

Democrats and Autocrats

Pathways of Subnational Undemocratic
Regime Continuity within
Democratic Countries

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1

Introduction

“This is my state,” yelled José Murat (1998–2004), the Oaxacan governor from the Institutional Revolutionary Party (PRI) to one of the federal officials held hostage in “his” state, “and I decide who meets with whom, and whether or not you hold meetings in Oaxaca” (interview Lepine, see also *Periódico Reforma*, August 23, 2002). In August 2002, two years after Mexico’s national democratization took place, a group of federal officials from the Ministry of Social Development (Sedesol) were kidnapped in the Oaxacan city of Mitla. The federal officials had traveled south from Mexico City to answer the claims advanced by the handful of National Action Party (PAN) mayors ruling in Oaxaca, who argued that the PRI state government was not distributing Sedesol programs according to eligibility criteria. Instead, the mayors claimed that the PRI was allocating program funds to political and partisan allies, and consequently funds were not reaching PAN-ruled mayoralities. The kidnapping occurred when the group of PAN Sedesol officials and PAN mayors were holding a meeting to discuss strategies to ameliorate the discretionary distribution of social programs in Oaxaca. “All of a sudden,” as one of the kidnappees reported, “the doors of the meeting room were opened and Ulises Ruiz [then, federal senator of Oaxaca, and subsequently governor of the state (2004–10)], leading a crowd of 100 PRI mayors, burst into the room, violently apprehended us, and took us away in a pickup truck. The kidnappers held us hostages for one day” (interview Lepine; see also *Periódico Reforma*, August 23, 2002). The governor’s aim, as the interviewee reported, “was to demonstrate [to] my boss [Josefina Vázquez Mota, Secretary of Sedesol, 2000–6], that PAN federal officials could not meddle in Oaxacan politics, much less dictate to the governor how federal social programs should be distributed” (interview Lepine). Indirectly, Murat also wanted to send a clear message: PAN President Vicente Fox (2000–6) was not to encroach upon the governor or the state of Oaxaca. Shortly after this episode, the federal government

refused to sign subsequent Convenios de Desarrollo Social (treaties of social development)¹ and took other actions to oppose and weaken the regime. Despite efforts from the federal government at undermining Oaxaca's subnational undemocratic regime (SUR), Murat, and his successor Ulises Ruiz, managed to keep the regime alive by relying on a sturdy local coalition of support, which rested primarily on the backing of local party elites.

This episode, which vividly illustrates the persistence of subnational incumbents' undemocratic practices after Mexico's national democratization in 2000, also reveals important aspects of the relationship between democratic presidents and some subnational autocrats. For one, it shows the president's incapacity to wield power over one of Mexico's most recalcitrant undemocratic rulers as well as the president's inability to discipline and obtain the governor's cooperation. From another perspective, the episode highlights the governor's disposition and capacity to challenge the authority of a democratically elected president as well as his capacity to sustain an undemocratic regime despite federal attempts to undermine its foundations.

A different pattern of intergovernmental relations between a democratic president and a subnational autocrat was observed during Fox's presidency in Oaxaca's neighboring state, Puebla, which is also one of the least democratic states of Mexico (see Chapter 3). Unlike Oaxaca, the political presence of the PAN in this traditionally PRI-ruled state has always been significant. Whereas in Oaxaca an average of 9.64 percent of the municipalities between 1998 and 2007 were ruled by the PAN, in Puebla an average of 19.47 percent of municipalities were ruled by the PAN during the same time period.² The greater number of PAN-ruled municipalities, which, as discussed in Chapter 7, resulted from a less patrimonial exercise of state power, posed a challenge to the capacity of PRI *poblano* governors to, in Edward Gibson's (2005, 2013) terms, carry out strategies of boundary control. In the era of PAN presidencies (2000–12), the larger presence of the PAN in Puebla's municipalities became critical to facilitate PAN presidents' capacity to wield power and control—via their local party organization—over the state and its subnational autocrat. Greater control over *poblano* governors, in turn, was decisive

¹ Every year each Mexican state signs these treaties with the federal government in which both parties stipulate which social programs will be co-financed by the state and the federal government.

² Oaxaca's percentage is calculated on the basis of the 152 municipalities where political parties compete in local races. The remaining 418 Oaxacan municipalities have, since the 1990s, adopted a system of indigenous customs (known in Spanish as *usos y costumbres* or UC). Customary law-observing communities use a mix of Western and traditional electoral means: citizens elect federal and state authorities according to standard liberal electoral processes of secret ballot and universal suffrage, and they elect municipal authorities via indigenous customs (see Eisenstadt and Yelle 2012).

for inducing and ultimately obtaining political cooperation from Puebla's autocrats. As a result of the presidential leverage that resulted in cooperative *poblano* governors, autocrats in Puebla, unlike their Oaxacan counterparts, were regarded as key political allies of PAN presidents. Furthermore, in contrast to Oaxaca's SUR, Puebla's SUR was rarely seen as threatening. On the contrary, PAN presidents saw fit to sustain and reproduce the Puebla political regime despite its undemocratic characteristics.

A New Perspective on the Study of SURs within Democratic Countries

These two examples reveal important aspects of the relations between (national) democrats and (subnational) autocrats and shed light on the causes of SUR continuity *within* nationally democratic countries. First, contrary to conventional wisdom, SURs within democratic countries maintain different—and at times opposed—relations with the federal government. Whereas some of them can be subjugated to the will of democratically elected presidents, others can become powerful opponents of national incumbents, so much so that they can prevent federal officials from implementing federal policies in their territories. Second, the case of Puebla shows that, despite the fact that democratic presidents breach state-level borders and penetrate undemocratic enclaves by striking alliances with local oppositions, SURs continue to exist. In other words, contrary to conventional wisdom, the existence of “boundary opening” strategies does not necessarily trigger SUR change. Third, the cases reveal that the prospects of wielding effective presidential power over subnational autocrats figures prominently in national democrats' calculations regarding their actions to oppose or sustain SURs. Where presidential power is effective to obtain the acquiescence and cooperation of subnational autocrats, (national) democrats help the latter to strengthen their SURs. Where this presidential power is not effective, presidents favor SUR weakening by, for instance, denying social programs. Yet, despite regime-destabilizing attempts, some SURs continue to stay in power.

The Mexican examples pose important and puzzling research questions for the study of SUR continuity within nationally democratic countries. What explains different pathways of SUR continuity within nationally democratic countries? Why is the pattern of center–SUR relations different within countries? Why do some autocrats and SURs prevail despite presidents' strategies to weaken SURs? Why do democratic presidents support some autocrats and SURs, even when they are from the opposition? Why do presidents support undemocratic regimes even when subnational autocrats cannot carry out strategies of boundary control? Under what conditions do democratically

elected presidents endorse or combat (opposition and/or copartisan) auto-
crats and SURs?

These are the central research questions addressed in this study. In brief,
the book argues that there are two alternative within-country pathways to
SUR continuity. What sets SURs onto distinct pathways of reproduction
is the capacity (or lack thereof) of national incumbents to wield effective
power over (opposition and/or copartisan) autocrats and their regimes,
which in turn is critical to facilitate (or discourage) the cooperation of sub-
national undemocratic rulers with the president’s agenda. Where national
incumbents can wield effective power over and obtain the acquiescence
and political cooperation of (opposition and/or copartisan) subnational
autocrats, the former have incentives to strengthen and sustain subnational
undemocratic regimes from above. When this occurs, *SUR reproduction from
above* ensues. Conversely, where presidents fail to exert power over (oppo-
sition and/or copartisan) autocrats, and are in turn incapable of obtaining
the latter’s cooperation, the former have incentives to carry out actions to
weaken SURs. Nonetheless, the capacity of subnational autocrats to main-
tain party elite unity and to elicit the support of the local masses allows
autocrats to maintain the status quo and keep their regimes alive. When
this occurs, *SUR self-reproduction* ensues. Figure 1.1 graphically summarizes
the book’s argument.

These two diverging pathways of SUR continuity within countries are the
subject of this book’s investigation. Specifically, the study seeks to unravel
different causal conditions and combinations of variables leading to a similar
regime outcome, i.e. SUR continuity, within countries.

