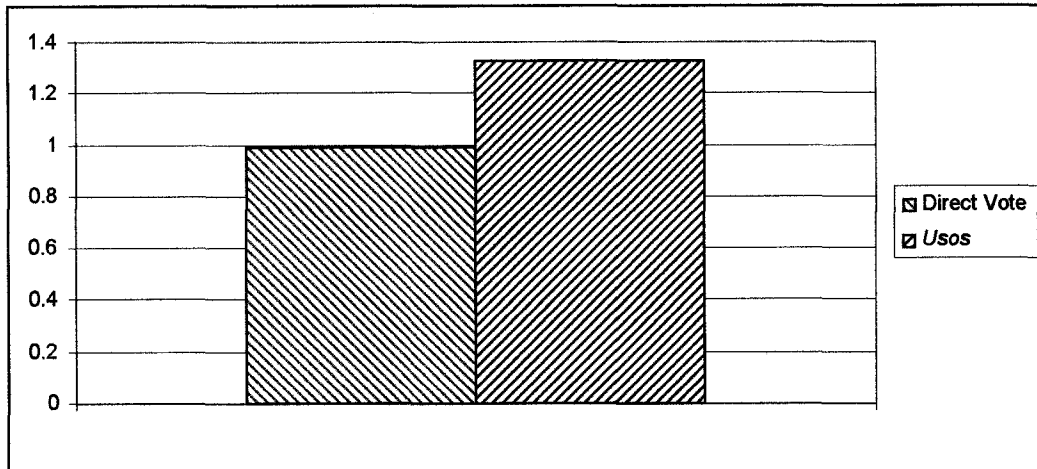
Source: INEGI.

Chart 5.3 – Percent Change in Number of Schools, by Municipality 1994-00



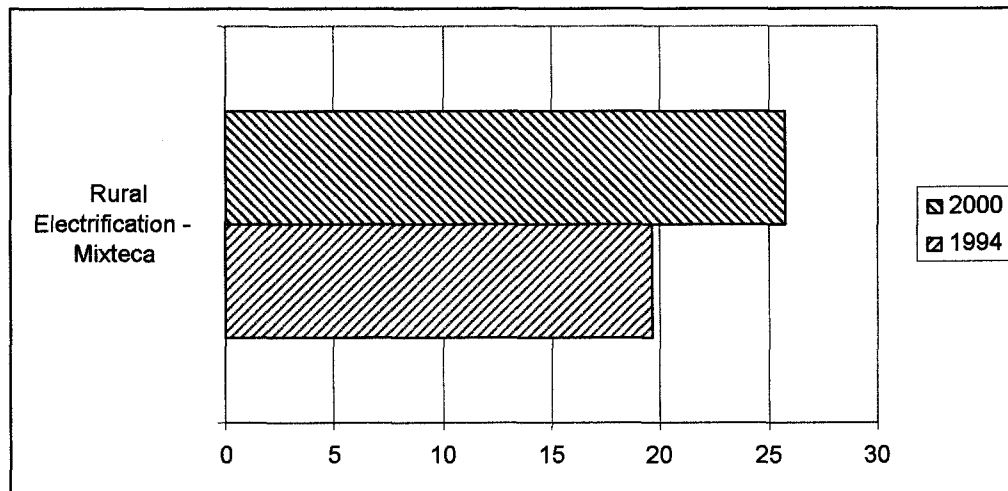
Source: INEGI.

Chart 5.4 – Percent Change in Homes Connected to Portable Water Systems 1994-00



Source: INEGI.

Chart 5.5 – Percent Rural Electrification in the Mixteca Region 1994-00



Source: INEGI.

Table 5.2 – 2000 Basic Service Provision: Education

Variables	Student to Teacher Ratio	Students per School
	Model 1	Model 2
Constant	23.611 (1.484)	29.117 (7.420)
% Indigenous	.866 (.625)	1.669 (3.205)
Population < 5000 (=1)	-.155 (.585)	-9.775*** (3.008)
% Population 5+ living in another country	-.78.868*** (13.409)	-183.799*** (68.998)
% pop. 15+ primary ed. incomplete 2000	3.976 (2.923)	9.010 (14.955)
% pop. receiving less than min. wage 2000	2.821 (3.851)	-18.748 (19.857)
% pop. receiving more than 5x min. wage 2000	64.369 (52.112)	58.329 (267.912)
Houses with drainage and water 2000	.618 (2.746)	4.400 (14.189)
<i>Usos y costumbres</i> post 1995 (<i>usos</i> = 1)	-.615 (.617)	-6.747** (3.201)
Federal Participation 03	.000 (.000)	-.003** (.002)
PRI vote Share (state)	-4.455*** (.855)	-6.747 (4.401)
Student to Teacher Ratio 1994	.091 (.023)	-
Students per School 1994	-	.731*** (.039)
Adjusted R ²	.190	.571
(F-stat)	(7.644)	(38.990)
N	312	315

Note. Unstandardized coefficients reported; standard errors in parentheses. * $p < .10$; ** $p < .05$; *** $p < .01$.

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Chapter 6

Conclusion

The legal, constitutional recognition of *usos* has been hailed as legislation decades in the making. Legislation that has long been sought by indigenous groups within Mexico and by supporters around the world seeking to strengthen indigenous identity, protect indigenous culture and invigorate the indigenous population in order to achieve longstanding goals of an active political voice and a prosperous role in the formal economic system of their country. This dissertation, however, has demonstrated that *usos* may hold more ills than cures to the development problems of Oaxacan indigenous communities. At their core, such findings force us to consider the possible alternatives that exist to effectively bring indigenous peoples into the formal political and economic systems of their respective countries after oftentimes centuries of marginalization, degradation, attempts at assimilation and genocide. Ultimately, institutional design plays the critical role in resolving the question at hand. In the case of Oaxaca, the institutionalization of customary practices at the local level has appeared to produce a detachment from the formal political system in Mexico. *Usos*, it seems, resulted in lower levels of electoral participation, an increased reliance on decades old patron-client relationships and, while headway in some basic services were made, left primarily indigenous-based communities far behind the curve in the provision of basic services as compared to the rest of Oaxaca and that of Mexico.

The chapters of this dissertation, each taken alone, tell us less about the dynamic between institutions and local level politics and development. Together, however, the

analysis reiterates that institutions do matter. Whether it be to foster or impede the political and economic progress of a municipality, state or country, the design of institutions have drastic consequences. In the following pages, I offer a brief review of the principal findings of this research and then discuss what the implications of these findings are for the increasingly prominent indigenous movements around the world.

The first piece of evidence that the formal recognition of *usos* in 1995 did indeed have a dramatic effect on the political and economic lives of individuals in these communities comes from the analysis carried out in chapter 2 that offers strong evidence for the proposition that individuals in *uso* communities have begun to withdraw from formal politics at the national level. Though based only on voter turnout rates for the three elections that have followed the formal recognition in 1995, the strength and consistency of the results, as well as the array of control variables included in the analysis, all point to a substantively significant impact of *usos* on an individual's decision to turn out and vote in a federal election.

Why might this be the case? What about the formal recognition of *usos* would make people less inclined to turn out and vote, particularly for the watershed elections of 2000 that produced the first opposition president in the modern Mexican political system? As noted in the introduction of this dissertation, the democratization process in Oaxaca also coincided with a widening gap between the rich and the poor, thus Mexican democratization meant disenfranchisement and detachment for many Oaxacans. Coupled with two decades of economic crises, stagflation, and violence, the political process, indeed, seemed to offer little incentive to participate. However, as the models in chapter

2 suggest, even when we control for the tenuous political and economic environment in Mexico, *uso* municipalities detached from the formal political system at a far greater level than all other municipalities across Oaxaca and Guerrero. Was the detachment a product of indigenous culture or the institutional change?