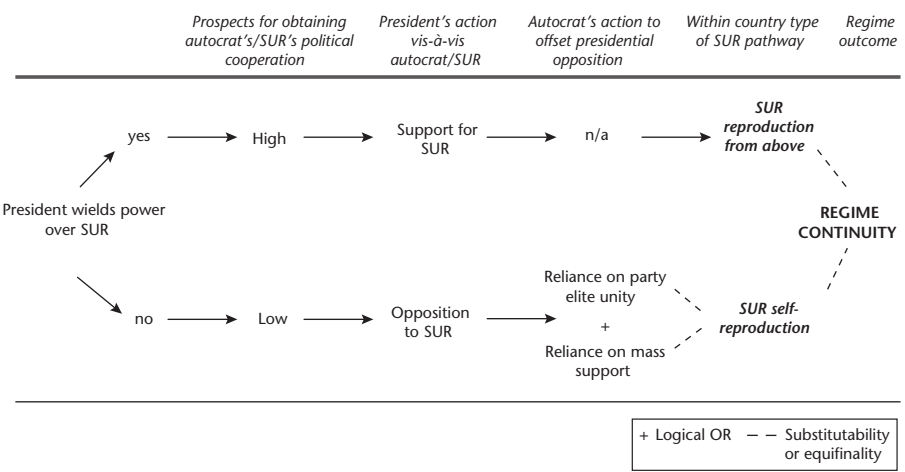


Figure 1.1. Argument of the book

Contributions to the Study of SURs in Democratic Countries

The argument advanced in this book fundamentally challenges the assumption that there is one single pathway to SUR continuity within countries. It shows instead the existence of multiple (within-country) paths to the same political outcome (i.e. regime continuity).³ The study is premised on the notion that SURs within countries not only differ among themselves but that they maintain different relations with the federal government, which is why they are reproduced differently.⁴ The book thus revives a promising line of research, initiated by Richard Snyder (1999, 2001a) more than a decade ago, whose focus on within-country regime differences as well as their varied interactions with the federal government contributed to a better understanding of subnational political processes.

The acknowledgment that there are regime differences—which propel a variety of SUR–center interactions, and, in turn, trigger alternative pathways of SUR continuity within countries—helps advance the study of SURs in national countries in several ways. First, recent scholarship on SUR continuity has found that the factors that perpetuate these regimes in power may be quite different across countries (Gibson 2013). In his path-breaking book, Gibson (2013) argues that, given that the factors that reproduce SURs are intrinsic to a given configuration of national variables, we should see that different combinations of national variables trigger varying patterns of SUR continuity *across* countries. As a result, SUR reproduction in country *x* should differ from the type of reproduction observed in country *y*, which in turn should contrast with the pattern of SUR continuity seen in country *z*. This view, while acknowledging the likelihood of alternative types of regime reproduction, overlooks the possibility that SURs *within a single country* may be sustained by a combination of different causal factors. This book complements existing works that focus on different cross-national trajectories of SUR reproduction by showing that these trajectories can also be dissimilar *within* countries.

Second, the book’s acknowledgment of SUR differences and varying types of SUR–federal government interactions within countries invariably shifts the focus of SUR study from single subnational case studies to within-country subnational comparisons. This shift from subnational case study analysis

³ In other words, it reveals the existence of equifinality (George and Bennett 2005). The phenomenon of equifinality is also referred to as “multiple causality” or “multiple conjunctural causation” in Charles Ragin’s books, *The Comparative Method* (1987) and *Fuzzy-Set Social Science* (2000).

⁴ While there are works that underscore the existence of within-country SUR variation (see, for instance, Gervasoni 2011; Saikkonen 2011), none of them has argued that these differences play a key role in regime continuity.

(which has been the norm so far⁵) to within-country comparative subnational analysis (which is at the core of this book) breaks new ground in the study of SURs in new democracies, and consequently offers a new perspective to assess the continuity of these subnational regimes.

Third, the book departs from existing works on SUR continuity by shifting the focus of attention to presidents rather than governors. Most of the more influential theories on SUR continuity focus on the capacity of subnational autocrats to control borders, but they seldom analyze the sources that allow democratic presidents to wield effective power over SURs and their rulers. This book not only examines the conditions under which this presidential power is possible and effective, but argues that its presence, rather than the power and control exerted by SUR incumbents over the areas they rule, is the key causal mechanism through which democratic presidents engage in strategies of SUR reproduction from above.

The focus on presidential power also importantly fills an important analytical void of existing scholarship on SUR reproduction. Most of the studies on SURs that adopt an intergovernmental approach (see Chapter 2) have argued that democratic presidents tolerate SURs because the latter can provide key political benefits to the former. This *quid pro quo* is usually seen as mechanical and it is assumed to apply to the universe of SURs within a given country. This book shows, instead, that democratic national incumbents tolerate, and ultimately help to reproduce, only the SURs upon which they can wield effective (fiscal or partisan) power. Likewise, the book shows that subnational autocrats' political cooperation, their acquiescence, as well as their subordination to national democrats take place only to the extent to which presidents wield effective (political and/or fiscal) power over subnational autocrats. In the absence of this presidential power and control, subnational autocrats have few incentives to deliver political benefits that could favor national incumbents. In sum, this study contributes to the literature on SUR reproduction by fleshing out the mechanisms that account for presidents' ability and incentives to further sustain undemocratic regimes in the periphery. This study elucidates as well the factors that propel (copartisan or opposition) subnational autocrats to deliver political goods to national democrats.

Fourth, the study moves past existing assumptions that presidents only help reproduce SURs that are ruled by copartisans. This book, for example, does not take for granted that presidents' capacity to obtain the cooperation of subnational autocrats is higher or more likely when national incumbents and autocrats belong to the president's political party or share the same political ideology. Rather, it assumes that both opposition and

⁵ For a notable exception, see McMann (2006).

copartisan autocrats can deliver important political benefits to the presidential cause, and, in turn, be sustained from above, when disciplined by the watchful eye of democratic presidents. By challenging the relevance of national–subnational copartisanship, the book helps open up new research frontiers in the study of SUR reproduction in nationally democratic countries.

Finally, while the book builds on existing works by stressing the importance of variables at both the national and subnational levels of government, it argues that new variables need to be taken into account in order to address SUR continuity in democratic countries. The book shows that the territorial extension of national political parties, the nature of state structures prevailing in each SURs, as well as the capacity of SUR incumbents to maintain local party elite unity and to elicit mass support, are key factors for the sustainability of SURs. The focus on national and subnational variables that have so far been overlooked contributes to complementing existing works on SUR continuity within democratic countries.

Definitions and Argument's Scope Conditions

What is a SUR?

The SURs analyzed and referred to in this book are not municipal, local regimes; instead, they are provincial or state-level, second-tier political regimes. Following McMann (2006) and Gervasoni (2010a, 2010b), this study defines provincial/state-level SURs as civilian electoral regimes that are neither fully authoritarian nor fully democratic.⁶ As discussed in greater detail in Chapter 3, SURs can be clearly distinguished from subnational authoritarian regimes because they hold regular, multiparty elections, and, unlike authoritarian regimes, opposition groups and parties are not legally barred from competing in subnational elections. What distinguishes SURs from subnational democracies is the fact that the actual opposition's capacity to defeat subnational autocrats (and/or their parties) in elections is significantly handicapped. Through a variety of undemocratic, illegal, and informal actions, such as electoral fraud, restriction of political and civic rights and liberties, electoral violence, and/or periodic changes in electoral rules and political institutions, incumbents systematically prevent the opposition from gaining access to state positions—hence SURs cannot be regarded as democratic.

⁶ For a discussion and justification of why these regimes are not referred to as hybrid or any other subtype of hybrid regimes, such as competitive authoritarian regimes (Levitsky and Way 2010), see Chapter 3.

SUR Continuity and SUR Change

The focus of inquiry of this book is SUR continuity, rather than SUR origins or SUR change. Accordingly, the study centers both on the provinces/states that continue to be or became undemocratic and remained so in the period under study (i.e. 1983–2009 in Argentina, and 1997–2009 in Mexico), and the factors that helped perpetuate these regimes in power. The primary reason for focusing on regime continuity rather than regime origins and change is that, as shown in Chapter 3, SURs are stable. The evidence presented in this book indicates that, once in place, the vast majority of SURs remain for long periods of time, with only few of them making strides towards subnational democracy. For this reason, the task of this book is to understand the specific mechanisms that enabled SURs and their autocrats to cling to power for so many years, thus turning these regimes (and their rulers) into durable and “sticky” undemocratic polities (autocrats). Accordingly, the subnational cases selected for in-depth analysis will be cases where undemocratic regimes were in power for decades.

In the concluding chapter, however, positive cases, i.e. subnational regimes that remained undemocratic, are contrasted with cases of SUR change, i.e. negative cases. This contrast is meant to show that the conditions hypothesized to be crucial for producing SUR continuity in the positive cases were absent, or not all present, in the negative cases that experienced SUR breakdown. The analysis presented in Chapter 8 reveals that the two hypothesized conditions, ineffective presidential (fiscal or partisan) power in the first place, and the incapacity of autocrats to rely on a sturdy local coalition of support (i.e. inability to build party elite unity and obtain mass support), in the second place, were present in Oaxaca and Puebla after 2009. The absence of these two conditions explains why these two SURs experienced party alternation in 2010, ten years after Mexico’s national transition to democracy. In sum, this analysis reveals that the theoretical model presented in this book offers the possibility of predicting SUR breakdown.