While I note scholars who suggest that ingrained in indigenous norms is the disdain for secret elections, and a bargain did exist between *uso* municipalities and the PRI before the 1995 legislation, the design of *usos* further exacerbated the decline in turnout we would have otherwise observed. *Usos* promotes local quasi-autonomy and a detachment from the formal political system. The 1995 legislation effectively removed political parties and the ballot box from *uso* municipalities and the resultant effect was depressed levels of turnout beyond what we may have expected if *usos* was not formally institutionalized. What the removal of the ballot box and political parties at the *local level* meant for citizen participation in federal-level elections seems clear.

From the results in chapter 2, it is apparent that *usos*, while preserving indigenous identity and offering Mexico a blueprint for multiculturalism meant that indigenous-based municipalities would become increasingly detached and insulated from national-level politics and perhaps feel less effectively represented by those federal representatives charged with representing those communities. Conversely, from the perspective of federal deputies, senators, and presidents, *uso* communities, once formal recognition was adopted, became detached, somewhat apolitical, enclaves that had no natural grassroots partisan base on which to build a campaign. Thus candidates were likely less inclined to

spend time in these communities and far less inclined to expend precious political capital once in office in an effort to appeal to the *usos* constituencies.

Simply put, the formal adoption of *usos* seems to have led to the creation of a chasm in the federal system where the chain of representation for citizens of *uso* towns begins and ends at the local level. And though further research is required to more fully explore this chasm, it seems a product of both sides, citizens of *uso* communities who are less inclined to seek out federal officials, and federal officials who have little if any political desire to perform their representative function for *uso* citizens. The long-term result may be potentially devastating to democracy in Mexico as the chasm grows wider and wider and *uso* communities turn more and more inward and/or away from formal politics. Without an effective voice within that system, it is often the case that the voiceless will seek another means to speak. And as history has shown us repeated times, this form of communication often uses violence as its tool. In the era of democratization, a voice in the political area may matter most. As clientelism is replaced with democratic processes, the voice lost with *usos* may mean greater challenges for these small, rural often highly indigenous municipalities to express their needs from government.

Chapter 2 also brought to the fore the effects of migration on turnout at the federal level. Higher levels of migration depressed turnout levels across both Oaxaca and Guerrero. The implications of this impact of emigration in the context of the formal recognition of *usos* that also seems to have depressed voter turnout are extensive. The ability for *uso* municipalities to effectively present a voice at the state or federal levels of government are drastically limited by the dynamic of both the formal recognition of *usos*

and the experience of out-migration potentially resulting in an increased reliance on migrant money to meet local needs. And in fact, these trends may be part of a similar phenomenon where the emergence of transnational communities is becoming more and more important in the lives of indigenous communities and provides a parallel government in a sense that replaces the fundamentally flawed Mexican system that many individuals within *usos* communities no doubt perceived to exist during the 1990s. If one considers the following confluence of events, it becomes clear how and why *uso* communities may have been increasingly likely to detach themselves from formal politics in Mexico and grow more and more attached to their transnational community as the 1990s wore on:

- (1) The chaos and overt political violence of Mexico's uneven transition that persisted throughout the decade, particularly in the southern region of the country;
- (2) *Usos* as a means of selecting local officials and managing local government became officially enshrined in the state's constitution;
- (3) The chances of emigration to *el norte* became greater and greater with the passage of NAFTA, the rapid expansion of the US economy, and the flourishing of social networks that extended beyond the border; and
- (4) The revolutionary advances in communication and money-sending technology that occurred throughout the 1990s.

All of these processes came together during this decade and all at least plausibly conspired to turn *uso* communities away from formal politics in their own country and push them towards the "parallel universe" of transnationalism. And though potentially

providing an effective solution to short-term development needs, the implications of this disengagement, as noted above, are decidedly negative when played out over the long-term. The chapter concludes by suggesting that the indigenous movement, most concerned about the well-being of their own communities, have not fully examined the effects of the push for quasi-autonomy on intergovernmental relations.