Federal and Unitary Countries

Unlike previous works on subnational undemocratic regimes, this book develops an explanation of SUR continuity that can travel beyond federal democratic countries. In general, works on this topic have produced theories whose core premises are only to be found in federations or highly decentralized democratic countries (Gibson 2005, 2013; Gervasoni 2010a, 2010b, 2011; Mickey 2013). As a result, these theories can only explain SUR continuity in these settings. The core building blocks of this book’s argument, in contrast, can be found in both unitary and federal democratic countries. According to

the argument presented here, presidents' capacity (or lack thereof) to wield effective (fiscal or partisan) power, their ability to obtain the cooperation of subnational autocrats, and undemocratic rulers' ability to neutralize presidential power are the three key factors that account for various trajectories of SUR continuity within democratic countries, and they are not exclusive to federal polities.⁷ The implications of this book's explanation should apply in all countries where a democratic national government coexists alongside an undemocratic subnational government.

Research Design, Case Selection, and Organization of the Book

The explanation of SUR continuity advanced in this book is tested in contemporary Argentina and Mexico, two of the largest Latin American countries. Three aspects make Argentina and Mexico particularly suitable for this study. First, as shown in Chapter 3, Argentina and Mexico have a considerably large number of SURs. Second, as demonstrated in Chapter 3, Argentine and Mexican SURs vary widely regarding the institutional and fiscal factors that shape presidential power over SURs, and in turn, in the factors that determine alternative pathways of SUR continuity within each country. This variation is needed to test the validity of the book's argument. Third, as shown in Chapter 5, Argentina and Mexico differ in terms of the instruments presidents have used to wield power over, and obtain the cooperation of, subnational autocrats and their regimes. Whereas Argentine presidents have generally exercised power through fiscal means, their Mexican counterparts have resorted to partisan instruments to win over undemocratic governors. Despite differences in the way in which presidential power has been exerted in each country, the trajectories of SUR continuity within countries have been similar. That is, where national incumbents have been able to wield effective power over autocrats, SUR reproduction from above has resulted in both countries. Where, by contrast, national incumbents have been incapable of exercising authority over recalcitrant undemocratic governors, presidents have undertaken actions of SUR weakening. The study of Argentina and Mexico thus reveals that, in spite of dissimilar strategies of presidential encroachment upon autocrats, the logic of the argument holds across countries, thus validating the generalization of the explanation.

In terms of the methodology, the book employs a multi-method approach that includes both quantitative and qualitative methods, as well as cross-national

⁷ That two federal countries are selected as the primary cases of study in this book does not invalidate this claim.

and within-country comparisons of two SURs in each country (La Rioja and San Luis in Argentina; Oaxaca and Puebla in Mexico). The qualitative analyses examine the 2003–9 period in Argentina and the 2000–9 period in Mexico, spanning four presidencies in two countries. In Argentina, the presidency of Néstor Kirchner (2003–9) and the first half of Cristina Fernández de Kirchner's administration are analyzed. The Mexican presidency of Vicente Fox (2000–6) and the first half of Felipe Calderón's administration are examined in Mexico. The quantitative analyses, in turn, cover the mid-1990s–2009 period in Argentina and the 2000–9 period in Mexico.

The book is divided into one theoretical and six empirical chapters. Chapter 2 outlines the theory of within-country pathways of SUR reproduction. The first part of the theoretical chapter discusses existing approaches to the study of SUR continuity. Against that framework, the second section of the chapter presents this book's argument and lays out its core building blocks. As noted, one of the major contentions of the book is that effective presidential power over subnational autocrats determines within-country pathways of SUR continuity. Accordingly, Chapter 2 theorizes about the conditions under which this presidential power is likely. Building on the idea that presidents' power over autocrats is not absolute but distributive, the chapter explores the institutional and economic resources available to presidents in order to coopt and to obtain the acquiescence of subnational autocrats. Likewise, the chapter analyzes the institutional and economic resources that subnational autocrats have to resist presidential power. Drawing on the insights provided by the literature on political parties' territorial structures and fiscal federalism, the chapter argues that presidents usually employ two major resources to control autocrats: their party organizations and/or federal funds that are allocated to subnational jurisdictions. Subnational autocrats, for their part, make use of two different resources to prevent encroachments of national incumbents: their fiscal autonomy vis-à-vis the central government, and the nature of local state structures that facilitate the concentration of authority in the hands of the ruler. Given that these resources vary across SURs in a given country, some autocrats are in a position to neutralize presidential power, whereas others easily succumb to it. This variation in the capacity of subnational autocrats to resist encroachments from the central government accounts for the different within-country pathways of SUR continuity within democratic nations.

Chapter 3 advances a careful characterization and operationalization of subnational political regimes, and measures the level of democracy in all Argentine and Mexican provinces over time. In doing so, the chapter "maps the terrain" of SURs, spells out more clearly what these regimes are all about, and provides a systematic assessment of subnational political regimes across time and space in two of Latin America's biggest countries. The conceptual

and operational definitions of SURs, as well as their measurement and results, are presented in the first part of this chapter. The second part is devoted to uncovering and systematizing SUR variation. The chapter distinguishes between regimes that have or lack patrimonial state structures, and those that have or lack fiscal autonomy from the national government. In so doing, the chapter provides a systematic empirical analysis of SUR variation in all Argentine provinces and Mexican states over time. The data presented and analyzed in Chapter 3 also help to eliminate/weaken the explanatory power of alternative theories of SUR continuity. Specifically, the data challenge the validity of theories that argue that SUR continuity is determined by geographic location, cultural heritage, and levels of socioeconomic development.

Testing the explanation advanced in this book requires a two-stage strategy. The first stage occurs at the country level, and is focused on identifying the instruments available to presidents to exert effective presidential power over SURs and their autocrats. The second stage explores within-country comparisons and aims to show that pathways of SUR continuity within countries are primarily determined by the capacity (or lack thereof) of national incumbents to wield effective power over autocrats and their regimes, which in turn is critical to facilitate (or prevent) the cooperation of subnational undemocratic rulers with the achievement of the president's cause.

Chapter 4 measures and compares fiscal and partisan instruments of presidential power in Argentina and Mexico. An examination of each of the post-1989⁸ presidencies in Argentina reveals that presidents used multiple instruments to exercise power over subnational rulers. While Peronist President Menem employed fiscal and partisan resources to discipline SURs and their autocrats, Peronist Presidents Duhalde, Kirchner, and Fernández de Kirchner wielded power over subnational autocrats using mostly fiscal instruments. By contrast, Presidents Fox and Calderón in Mexico resorted to partisan instruments to exert authority over and obtain the cooperation of SURs and their autocrats.

After establishing the specific instruments of presidential power, the book carries out within-country comparisons to explore whether different trajectories of SUR continuity were contingent upon subnational undemocratic rulers' capacity to resist (or succumb to) presidential power. Chapter 5 tests the more general claim of the book's argument, namely, that effective presidential power over autocrats leads to SUR reproduction from above. To do so, different cross-sectional time-series analyses of all Argentine and Mexican SURs are performed. The chapter analyzes the politics of SUR reproduction

⁸ Fiscal data for Alfonsín are missing, which is why the assessment of his capacity to wield power over provincial-level authorities is incomplete.

during the administrations of Menem (1989–99), De la Rúa (1999–2001), Duhalde (2002–3), and the Kirchners (2003–9) in Argentina, and the presidencies of Fox (2000–6) and Calderón (2006–9) in Mexico. The quantitative analyses conducted in Chapter 5, which encompass the universe of SURs in the post-transitional period in Argentina and Mexico, help gain inferential leverage and maximize the generalizability of the theoretical claims raised in Chapter 2.

Because quantitative analyses do not permit the testing and substantiation of the specific mechanisms through which the effective exercise of presidential power leads to alternative pathways of SUR reproduction within countries, a qualitative analysis is needed to reconstruct the causal chain that links the cause (presidential power or lack thereof) with the effect (the pathway of SUR continuity that ensues). To meet this goal, *causal process observation* is conducted to identify the pieces of data that provide information about the context, processes, and mechanisms through which the initial case conditions are translated into case outcomes.

Using evidence gathered from over 150 original, in-depth interviews with Argentine and Mexican national and subnational top-ranked officials, journalists, and former politicians, as well as information from archival documents, Chapters 6 and 7 carry out four in-depth, subnational case studies to explore whether the capacity of national incumbents to wield power over autocrats and to obtain their cooperation determines within-country pathways of SUR continuity. Given that SUR pathways are primarily determined by presidents' capacity (or lack thereof) to wield power over SURs, SURs in each country were selected so as to maximize variance along the subnational independent variable (i.e. fiscal autonomy and/or type of state-structure) facilitating or hindering presidential power. Thus, under the presidencies of Kirchner (2003–7), and the first half of the Fernández de Kirchner administration (2007–9) in Argentina, when the main resource of presidential power was fiscal, subnational case selection in this country was determined by SURs' level of fiscal autonomy, as different values on this (subnational) variable are key for either hindering or allowing presidential power and autocrats' cooperation with the national government. The case of La Rioja, an undemocratic fiscally dependent province, and the case of San Luis, an undemocratic, fiscally autonomous province, provide the desired variation. The focus of Chapter 6 is on the administrations of Peronist Governors Ángel Maza (1995–2007) and Luis Beder Herrera (2007–present) in La Rioja, and Peronist Governor Alberto Rodríguez Saá (2003–11) in San Luis.