Chapter 3 tested this proposition by evaluating the effects of depressed levels of turnout among *uso* municipalities on the allocation of federal monies to the municipal level. Driving the analysis was the assumption that decreased electoral participation at the federal level, and as a result an overall decline in support for the ruling party, would translate into a decrease in the amount of federal money (specifically *participaciones*) received by *uso* municipalities. The story is a reasonable one, linking decreased electoral support and a detachment from the formal political structures of the state and federal levels of government with a subsequent decrease in the amount of federal transfers these twons received. However, the analysis in chapter 3 offers a finding that on the surface seems counter-intuitive. *Uso* municipalities in fact received, on average, more *participaciones* than did direct vote municipalities in both Oaxaca and Guerrero.

While the results were surprising and, at first look, counterintuitive, the story of how *usos* affected the economic survivability of *uso* municipalities actually became much clearer. Though *uso* municipalities were voting, on average, less than they were before the 1995 institutional change, their support for the PRI at the federal level continued. The results in chapter 3 show that there was a positive relationship between PRI electoral support and the distribution of *participaciones*. Once again, several alternatives

presented themselves to explain the unusual observation. First, the relationship between *usos*, PRI vote share and *participaciones* may have been spurious. Another untapped factor may have been driving this relationship. The fact, though, that in each analysis multiple control variables were included to account for possible spurious relationships suggests that this was not the case.

A second possibility involved the new legislation passed down from the Zedillo administration that sought to impose a much more technocratic, apolitical means of distributing federal monies among states and municipalities. Given that there was still considerable focus among Zedillo administration officials on means-based targeting mechanisms, where monies were funneled to those areas of the country that needed them the most, the fact that *uso* municipalities received more money from the federal government may not be so counter-intuitive after all. Once again, though, in all of the models tested in chapter 3 (and 4), the first and arguably best measured municipal-level characteristic that was controlled for was its socio-economic development and thus its degree of need for federal monies. And, importantly, in most of the models at least one of these variables designed to tap the level of need of a municipality was significant, both statistically and substantively. What this means is that the models were adequately capturing this dynamic behind federal distribution of resources *and even after taking this into account uso* municipalities were receiving more money than direct vote municipalities. Thus, another factor must have been at play in the spending decisions made by state and federal officials.

One of the few remaining alternatives that remain, and the one that receives the greatest theoretical and empirical support in chapter 3 is that the PRI and *uso* municipalities struck another bargain.

Uso municipalities in Oaxaca and the PRI have made bargains since the PRI consolidated power from the federal to the local. The bargain before 1995 was based on the allowance of de facto *usos* in exchange for PRI vote support and endorsement. After 1995, the dynamic between the PRI and *uso* municipalities changed. Chapter 3 suggests that the bargain changed to PRI vote support in exchange for federal transfers. The bargain is reminiscent of classical clientelism employed throughout the reign of the PRI across Mexico.

However, as we consider the indigenous movements across Mexico, and specifically the EZLN movement pushing for an end to the deals made by the PRI that led to marginalization and second-class citizenship for the indigenous across Mexico, the deal strikes against the very fundamental core of the indigenous movements. The bargain is suggestive of a scenario where indigenous autonomy in even the narrowest practices of local governance has even more far reaching consequences than initially intended. Scholars point to the inability of *uso* municipalities to effectively manage federal transfers and spend the money in areas needed (See e. g. Fox and Aranda 1996). Autonomy and the maintenance of indigenous practices in politics and economics simply are unable to keep up with the interdependent political and economic environment of the Americas.

Quasi-autonomy, thus, forced rather than forged a relationship the Zapatistas saw in 1994 as detrimental to the survivability of indigenous identity. Yet, the isolation from the political machinery, specifically parties, left poor, underdeveloped municipalities unable to manage the day-to-day finances of their municipalities. A bargain between the PRI who, until 2000 controlled federal resources, and *usó* municipalities was inevitable. One small step forward in indigenous identity may mean one large step backward as classical clientelism solidifies itself in the highly indigenous *usó* municipalities. A loss of voice in the democratic process leaves *usó* municipalities vulnerable to the actions of the ruling elite who, while struggling for their own survivability, may often not have the silenced voice of the indigenous population in mind.