By contrast, under the presidency of Fox (2000–6), and the first half of the Calderón administration (2006–9), when presidential power was exerted mainly through partisan instruments, subnational cases in Mexico were selected based on their type of subnational state structure—as patrimonial

Table 1.1. Summary of subnational case selection

Predominant instrument of presidential power	Country	Relevant SUR attribute to neutralize presidential power	Within-country type of SUR Pathway	
			SUR reproduction from above	SUR self-reproduction
Fiscal	Argentina (2003–9)	Fiscal autonomy	La Rioja	San Luis
Partisan	Mexico (2000–9)	Patrimonial state structure	Puebla	Oaxaca

structures can help neutralize partisan power, while non-patrimonial state structures facilitate it. The case of Oaxaca, where a patrimonial state structure was in place, and the case of Puebla, where a non-patrimonial state structure existed, offer the desired variation. The focus of Chapter 7 is on the administrations of the Party of the Institutional Revolution (PRI) Governors Melquíades Morales (1998–2004) and Mario Marín (2005–2010) in Puebla, and PRI Governors José Murat (1998–2004) and Ulises Ruiz (2004–2010) in Oaxaca. Table 1.1 provides a visual summary of the criteria employed to select national and subnational cases.

The final chapter of the book is divided into three parts. The first part presents a summary of the book's findings and primary contributions. In order to help validate the main claims of this book's argument, the second section of Chapter 8 shows that the conditions hypothesized to be crucial for SUR continuity were not present in Puebla and Oaxaca after the 2010 elections, when SUR breakdown occurred. The chapter concludes with a discussion of the lessons learned from the analyses of Argentina and Mexico, emphasizing the contributions of the book to the literature on subnational undemocratic regimes and intergovernmental relations in multi-level polities.

2

Explaining Within-Country Pathways of Subnational Undemocratic Regime Continuity

As Robert Dahl and Guillermo O'Donnell observed quite some time ago, the unfolding of democracy in different regions of the world and over time has been territorially uneven across levels of government and subnational units (Dahl 1971; O'Donnell 1999). New democracies have not escaped this trend; quite the contrary, one persistent aspect of these new national regimes is the existence of what Edward Gibson (2005, 2013) has referred to as “regime juxtaposition”—that is, the prevalence of subnational undemocratic regimes (SURs) alongside a democratic national government.

Over recent years a wealth of insightful and novel academic works, ranging from in-depth, qualitative single case-studies to medium-N, within-country studies, have provided a detailed documentation of SURs in countries as diverse as India, Russia, Kyrgyzstan, the United States, Argentina, Brazil, Colombia, and Mexico.¹ These works provide empirical confirmation that democratic advancement has been territorially uneven across both levels of government and subnational units. Such works have also provided in-depth descriptions of how these regimes function, as well as of the tactics employed by subnational autocrats to consolidate the regimes that sustain them in power.

As a result of these investigations, we know, for instance, that undemocratic rulers engage in strategies of institutional engineering that limit the number of entrants into the electoral arena and reduce intraparty

¹ Fox 1994; Hagopian 1996; O'Donnell 1999; Cornelius 1999; Snyder 1999; Eisenstadt 1999; Heller 2000; Solt 2003; Gibson 2005, 2013; Petrov 2005; Lankina and Getachew 2006, 2011; McMann 2006; Borges 2007; Montero 2007, 2010a; Remington 2009, 2010a, 2010b; Reisinger and Moraski 2010; Giraudy 2010, 2013; Gervasoni 2010a, 2010b, 2011; Durazo-Hermann 2010; Behrend 2011; Saikkonen 2011; Rebolledo 2011; Benton 2012; Mickey 2013; Lankina 2012; Gerring et al. 2013; among others.

factionalism (Calvo and Micozzi 2005; Gibson 2013). Gerrymandering to over-represent rural districts against the more competitive capital districts, on one hand, and changes in electoral rules that alter district magnitudes, on the other, are only some examples of the institutional reforms carried out by incumbents to consolidate their ruling positions. Subnational autocrats also consolidate their power by exerting monopoly power over electoral commissions, most of which are packed with loyalists who act subserviently and help SUR incumbents secure electoral victories by settling electoral and post-electoral conflicts favorably (Ley 2009; Rebolledo 2011). Consolidation of undemocratic regimes is also possible due to the suppression of checks and balances, which generally occurs through the frequent and arbitrary reshuffling of provincial/state-level supreme and lower courts (Leiras et al. 2012; Gervasoni 2011; Castagnola 2012). Suppression of various civil rights, such as freedom of expression and organization (McMann 2006; Gervasoni 2010a, 2010b), as well as the recurrent violation of political rights, such as the incarceration of political opponents (Gibson 2005; Martínez Vásquez 2007), also helps subnational autocrats to entrench themselves and their regimes in power.

Approaches to the Study of SUR Continuity

Another important contribution of this literature has been the identification of the causes of the continuity of subnational undemocratic regimes. Existing works on the causes of SUR continuity have generally emphasized either subnational factors or national–subnational interactions as the main determinants of subnational undemocratic regime durability. Scholars within the “subnational factors” camp argue that variables specific to each subnational unit—such as the economic autonomy of inhabitants, the spatial location of clientelistic machines within SURs, geographic location, citizens’ human capital, or the size of electoral districts—are the main predictors of SUR continuity.

For instance, in her analysis of subnational democracy in Russia and Kyrgyzstan, McMann (2006) finds that capitalism, which enhances economic autonomy, enables citizens to engage in politics and to challenge authorities, thus creating conditions favorable to subnational democratization. Similarly, Montero (2011) finds that where small populations, high levels of poverty, and poor communication with more developed urban centers exist, as occurs in Brazil’s Northeastern undemocratic states, local bosses and conservative party leaders of SURs have greater leeway to isolate clients (voters), tie them into enforceable vote-buying contracts, and in turn sustain undemocratic regimes. In their analysis of the Indian

states, Lankina and Getachew (2012) find that the presence of colonial-era Christian missionary activity, which played a key role in promoting education and, in turn, in augmenting human capital, spurred social inclusivity and propelled social reform movements leading to the toppling of SURs in the post-colonial era. Gerring et al. (2013) further argue that the size of an electorate has a positive impact on levels of subnational democracy. Specifically, they show that smaller districts are less competitive (i.e. more undemocratic). The reasons for this, they contend, hinge on three factors: lower diversity of preferences, lower organizational density, and a smaller pool of potential challengers. Analyzing the Russian regions, Lankina and Getachew (2006) show that the geographic location of subnational districts shapes the prospects for SUR continuity. They demonstrate that geographic proximity to the West encouraged neighboring Western actors to pursue targeted subnational democratization efforts through European Union (EU) direct financial aid. Finally, Lankina (2012) contends that pre-communist human capital affects variations in current human capital and democracy in Russia's regions. She finds that pre-communist education is a predictor of post-communist modernization, which, in studies of Russian regions, is linked to regional democratic variation (Lankina and Getachew 2006; Petrov 2005; Remington 2009, 2010a, 2010b; Moraski and Reisinger 2003). Pre-communist education may also positively and significantly affect post-communist democracy. In sum, according to this first approach, a variety of subnational factors specific to each subnational unit accounts for the persistence of SURs.

Explanations within this analytical camp, while greatly improving our knowledge of the causes of SUR durability, are problematic for the following reasons. First, the wide variety of factors that account for SUR continuity have expanded the scope of theoretical disagreement to such an extent that it has become difficult to adjudicate empirically among competing claims, preventing, in turn, the accumulation of knowledge about the subnational causes that sustain SURs in power. Second, explanations within this approach implicitly assume that subnational units are autonomous jurisdictions independent from the politics that unfold at the national level of government. As a result, they rule out the possibility that SUR durability might be shaped by national factors. This is particularly problematic in cases where SURs, such as the ones analyzed in this study, are embedded in countries that are democratic at the national level. As discussed in detail in Chapter 3, the wide acceptance of democratic rules at the national level of government strongly shapes subnational actors' actions, incentives, and options towards SUR continuity (Gervasoni 2010b). For these reasons, the "subnational factors" approach is inappropriate for the study of SUR reproduction within national democracies.