The resultant implications of chapters 2 and 3 then point to a newfound relationship between elite party politics, electoral support and federal transfers. Classical clientelism turns the act of voting, normally expressing a policy preference, into a way to get resources from the federal government. Regardless of policy position, *usó* municipalities vote at the bare minimum to demonstrate support for the dominant party in exchange for a cash reward. As Medina and Stokes (2002) note, this dynamic exists when there is a monopoly control over the economic assets valued by the voters. This relationship is a detriment to democracy, leaving the idea of casting a ballot for a policy preference secondary to the need for economic assets provided by the incumbent party.

Furthermore, as *usó* municipalities maintain clientelistic ties, their incorporation into a more formal and democratic system is hindered by their lack of effective participation. While the bargain seems to be a good one for *usó* municipalities, the

bargain is not without its price tag. Once again, *uso* municipalities give up their ability to exercise a voice in exchange for what may be little more than a payoff. Likewise, the displacement from the formal set of parties leaves *uso* municipalities lacking in effective representation at all levels of government. For the PRI electoral support may translate only into providing federal transfers, it may not translate into furthering the indigenous cause, narrowing the economic gap or including active participation by *uso* municipal governments in the broader scope of Mexican politics.

What the electoral relationship does is tie indigenous-based municipalities to the elite party in power. It forces *uso* municipalities to abide by the expectations of the ruling elite at the federal level of government. Autonomy, as it were, becomes little more than a ruse. De jure *usos*, while important for the maintenance of indigenous identity, in theory, may translate into greater levels of dependence on government.

However, chapter 2 and 3 are only the beginning of the story illustrating the relationship between *usos* and effective government. The analysis continued further to examine the relationship between PRI electoral support at the state level by *uso* municipalities and the provision of *participaciones*. We asked if there was a linkage between PRI vote share at the state level and the distribution of *participaciones* given Zedillo's decentralization policies. If so, we wanted to know what the effects of this relationship were in respect to the incorporation or exclusion of *uso* municipalities in state level politics. Chapter 4 thus further unpacked the dynamic between these intervening variables. The results, once again, reinforced a dominant relationship between *uso* municipalities, PRI vote share and the distribution of *participaciones*. The

bias for the PRI among *uso* municipalities was clear, so too was the bias in the distribution of federal transfers.

As the story told at the state level echoed the federal level, a new set of arguments presented themselves. State level turnout was higher in 2004 than it was for the federal elections of 2003. This particular reality struck against the grain of a common understanding that lower elected offices generally produced less interest among the electorate and thus resulted in lower voter turnout rates than federal elections. However, in Oaxaca turnout among both direct vote and *uso* municipalities at the state level were considerable higher than in the federal election just one year prior. Granted, the PRI developed a coalition to bolster its own support in the state elections, but even coalition building could hardly explain the rate of increase in turnout experienced at the state level when compared to the federal elections of just a year before. Clearly, increased turnout must have been the result of an external factor beyond simple interest in the campaign.

The analysis provided a third piece of evidence that presented at least one possible explanation for the increase in voter interest at the state level. While turnout between both direct vote and *uso* municipalities were higher, *uso* municipalities were turning out to vote at a far greater rate than direct vote municipalities. Furthermore, *uso* municipalities were casting their votes for the PRI. Why would indigenous-based *uso* municipalities cast their votes for the PRI given the movement against the PRI led by the indigenous neighbors to the south and the EZLN? The answer once again leads to a deal struck between PRI elites and *uso* communities. However, why would *uso* municipalities

be striking deals with the PRI in an era where the indigenous movements sought to free themselves from the, to take a literary license, shackles of oppression?