The idea that subnational undemocratic units are not isolated from national democratic politics resonates with a well-established tradition within sociology and political science that views subnational political outcomes as a byproduct of the political dynamics that play out at the intersection of national and subnational-level arenas. Works within this second approach, hereafter the “national–subnational interaction” approach, either intuitively or self-consciously build on the premise that, in large-scale systems of territorial governance, political institutions are entangled across space—and precisely for that reason, political action and political outcomes, such as the continued maintenance of SURs, are not limited to a single arena (Rokkan 1970; Tarrow 1978; Rokkan and Urwin 1982, 1983). On the contrary, as Gibson (2005, 2013) underscores, subnational political outcomes are routinely shaped by the regular interventions of national governments and national institutions, such as political parties, territorial regimes, or fiscal arrangements. Hence, a much more appropriate study of SUR continuity in national democracies must be rooted in theories of territorial politics.²

Proponents of explanations that focus on national–subnational interactions as the main causal factor of SUR continuity claim that factors such as presidents’ strategic behavior towards SURs, national policies, or national institutions shape the prospects for SUR continuity. For instance, in his analysis of Mexico, Snyder (1999, 2001a) shows that policies carried out at the national level, such as the implementation of neoliberal (market) reforms, can contribute to the maintenance and strengthening of SURs. These reforms trigger reregulation projects in the states through which undemocratic incumbents generate rents and resources to consolidate their ruling positions, which is exactly what occurred in Mexico. Similarly, both Cornelius (1999) and Montero and Samuels (2004) argue that policies of decentralization, which swept across Latin America during the late 1980s and 1990s, and which shifted political, fiscal, and administrative power away from the national government toward subnational units, gave undemocratic state-level rulers greater autonomy, resources, and leverage to maintain SURs in power. In a similar vein, Gibson (2005, 2013) claims that national institutions, such as the territorial regime (or type of federal system), shape the strategic options available to subnational autocrats, and in turn their capacity to employ strategies of boundary control. Boundary closers, i.e. subnational autocrats who maximize influence over local politics and deprive provincial oppositions of access to national allies and resources, can maintain their regimes in power effectively. Other national institutions, such as the revenue-sharing systems of federal countries, also shape the prospects of SUR

² According to Edward Gibson, territorial politics is not about the territory but about how politics is organized and fought out across territory (Gibson 2013: 15).

continuity. As Gervasoni's (2010b) analysis of Argentina shows, provinces that receive disproportionately large central government transfers provide undemocratic incumbents with generous fiscal federalism rents that allow them to restrict democratic contestation, weaken checks and balances, and overall reproduce SURs in power. Finally, as Tudor and Ziegfeld (forthcoming) show, central government intervention, coupled with pre-independence patterns of subnational political competition and caste structures in each state, have a decisive effect on delaying the onset of subnational democratization in the Indian states.

Theoretical disagreement regarding the factors that account for SUR reproduction also affects this second approach. While this prevents adjudication between competing explanations, and thus challenges knowledge accumulation, perhaps a more fundamental shortcoming of this approach is the assumption that SURs are a more or less homogeneous mass of political regimes exhibiting identical interactions with the federal government. This approach therefore assumes that national institutions and national policies will shape undemocratic regime continuity in all SURs in the exact same way. This assumption is problematic for at least two reasons. First, it overlooks the possibility that SURs within a single democratic country may be reproduced differently precisely because they interact with national actors, national institutions, and national policies in a different way. Second, because of this omission, existing theories overgeneralize their scope by assuming that the causes that account for SUR continuity in a given SUR in country *x* are generalizable to the universe of SURs within that same country.

This book seeks to expand knowledge of SUR continuity within democratic countries by challenging the assumption that national institutions, national actors, and national policies similarly impact different SURs within a given country. The book instead argues that a democratic president maintains different types of relations with SURs (and their autocrats), and that these varied interactions are decisive for triggering multiple routes of SUR durability within a given country. The remainder of this chapter is devoted to developing the building blocks of this new explanation.

The Argument

As I have noted, the general argument of this book is that the capacity (or lack thereof) of presidents to exert control over subnational autocrats triggers different pathways of SUR continuity. This section discusses in more detail (a) the factors that make presidential power important for determining SUR continuity, (b) the instruments to which presidents can resort in order to exert power over subnational autocrats and their SURs, (c) the instruments

Within-Country SUR Continuity

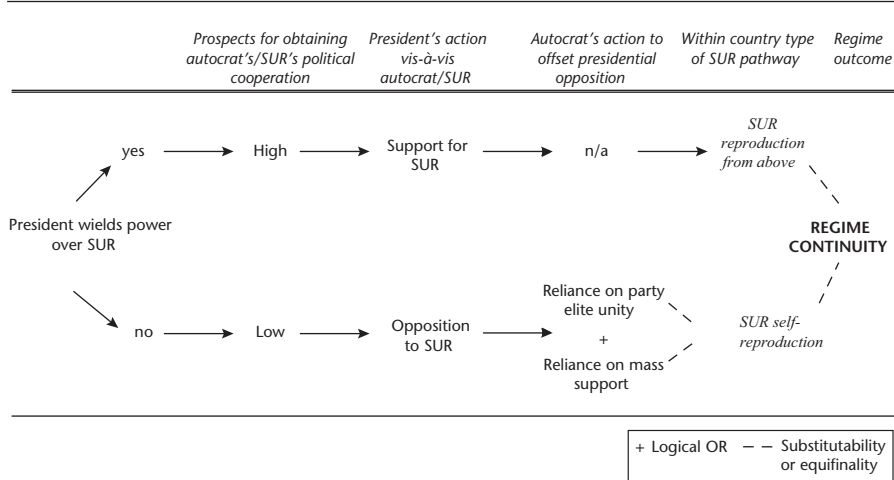


Figure 2.1. Within-country pathways of SUR continuity

which autocrats can employ in order to neutralize this power and to ultimately render it ineffective, (d) the conditions under which two different types of presidential power, i.e. fiscal or partisan, can ensue, and (e) the different pathways of SUR reproduction that result from the capacity (or lack thereof) of presidents to wield power over autocrats and SURs. Figure 2.1 provides a visual summary of this book's argument and its building blocks.

(a) *The Importance of Presidential Power for Shaping SUR Continuity*

Several studies show that undemocratic governors can be key partners for political coalition-making (Hagopian 1996; Snyder 1999; Gibson 2005; Hunter and Power 2007; Moraski and Reisinger 2003; Reisinger and Moraski 2010; Tudor and Ziegfeld forthcoming). Their political power stems from their privileged position to control local party branches and local party machines, national legislators, voters, and provincial legislatures—and, indirectly, other provincial agencies such as provincial comptrollers, heads and members of provincial electoral commissions, and provincial Supreme Court justices.³ Monopoly over party elites and party cadres, voters, national and provincial legislators, and provincial state agencies turns subnational autocrats into influential political actors, as they have the means necessary to deny electoral support, refrain from providing national legislative backing

³ Subservient legislatures usually pack monitoring institutions with those loyal to the incumbents, thus hampering their function of adequately checking subnational autocrats (Melo et al. 2009; Pardinás 2005; Rebolledo 2011; Ley 2009; Leiras et al. 2012; Castagnola 2012). As a result, SUR incumbents can, without fear of being sanctioned by oversight agencies, have absolute control over provincial-level politics and actors.

that may be decisive for passing the president's agenda, discredit presidential policies and presidential initiatives, or even challenge presidents' political ambitions. Subnational autocrats who are difficult to discipline can, in sum, become significant stumbling blocks to presidents' political ambitions and agendas.

Yet effective presidential power over SUR incumbents can turn challengers (from either the president's party or the opposition) into allies. Subnational autocrats who are in a vulnerable position vis-à-vis the central government can in fact be very beneficial for a president in need of political support.

For instance, with their tight control over local party machines, as well as their capacity to prevent opposition forces from winning over voters, autocrats from SURs can help deliver votes that have a decisive impact on general and mid-term national elections (Snyder 1999; Gibson 2005; Tudor and Ziegfeld forthcoming). Subnational autocrats can also become attractive coalitional partners due to their capacity to deliver electoral support by engaging in "turnout buying" (Nichter 2008). Their command of the party machine confers on autocrats a powerful instrument to discourage voters' presence at the polls, thus helping national incumbents' parties (if different from the autocrat's party) to win non-provincial electoral races. Furthermore, autocrats' capacity to control local and federal legislators' political careers turns them into valuable coalitional partners, as they have considerable leeway to influence and discipline legislators' voting behavior, and thus secure congressional support for the passage of bills that are central to national incumbents' political projects (De Luca et al. 2002; Gordin 2004; Jones and Hwang 2005; Samuels 2003; Díaz-Cayeros 2006; Langston 2004, 2005; Langston and Aparicio 2008; Rebolledo 2011). Finally, SUR incumbents can become key partners for national governing coalitions given their capacity, for instance, to maintain political stability and manage security threats in areas that are strategic to national security and governability. For instance, recalcitrant autocratic governors, who usually control paramilitary forces, can be charged with the presidential "mission" of managing security threats in key geographic areas (Snyder 1999).⁴

The possibility of exerting effective presidential power over subnational autocrats is not only important to turning challengers into allies, but is also critical to increasing the president's capacity to extract real and credible

⁴ Not all subnational autocrats, however, can deliver political benefits to presidents (see Giraudy 2010). For instance, not all of them have the capacity to ensure the provision of national legislative support. Because autocrats' capacity to deliver legislative votes depends on their ability to control legislators' political careers, autocrats can only exert leverage over deputies and senators who belong to their own political parties. They cannot, by contrast, influence the voting behavior of opposition legislators. Only autocrats who control a sizeable share of deputies and senators can ensure the delivery of legislative support.

inter-temporal political concessions and support from subnational autocrats. In the absence of effective presidential power, it is possible for some subnational undemocratic incumbents to renege on their promises to provide political support.

The capacity to wield effective presidential power over SURs and their autocrats—or otherwise stated, SUR/autocrats' vulnerability vis-à-vis national incumbents—figures prominently in presidents' calculations regarding the reproduction of SURs. Presidents who can exercise effective power over (copartisan or opposition) autocrats have high incentives to contribute to the reproduction of the regimes that sustain them in power. By contrast, presidents who are prevented from wielding effective power over subnational autocrats should opt to oppose rather than support SURs in power, even when these regimes are ruled by copartisans. In sum, copartisan/opposition vulnerable subnational autocrats who have real power to deliver secure political returns should receive the support of democratic presidents. Conversely, invulnerable copartisan/opposition subnational autocrats, who have the actual power to challenge presidential authority, are expected to suffer political retaliation from presidents who are likely to seek to undermine the foundations of the subnational regimes.⁵

Before specifying the conditions that render presidents powerful vis-à-vis SURs, some clarifications about presidential power are in order. Presidential power over subnational autocrats and subnational regimes can be exercised directly or indirectly. Direct leverage over (opposition or copartisan) undemocratic governors materializes when presidents can induce subnational incumbents to concede political spaces that they would otherwise not concede, such as: pressuring national politicians to endorse candidates whom the former would otherwise not endorse (this includes mobilizing voters to vote for the president's endorsed candidate), legislative support for bills that run counter to the governor's/province's/partisan interests, and general support (manifesting as assistance for public rallies and public declarations) for policies enacted by the national government that are not in accord with a governor's agenda and/or ideological stand.

Indirect presidential power over (some aspects of) subnational politics/arenas materializes when democratic presidents trespass provincial borders and broadcast their authority and power (through their own provincial party

⁵ The contention that presidents opt to back vulnerable autocrats as well as their regimes does not rule out the possibility that federal incumbents might choose to support copartisan/opposition subnational democratic rulers who can also deliver political support. This possibility is not explored in this book given that the focus of inquiry is the continuity of SURs rather than the reproduction of subnational *democratic* regimes. It is possible that, all things equal, faced with the trade-off of supporting SURs over subnational democratic regimes, presidents should choose to reproduce the former over the latter. This is because subnational autocrats, who have absolute control of provincial politics, are in a better position to deliver political support.

branches), in order to strike alliances with municipal leaders or local opposition groups (Gibson 2005, 2013; Dickovick 2007; Fenwick 2010) and to circumvent or undermine undemocratic autocrats' territorial and electoral power. Hereafter, this type of presidential power is referred to as "presidential power from within" because it is exerted through municipal politicians or local opposition groups loyal to the president.⁶

Finally, two additional issues must be considered in order to specify the conditions under which national incumbents exercise power over SURs. First, presidents are endowed with different resources (fiscal, military/police, institutional, symbolic, etc.) for controlling the territory they govern, and it is the availability of these resources that determines the actual capacity of presidents to exert power over territory and society. Second, presidential power is not absolute but relative (Mann 1986). Therefore, in order to wield power over subnational undemocratic arenas/autocrats, subnational rulers' capacity to resist this pressure needs to be low relative to the power of democratic presidents.

Given these considerations about the relative strength of presidents to exert power over SURs, the first step in analyzing different pathways of SUR continuity is to evaluate both the resources that are at the disposal of national incumbents to wield authority over subnational autocrats, and those that are available to subnational undemocratic incumbents to neutralize presidential power. Building on different bodies of literature, it is possible to identify two particularly important resources available to presidents—fiscal and partisan—and two resources available to subnational autocrats—fiscal and institutional.

(b) Instruments of Presidential Power

FISCAL INSTRUMENTS

Numerous works show that fiscal resources enable presidents to exert power over subnational autocrats (Eaton 2004; Wibbels 2005; Díaz-Cayeros 2006; Falleti 2010; Bonvecchi and Lodola 2011). Presidential fiscal power over subnational rulers is likely to be higher in countries where intergovernmental transfers are not channeled using automatic and formula-based criteria, but rather occur on a discretionary basis (Bonvecchi and Lodola 2011). Presidential fiscal power should also be greater where the rules that regulate the distribution of intergovernmental transfers, as well as the amount of intergovernmental transfers, are easily changeable. Flexible fiscal arrangements that enable presidents to increase the share of resources that remains at the

⁶ In Gibson's (2005) terms, this type of presidential control would be possible where SUR incumbents are prevented from carrying out strategies of boundary control.

federal level of government, thus decreasing the proportion of funds that is sent to subnational levels of government, increase presidential leverage over subnational autocrats.

Likewise, presidential fiscal power over subnational autocrats may be higher depending on the availability and percentage of taxes that are not subject to being shared with subnational governments. In almost all federal countries, there are taxes, such as import/export duties or oil revenues, that are collected by the federal government and not distributed to the provinces. These taxes, which in some countries comprise a large bulk of a country's total revenue, are generally administered at the discretion of the federal government. Consequently, the taxes offer national incumbents an additional tool with which to increase their fiscal discretion, power, and control over subnational governments.

PARTISAN INSTRUMENTS

National political parties and, more specifically, political parties' organizational structures, constitute powerful means through which national-level politicians can discipline subnational rulers. Different strands of literature within political science have long recognized the crucial role played by national political parties in domesticating and controlling local potentates and subnational politicians. The literature on state building and party system formation, for example, has viewed political parties as instruments crucial to exercising political influence over the peripheries, as well as to undermining local potentates' authority (Caramani 2004; Rokkan 1970; Tilly 1990; Keating 1998). Similarly, the literature on federalism has highlighted the importance of political parties and partisan structures as means of obtaining the cooperation of subnational incumbents (Mainwaring 1999; Jones et al. 2000; Stepan 2000; Willis et al. 1999; Samuels 2003; Wibbels 2005; Levitsky 2003; Leiras 2006). Strong, cohesive, institutionalized, and disciplined parties are viewed as facilitators of the central government's ability to discipline and obtain the cooperation of subnational *copartisans*.⁷

Presidential parties that are territorially extended and electorally viable in subnational districts also help increase presidential leverage over *opposition* subnational incumbents. Despite the fact that presidents lack (internal) partisan mechanisms to discipline opposition rulers at the subnational level—simply because these incumbents do not belong to their parties—the organizational presence of presidents' parties in any given subnational unit

⁷ The mechanisms through which parties control subnational copartisans are manifold and depend on their internal organizational structures. The literature, however, has identified two main mechanisms of control over subnational copartisans: via coat-tails effects (Wibbels 2005; Rodden 2003), and via the selection, nomination, and appointment of candidates (Samuels 2000; Wibbels 2005; Willis et al. 1999).

increases electoral performance (Van Dyck 2013), thus allowing them to put pressure on subnational incumbents and eventually obtain their cooperation. For instance, national incumbents can take advantage of their local networks of offices, activists, and members to strengthen on-the-ground electoral mobilization in order to co-opt subnational regime supporters, win over municipal governments, and/or forge opposition coalitions with disgruntled local elite members, local dissatisfied journalists, other local opposition activists (Gibson 2005, 2013), or mayors (Dickovick 2007; Fenwick 2010). If presidential parties can effectively challenge subnational incumbents' electoral power within districts and in turn threaten their territorial control, they can be used as a tool to exert presidential power from within. For instance, presidents can obtain the cooperation of subnational rulers by lessening electoral pressure in exchange for political cooperation. Conversely, when presidents lack partisan organizations, and thus have a shortage of networks of brokers, activists, and community organizers, it is more difficult for them to forge national-local coalitions to undermine provincial subnational incumbents' power, and in turn, to obtain the incumbents' cooperation.

In sum, presidential partisan power, i.e. the capacity to obtain copartisan and/or opposition subnational incumbents' compliance through party leverage, should be greater where (a) presidential party organizations, and the rules and procedures that regulate relations between the party leadership and lower-level branches are highly routinized,⁸ and (b) the president's party has an electoral foothold in all of subnational units. By contrast, it should be lower where (a) the presidential party's organization is weakly routinized, and (b) it is electorally viable in only one district.

(c) Subnational Autocrats' Instruments of Autonomy

FISCAL INSTRUMENTS

Financial autonomy of subnational rulers from the central state is one major resource through which lower-tier incumbents can neutralize presidential power and, in turn, encroachments from the center (Boone 2003; Wibbels 2005). The greater subnational incumbents' reliance on local taxes (that are not part of revenue-sharing systems), the lower their fiscal deficits, and the lower their levels of indebtedness, the greater their potential for counterbalancing presidential power and gaining more autonomy. By contrast, greater financial dependence upon the central government creates structural

⁸ According to Levitsky (2003) internal (formal or informal) routinization is one dimension of party institutionalization. It can be defined as "a state in which the rules and procedures within an organization are widely known, accepted, and complied with" (2003: 18). Nonroutinization, by contrast, is a state in which (formal or informal) rules and procedures are fluid, contested, and routinely circumvented or ignored.

conditions conducive to the subjugation of subnational ruling elites vis-à-vis the center (Wibbels 2005; Díaz-Cayeros 2006).