I argue that the very institutional feature of quasi-autonomy and the removal of parties at the local created a need-based bargain among *uso* municipalities for PRI assistance. *Usos* creates an environment of political detachment from the formal structures in Oaxaca to such an extent that *uso* municipalities find themselves isolated and alone. The PRI is able to effectively take advantage of this scenario and capitalize on the *uso* predicament. The PRI, likewise in a position of political precariousness, offers economic support in the form of *participaciones* in exchange for *uso* municipalities demonstrating their loyalty to the old guard. The match, it would seem, was one made in some sort of “patron-client heaven.” Both entities benefiting from a bargain that solves each of their needs. The reality, however, is that the PRI was merely solidifying classical forms of clientelism in the primarily indigenous-based municipalities. Larger and larger chunks of the proverbial pie silenced the indigenous voice in politics, once again. Cooptation and clientelism reverted *uso* municipalities to business as usual with the PRI. So despite the troubles the PRI was facing across the country and state during the latter part of the 1990s and into the 21st century, the Oaxaca party apparatus had found in *uso* municipalities a rock solid constituency that only required a bit of clientelistic attention in order to generate reliable electoral support. And with *uso* communities being ones where individuals tended to act cohesively, be it with respect to community projects or voting, the electoral support of an *uso* community often meant the entire community, just as in the “good old days” of one-party rule. The democratization process, as it were, was left

behind by *uso* municipalities looking for the quick fix to developmental problems and state-level PRI officials looking for ways to maintain one-party rule in the state.

The story tells of the dangers of decentralization on democracy. Decentralization empowers new political actors in new levels of government. New independence among local leaders opens the possibility for actors to respond in a variety of ways.

Decentralization does not instantly mean that government officials will respond honorably, though multiple centers of government generally suggests this to be the case. As the system is opened, creating more opportunity for effective government, so too do the opportunities for ineffective government arise.

Rosenbaum (1999) notes that local governments that are unable to raise their own revenue and depend on revenue being passed down from higher to lower levels, can create “fiscal irresponsibility” among the political elite at lower levels of the power structure. *Uso* communities are subject to this very manipulation. The ultimate dynamic is the lack of democratic institutions to sustain decentralization and vice versa. The paradox of decentralization and democratization is that each rest on the other. Ineffective institutions in either arena may result in the devolution of the system as a whole. In Oaxaca, *uso* municipalities are at a unique disadvantage as they represent autonomous systems of government existing on nearly a separate hierarchical structure of governance.

The process of decentralizing *participaciones* then means that while the goal is to decentralize to achieve democratization, decentralization in the *uso* environment leads to a reinforcement of authoritarian-like clientelism. Strong local institutional structures must be in place to handle the new demands of decentralization. While parts of Mexico

have responded positively to the decentralization process, *uso* municipalities fall short. The lack of party ties to ensure representation of their interests and guarantee a level of accountability among the political elite opens the door to economic and political manipulation. *Uso* municipalities sever their political ties to parties in the name of indigenous identity. They remove their ballot boxes in exchange for communal assemblies and consensus. The resultant effect is a weakening of municipal institutional ties to other levels of government and a decreased inability to handle the decentralization process. The inability to raise revenue and effectively tax at the local translates into greater reliance on federal money. Political elite are able to provide the necessary resources at a cost for the weak institutional design inherent in *usos*.

This is not to say that *usos* is an inherently weak institutional feature and that the incorporation of indigenous customary law at the local is necessarily a bad decision. Rather, the design of local autonomy and the severing of political ties coupled with the inability for residents to secretly, and without repercussion, punish bad government through a ballot box makes dealing with the decentralization process in Mexico more tenuous. Decentralization and democratization have created increases in the poverty gap as democracy often touts equality of opportunity and nothing more. *Uso* municipalities are simply unable to respond to the fiscal responsibilities inherent in decentralization.

Indigenous autonomy, under authoritarian rule, may provide a different set of outcomes. However, in Mexico as it attempts to democratize and decentralize power, the institutional design creates a perfect scenario for political and economic manipulation by political elite on the vulnerable *uso* municipality. One is left asking what autonomy at

the local means in *usos* municipalities. Does it mean that *usos* is nothing more than a way to weaken local institutional structures for party elites to manipulate? Alternatively, does the constitutional recognition of *usos* stand beyond the institutional weaknesses associated with democratization and decentralization? That is, is the tradeoff resulting in bargains for economic resources payoff in the end by ensuring indigenous identity? If not, what set of institutional features must be implemented in indigenous municipalities to ensure their identity is preserved? It is their identity, as it were, and their hopes to maintain a culture, a language and a way of life (that is, to avoid assimilation) that pushed the movement for *usos* in the first place.

The story of cooptation and clientelism leaves at least one question unresolved: who is the ultimate winner in the bargain? Classical clientelism often created a scenario where the elite ruled with little challenge and the municipality was rewarded with material goods that often were misappropriated by local power brokers. Was the dynamic between the PRI and *uso* municipalities the same after the 1995 legislation or were *uso* municipalities able to solve their own development questions internally now freed from internal PRI control?

In chapter 5, the development question is explored. Chapter 5 explored the relationship between the increases in federal *participaciones* and the development of basic services. I was interested in uncovering two issues: one, did the increase in *participaciones* translate into an increase in the provision of basic services; and two did quasi-autonomy provide the institutional design capable of resolving, at least in part, the development question in indigenous municipalities?

Herein, the evidence is less conclusive. Examining the provision of education and to a lesser extent water and electricity, it seemed that *uso* municipalities were at least maintaining the gap between direct vote municipalities. In a comparison of students to teachers, migration and PRI vote share were the two casual independent variables. The amount of *participaciones* made no difference in the student to teacher ratio. As I note in the chapter, while migration (resulting in fewer student to be taught) should have a positive effect on the student to teacher ratio, the PRI vote share was of considerable interest. The PRI vote share variable suggested that an increase in PRI electoral support meant fewer students per teacher. While I am cautious about the claims one can infer from the model, it is once again suggestive that PRI electoral support translated into a tangible benefit. It is also suggestive that both the PRI and *uso* municipalities were winners in the bargain made between the two. While democracy is still the loser, the initial assessment is that perhaps the dynamic relationship between *uso* municipalities and the PRI translated into shared benefits.

In examining students per school, the story seems to be the same. Except in this case the allocation of federal transfers was significant and *participaciones* translated into fewer students per school. PRI vote share, this time however was not significant. The model demonstrated inconsistency between PRI vote share, the allocation of federal transfers and the provision of education. While it is very likely that PRI vote share and *participaciones* translate into the same story, the analysis requires a slight leap of faith that the interactions between the two independent variables are significant.

One other alternative does present itself in chapter 5. For both the student to teacher ratio and the students per school ratio, migration had a positive effect. As the deal struck between the PRI and *uso* municipalities did in fact translate into more money, the increase in *participaciones* did not necessarily translate into the provision of basic services. What else then may play a role in the relationship between the provision of basic services and *uso* municipalities. One option I present is migration. Migration may be a significant intervening variable that can explain advances in the provision of basic services.

Migration, then, may explain the apparent improvements in such areas as student-teacher ratios and students per school. With both of these indicators, high levels of emigration will produce a situation where there are simply fewer students around to teach. The dynamic of a loss of voice based on the elite driven bargain in exchange for local “autonomy” and the increasing income gap between the rich and poor may be driving those most able to emigrate to environments with greater economic opportunities. Those most able may also represent school age children/young adults who opt to exit the system rather than voice loyalty toward a system that has tightened the grip of authoritarianism among indigenous-based municipalities. With their exit exists a final option that may offer a final venue of hope for local autonomy: remittances.

As noted in chapter 5, one proposition left untested in this dissertation is the relationship between remittance money sent back to a municipality and the provision of basic services. When PRI vote share and *participaciones* were not significant across all models in chapter 5, the *extension* option provides at least one plausible alternative.