It is worth emphasizing that in federal countries where revenue-sharing systems exist, all subnational governments are, formally speaking, dependent on the national government, given that the main (domestic) taxes are collected by the federal government and then channeled to subnational levels of governments.⁹ In this book, financial autonomy is conceived of as being a byproduct of subnational governments' fiscal deficits, levels of indebtedness, and capacity to raise subnational taxes. The ability of subnational governments to avoid financial mismanagement is of particular importance for increasing financial autonomy vis-à-vis the central government, and thus increases the chances of neutralizing presidential control. As various works show, financially reckless governors who run fiscal deficits and are highly indebted often turn to the central government for financial aid and bailouts (see Sanguinetti 1999; Hernández Trillo et al. 2002; Wibbels 2005; Rodden 2006). Given the discretion with which presidents decide whom to bail out, profligate governors can easily become political hostages of central incumbents and vulnerable to presidential control.

INSTITUTIONAL INSTRUMENTS

Provincial institutions, and more specifically the provincial state structure, constitute the second resource available to subnational undemocratic incumbents to neutralize presidential power. As Evans (1994) and Ertman (1997) note, state structures establish the rules and procedures through which incumbents exercise power, thus creating different capacities for rulers' action vis-à-vis presidents and local actors. A well-established tradition within political science has distinguished between state structures that (a) centralize power in the hands of the ruler, blur public and private interests and purposes within the state administration, reduce the autonomy of followers by generating ties of loyalty and dependence, and appropriate state resources for private economic or political gain, versus state structures that (b) limit incumbents' power, establish and allow for a clear distinction between the private and public domains, confer autonomy to societal groups, and minimize rulers' appropriation of state resources (Evans 1994; Migdal 1992, 1994; Bates 1981, 2008; Ertman 1997; Hartlyn 1998; Mazzuca 2007, 2010). Whilst receiving different conceptual labels, these state structures can be subsumed into two generic terms: patrimonial versus non-patrimonial.¹⁰

⁹ Revenues are distributed in two rounds. In the first round, taxes are split into two (not necessarily equal) parts between the federal government and the subnational. In the second round, the subnational share is distributed among all provinces/states according to country-specific formulas.

¹⁰ As Max Weber (1976 [1925]) noted, patrimonial state structures are ideal types, and as such can rarely be found in practice.

Patrimonial state structures can play a decisive role in shaping the capacity of subnational autocrats to resist co-optation from the central government. In subnational jurisdictions where patrimonial state structures prevail, autocrats stand in a strong position to centralize authority in order to maximize political control over their domains. Consequently, they are better positioned to close subnational territorial borders and prevent presidential control from within. Where these state structures exist, as Gibson (2005, 2013) describes, subnational autocrats can easily carry out strategies of boundary control, whereby they seek to maximize national influence over local politics and deprive provincial oppositions of access to national allies and resources.

The opposite holds true where non-patrimonial state structures exist. In such institutional settings, state structures prevent subnational autocrats from centralizing authority, and from exercising tight control over state resources, territory, and opposition parties/groups. As a result, autocrats are virtually powerless to circumvent local-national pro-democratic coalition-making, or in Gibson's (2013) words, to thwart boundary control situations. Accordingly, presidents in non-patrimonial SURs have greater ability to infiltrate these regimes. It is through coalition-building with local groups and subnational opposition leaders that presidents can penetrate SURs and, in turn, challenge and co-opt subnational autocrats from within. Hence, presidential power (from within) should be enhanced where non-patrimonial state structures prevail.

(d) *Prospects for Fiscal and Partisan Presidential Power*

Since presidential power is distributive, presidents can only obtain the acquiescence of autocrats if subnational incumbents are unable to neutralize presidential power. Accordingly, a combination of national and subnational variables needs to be present in order for presidents to wield effective power over SURs/autocrats. The clusters of variables located in the left-hand column of Figure 2.2 indicate two possible and particularly common combinations of variables that are, in theory, conducive to the maximization of effective presidential power. The clusters are made up of the already-mentioned instruments of power available to presidents and subnational autocrats' instruments of autonomy. Clusters of variables result in two different types of presidential power: *fiscal* and *partisan*.¹¹

Effective fiscal presidential power materializes when the main instrument available to presidents is fiscal, i.e. when they enjoy high levels of fiscal discretion and when partisan power is low, i.e. where (a) the presidential party's

¹¹ A third type of presidential power, fiscal-partisan, is also possible. It occurs when the fiscal and partisan types are combined.

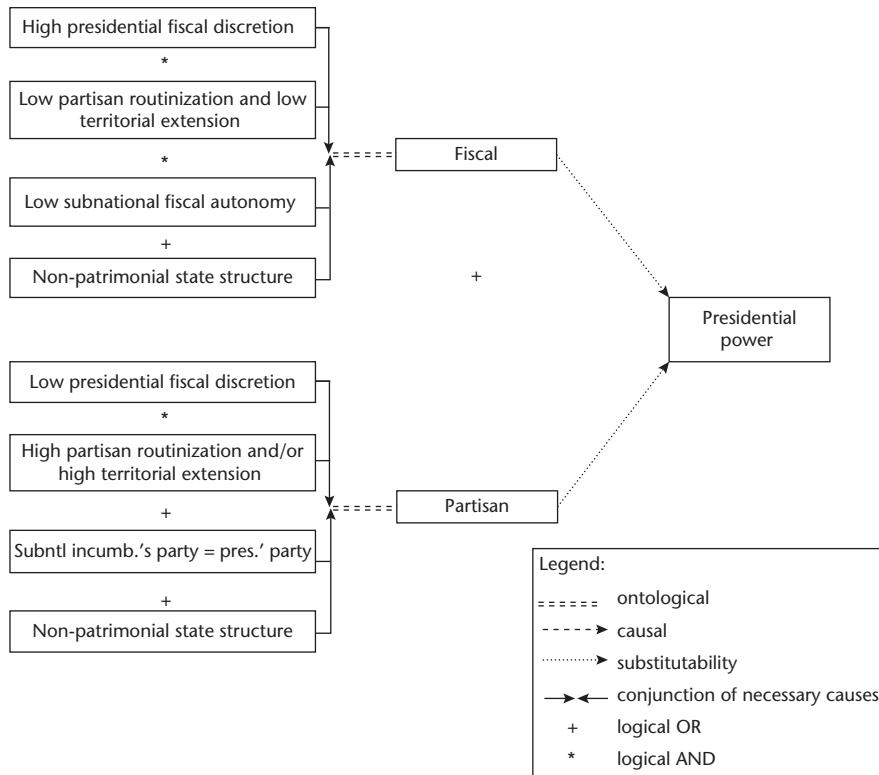


Figure 2.2. Conditions for effective fiscal and partisan presidential power

organization is weakly routinized, and (b) it is electorally viable in only one district. In this scenario, effectively inducing the cooperation of subnational autocrats is only possible when subnational rulers are fiscally dependent on the central government. If such dependence does not exist, fiscally responsible and economically sound subnational incumbents are in a position to neutralize presidential power, no matter how much fiscal discretion presidents have.¹²

Conversely, effective partisan presidential power materializes when presidents have low levels of fiscal discretion and, at the same time, (a) their party organizations, as well as the rules and procedures that regulate relations between the party leadership and lower-level branches, are highly routinized, and (b) their party has an electoral foothold in all subnational units. For this to happen, one of the following two subnational variables must be

¹² Presidential fiscal power can also become effective if subnational units have a non-patrimonial state structure. Despite the fact that this variable is not necessary for this type of presidential power (thus the sign “+”), such a state structure allows fiscally powerful national incumbents to funnel funds to local oppositions, thus increasing the possibilities of building national–local alliances through which they may wield power over autocrats from within.

present: (a) undemocratic incumbents' membership in the presidents' party, which enables presidents to exert direct partisan control from above, or (b) subnational autocrats' membership in an opposition party, whereby a non-patrimonial state structure must be in place—as this type of institution facilitates the subsistence of local opposition forces and subnational opposition groups, with whom the center can ally in order to pressure and challenge subnational autocrats' authority from within.

(e) *Within-Country Pathways of SUR Reproduction*

A FIRST PATHWAY OF SUR CONTINUITY: SUR REPRODUCTION FROM ABOVE

Regardless of the type of presidential power employed to discipline subnational undemocratic arenas/rulers, presidents who can wield effective power over subnational autocrats, and who can in turn induce their routine political cooperation, stand to gain much from the perpetuation of SURs in power. As a result, nationally democratic incumbents have strong incentives to invest in the continuity and stability of regimes that are likely to deliver regular political support. When this occurs, a first pathway of SUR continuity, i.e. *SUR reproduction from above*, ensues.