Because institutional structures exist in Oaxaca that reinforce group dynamics, *uso* municipalities find themselves more suited to deal with the need for basic services. In extension, a municipal group dynamic develops, as an extension arm, into the United States and across Mexico. Instead of exiting the system, *uso* municipalities are extending the municipality to an area where economic resources are available to provide municipal needs back home. Associational groups, such as Home Town Associations, provide resources to *uso* migrants including job assistance, remittance transfers and other support features that help insure a continued interaction and symbiosis between the sending and receiving communities (see e.g. Ortiz 2002). The extension dynamic is another approach to understanding the potential impact local institutions may play in the lives and livelihoods of indigenous communities.

As democratization continues to unfold across Mexico and throughout the Oaxaca valley, the bargains between political elite and *uso* municipalities may be further challenged. Clientelistic ties to the PRI grow weaker every day as their support not only in Oaxaca diminishes, but PRI support is challenged throughout Mexico. If Mexico is to consolidate democracy, it will have to deal with the decades old issues of clientelism and cooptation and find new venues to garner electoral support. Furthermore, as politics incorporates more transparent fiscal policies and institutions, policies of decentralization will less likely fall in corrupt hands. The resultant effect for *uso* municipalities may be devastating.

Where then does the quasi-autonomous *uso* municipality turn? If the answer to the indigenous question is to provide primarily indigenous-based municipalities local

autonomy, the effects of democratization on these municipalities both politically and economically will not be without consequences. If and when a clientelistic relationship between political elites and *usos* municipalities comes to an end, these politically and economically isolated communities will be forced to resolve local developmental issues alone. The *uso* municipality is already turning toward their migrants and the institutional structure inherent in *usos* reinforces a relationship with those who have left and those left behind. The ultimate response for these municipalities will be a reliance on remittance monies from sending communities. No longer will remittance money go simply to the family of the migrant but we will begin to see, and we already have begun to see, new development projects using remittance money as the lifeline for the provision of basic services.

It is, as I have noted several times throughout this dissertation, the difficulty of political and economic isolation that the institutional design of *usos* promotes that may be its undoing. *Uso* municipalities as well as state and federal governments must recognize that the indigenous question is less aptly answered by reinforcing marginalization and isolation. While all too often the goal is the preservation of indigenous culture, language and identity, it is in this preservation that we turn indigenous based municipalities into science experiments of the old. Democracy, as it has functioned across the developed world requires active participation, accountability and the ability to cast a policy preference without fear. Democracy, to work, requires that all people it governs be treated equally. It is in the inherent design of democracy, good or bad, to require active participation. The design of *usos* simply is the antithesis of the democratization process.

Perhaps it is the desire of indigenous communities to want to ward off democratization. Their first experiences with the democratic process brought increased poverty and put heavy burdens upon the local shoulders for the provision of basic services. Again, for decentralization and democratization to work, it must be a bottom up process developing strong institutions at the local to handle the responsibilities handed down to them from the state or federal levels.

Nevertheless, for *uso* municipalities, and much of the indigenous based world, we as political scientists must recognize the need to maintain the cultural norms and identities of the indigenous populations around the world. Burke noted the need to maintain established institutions for the Irish and perhaps the same prescription for the indigenous world is required as well. However, the indigenous question remains. What becomes of them? Do we allow them to live in isolation and promote a system of exclusion and authoritarianism often saturating *uso* governments? What about the provision of public goods or basic services for indigenous-based municipalities?

To return to voice, loyalty, exit or extension one final time, *usos y costumbres* leaves one viable option for economic survivability: extension. The voice among *uso* municipalities as chapter 2 demonstrated, grows ever more silent. Loyalty is, only a temporal space between voice and exit. Exit, while an active option as we see more and more indigenous leave for more prosperous alternatives, means little to politicians who have a shrinking constituent base in communitarian based municipal government. The final option, and one for future research, is extension. For *uso* municipalities to survive in the tumultuous environment of democratic transition, the need of those left behind to

hold on to those who migrate is ever growing. The demands on migrants for fiscal resources in the sending communities will continue to grow. Ultimately, *usos* does not answer the indigenous question; rather, it exacerbates it. Its inherent flaw is its institutional design. Until Mexico and the world are better able to respond to the indigenous question, indigenous options in the Mexican system are limited to two: exit or extension.

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