How can democratically elected national incumbents contribute to reproducing SURs from above? Presidents resort to a variety of formal and informal mechanisms in order to help these SURs stay in power. They can veto legislation seeking to dismiss undemocratic incumbents from office. They can also strengthen SURs by exerting pressure over members of federal agencies of control, such as Supreme Court justices or federal comptrollers, in order to deter them from sanctioning subnational autocrats for their abuses of power and financial misdoings. Another form of support from the central government occurs when presidents help subnational autocrats secure the economic resources they need to consolidate their regimes. These resources may stem from special subsidies, such as tax-incentives programs, as well as from bail-outs or central bank rediscounts (see Bonvecchi and Lodola 2011). They can also come in the form of earmarked funds for housing programs, public works, conditional cash transfers, or federal government authorization for a wide range of initiatives.¹³ Earmarked funds for housing and public works, as well as special permits to implement various programs, may contribute to improving public service delivery, and, in turn, may be used by subnational autocrats as an instrument to boost their popularity among the local population. Access to conditional cash transfers may also help increase SUR incumbents' capacity

¹³ These permits could include, among others, authorization to open radio stations, build airports, or produce medicines in SUR laboratories.

to reward loyalists with handouts, and to in turn obtain the support of some voters. Presidents can also contribute to SUR reproduction by consciously choosing not to endorse opposition candidates (including candidates from the president's own party) who may eventually challenge SUR incumbents in provincial-level electoral races. Finally, autocrats and their regimes can be maintained simply due to national executive inaction and inattentiveness.

A SECOND PATHWAY TO SUR CONTINUITY: SUR SELF-REPRODUCTION

Yet, as noted earlier, not all subnational autocrats cooperate with presidents. Unlike incumbents from SURs who are disciplined by presidential power, undemocratic rulers from unruly subnational regimes may become strong challengers to presidents' authority and key opponents of presidential political decisions. The incapacity of presidents to discipline entrenched and recalcitrant subnational incumbents, and the consequent failure to obtain routine political support (or gain it at a very high premium), raises the costs for national incumbents of supporting SURs, and their rulers, in power. The lower political returns yielded by uncontrollable SURs, coupled with subnational incumbents' capacity to threaten presidential authority, gives presidents incentives to oppose these regimes.

Presidents can resort to a variety of tactics to destabilize regimes and autocrats. For instance, presidents can commission federal audits to investigate SUR incumbents' misdoings or file claims against incumbents with federal Supreme Courts. Alternatively, they can delay or suspend agreements to promote specific federal programs in a given SUR. Other presidential initiatives to challenge SURs include the transfer of funds that grant subnational incumbents little discretion to manage public money in attempts to entrench themselves in power or to buy off challengers to the regime; as well as flooding SURs with resources during electoral campaigns and elections, to threaten incumbents' prospects of winning elections.

These initiatives, while useful to discrediting subnational undemocratic incumbents and undermining the foundations of their regimes, may be necessary but not sufficient to destabilize SURs and their autocrats' power. Indeed, presidential strategies to oppose SURs can be neutralized if subnational autocrats rely on a sturdy coalition of support. In particular two variables endogenous to SURs, i.e. party elite cohesion and mass support, are critical to maintaining a sturdy and durable ruling coalition, and thus central to ensuring the regime's long-term survival.¹⁴

¹⁴ The next paragraphs draw heavily on the literature on varieties of national-level non-democratic regimes. Illustrative works of this line of research include among others, Way 2005; Lazarev 2005; Magaloni 2006; Levitsky and Way 2010; Brownlee 2007; Magaloni and Kricheli 2010; Slater 2010; and Falleti 2011.

Autocrats, as Brownlee (2007) observes, do not rule completely alone—they depend on coalitions of party elites for their stability. Ambitious and disgruntled party elites who no longer see the benefits of siding with the regime, and who, as a result, defect from the ruling party, can become one of the main sources of regime breakdown, especially if they are driven into the opposition's ranks. Maintaining the unity of party elites is thus critical to keeping SURs in power, even more so when subnational incumbents are embattled with presidential policies aimed at undermining their power.

The possibility for party elite defection is especially high in SURs because these regimes exist within a context of national democratic politics. The existence of a national democratic political system with alternative and viable national political parties increases the chances of subnational party elite desertion, as party detractors can build and advance their political careers at the national level (Benton 2011). Moreover, by joining national parties, potential party elite defectors may be able to side with national advocates of subnational democratization, or obtain access to national political and economic resources in the country's capital through which they can maneuver to topple SURs from above (Gibson 2005, 2013).

How can party elites remain loyal to subnational autocrats? How can party elite defection be prevented? Cohesive political parties, as noted by the literature on national-level autocracy and competitive authoritarianism, constitute one of the main institutions through which party elite unity can be maintained (Levitsky and Way 2010). Cohesive political parties regulate elite conflict by generating collective benefits for the coalition's members and by reducing individual insecurity and assuaging fears of prolonged disadvantage (Brownlee 2007). Formal and informal rules of appointments and promotions within (provincial) ruling parties, for instance, allow incumbents to make credible intertemporal power-sharing deals with potential elite detractors (Magaloni 2006; Magaloni and Kricheli 2010). As Magaloni and Kricheli (2010: 127) put it, party elites "will support the regime rather than seek to conspire against it only if, in exchange, they can expect to be promoted into rent-paying" or ruling positions. When they do not expect such credible power sharing, party elites split and instability becomes more likely (Magaloni 2006). Where, by contrast, ruling parties are not cohesive, party elites see fewer guaranteed opportunities for political advancement from within and are thus more likely to seek power from outside the regime (Levitsky and Way 2010). "Such party elite defection," Levitsky and Way (2010: 62) note, "is often a major cause for regime breakdown."

Likewise, to stay in power, subnational autocrats, like their national counterparts, need to win elections as well as avoid instability and social unrest between electoral races (Magaloni 2006). They therefore need to build mass support to obtain the acquiescence of the electorate both during and

between elections (Magaloni 2006; Magaloni and Kricheli 2010; Levitsky and Way 2010). To elicit political support from the masses, subnational autocrats must implement policies and programs that are popular among voters. Unlike undemocratic presidents who usually entice the electorate's support by implementing economic programs that are popular with the masses (Magaloni 2006), SUR incumbents, who have virtually no control over macroeconomic policy (Wibbels 2005; Falleti 2010), appeal to voters by delivering provincial public goods—such as public works, social programs, housing subsidies, scholarships, tax deductions, and other similar goods. It does not matter whether SUR incumbents distribute public goods programmatically among the local population or whether they dispense clientelistic handouts. What is relevant is that incumbents in SURs are forced to deliver goods so as to give citizens a vested interest in the perpetuation of the regime (Magaloni 2006; Geddes 2006, 2008).

Where subnational incumbents are able to either ensure party elite unity (which results from maintaining party cohesion) or deliver (programmatically or clientelistically) public goods to obtain mass political support—or to do both—*SUR self-reproduction* should take place. Given that this regime trajectory occurs in the presence of presidential strategies to oppose and weaken SURs, maintenance of party elite unity and mass support is essential to counterbalance potential exogenous (national) destabilizing forces.

Synthesis of the Argument

The core premise of this study is that the capacity (or lack thereof) of national incumbents to wield (fiscal/partisan) power over SURs and autocrats in order to obtain their political cooperation explains alternative trajectories of SUR continuity within nationally democratic countries. The book puts forward a two-step argument. The first step centers on the capacity of presidents to exert power over autocrats and to induce their acquiescence. Effective presidential power is likely where province-specific variables are present. If presidents are fiscally strong, they can wield effective authority over SURs/autocrats whose economies are highly dependent on the national government. Likewise, if national incumbents maintain territorially extended and highly institutionalized partisan structures, they can infiltrate SURs and wield power over autocrats either directly from above or from within to obtain their political cooperation. For this type of presidential power to be possible, one of the following two variables must be present: subnational autocrats must belong to the president's party, and thus be subject to direct presidential partisan control from above; or, if autocrats belong to an opposition party, a non-patrimonial state structure must be in place—as these

institutions facilitate the subsistence of local opposition forces and subnational opposition groups, with whom the center can ally in order to infiltrate SURs to challenge and control subnational autocrats from within.

The second step of the argument focuses on the consequences for regime continuity that derive from the capacity (or lack thereof) of presidents to exert power over SURs and autocrats. When presidents have the resources to induce cooperation from subnational autocrats and thus secure credible and routine political support, the former have strong incentives to invest in the continuity and stability of undemocratic provincial regimes and autocrats. Under these circumstances, SUR reproduction from above, the first pathway of SUR continuity, takes place. Conversely, where democratic presidents fail to exert effective power and are prevented from disciplining subnational undemocratic rulers via fiscal or partisan means, they will implement policies to oppose and weaken SURs and their rulers. Presidential opposition to SURs and autocrats, which in part takes place as a result of presidents' aversion to supporting autocrats who could eventually pose a serious challenge to a president's political, legislative, and economic ambitions, does not necessarily lead to SUR breakdown. Endogenous variables, such as subnational autocrats' capacity to ensure party elite unity and mass political support, not only determine autocrats' ability to counterbalance presidential attempts at destabilizing SURs, but also the resources at their disposal to maintain the status quo and keep their regimes alive. Where this occurs, SUR self-reproduction, a second pathway of SUR continuity, should take place.

The remainder of this book is devoted to testing the argument advanced in this chapter. Before evaluating its validity, the universe of SURs to which the explanation will be applied needs to be defined. To this end, the next chapter conceptualizes, operationalizes, and measures SURs in contemporary Argentina and Mexico.