Clientelism – being dependent on rent and marginality – is categorized as a central element of hybrid regimes. In order to study stagnant processes of transition, reforms that attempt to promote democracy are examined. At the center of this investigation is the Mexican political regime, which is categorized in literature on regime transition as a deviant case.

About the author: Kristin Seffer studied political science, economics and sociology at Universität Leipzig. She obtained her doctorate at the Department of Social Sciences and Philosophie in Leipzig. Since 2010 she works as a senior researcher at the Centre for Area Studies and teaches at the political science institute in Leipzig.

The series is edited by Prof. Dr. Andreas Boeckh (University of Tübingen), Prof. Dr. Hans-Jürgen Burchardt (University of Kassel), Prof. Dr. Anika Oettler (University of Marburg), Prof. Dr. Nikolaus Werz (University of Rostock), Prof. Dr. Heidrun Zinecker (University of Leipzig).
The series „Studien zu Lateinamerika“
is edited by

Prof. Dr. Andreas Boeckh, Universität Tübingen
Prof. Dr. Hans-Jürgen Burchardt, Universität Kassel
Prof. Dr. Anika Oettler, Universität Marburg
Prof. Dr. Nikolaus Werz, Universität Rostock
Prof. Dr. Heidrun Zinecker, Universität Leipzig
Kristin Seffer

Regime-Hybridity in Mexico

The Impact of Clientelism on Transition and Political Regimes

Nomos
This project is funded by the „Deutsche Forschungsgemeinschaft, Bonn“.
Content

Abbreviations 13
Introduction 15

Part I 27

1 Theory and State of the Art 29

1.1 Transition to Democracy and Regime-Hybridity: A Question of the Government Sphere Alone, or Civil Society as Well? 31

1.1.1 The Focus on the Government Sphere as an Obstacle to Causal Explanations: Democracies with Adjectives 31

1.1.2 Regime-Hybridity: A Combination of Authoritarian and Democratic Structures? 37

1.1.3 Regime-Hybridity versus Democracy and Authoritarianism: Incorporating Civil Society into the Concept of Political Regime 42

1.2 What is the Link between Access to Economic Resources and Political Regimes? The Question of Rent Revenues 47

1.2.1 The Concept of Rent 47

1.2.2 How to Use Rents: Rent Allocation and Rent-Seeking 58

1.2.3 Forms of Rent Revenue 61

1.2.4 Marginality-cum-Rent 75

1.3 Can Clientelism Be Related to a Specific Type of Political Regime? 81

1.3.1 Distinguishing Clientelistic Relations 81

1.3.2 The Origins of Clientelism: A Consequence of the Co-Existence of Rent and Marginality? 87

1.3.3 Relating Clientelism to Regime-Hybridity: The Maintenance of a Non-autonomous Civil Society 89

1.4 Clientelism in the Process of Political Transition 93

1.4.1 Decentralization: A Strategy to Promote Democratization or to Foster Clientelism? 94

1.4.1.1 How to Understand Decentralization 95

1.4.1.2 The Impact of Decentralization on Transition 97

1.4.1.3 Decentralization and Clientelism 99

1.4.2 Social Policy: A Strategy to Foster or to Overcome Clientelism? 101

1.4.2.1 Welfare State Models and Types of Social Policy 103
1.4.2.2 Social Policy and Clientelism in Rent-based Economies 105

1.4.2.3 Social Policy and the Political Regime 107

1.4.3 The Economic Sector and the Political Regime: Are Economic Elites Guarantors for Development and Democratization? 109

1.4.3.1 Democracy-Promotion through Privatization and Liberalization? 109

1.4.3.2 State Class, Oligarchy, and Bourgeoisie: Economic Actors in Rent-based Economies 112

1.4.3.3 Economic Elites and Their Impact on the Political Regime: Are They Promoting Economic Inclusion? 116

1.5 Concluding Remarks 117

2 Hypotheses and Methodology 119

2.1 Hypotheses 119

2.1.1 Decentralization: Promoting Democracy or Fostering Clientelistic Structures? 120

2.1.2 Social Policy: Promoting Development or Fostering the Non-Autonomy of Civil Society? 123

2.1.3 The Economic Sector: Fostering a Redistributive and Democratic Political Regime or Reproducing Clientelistic Structures? 127

2.2 The Case 130

2.2.1 Case Study versus Variable-oriented Approach 130

2.2.2 The Mexican Political Regime: A Deviant Case for Transition Theory 133

2.2.3 The State of Nuevo León: A Least-likely Case within a Most-likely Case 134

2.3 Applying the Hypotheses to the Case 137

2.3.1 Decentralization and the Increasing Bargaining Capacity of Sub-national Political Authorities 137

2.3.2 Social Policy in a Period of Political Transition and Socio-economic Changes 138

2.3.3 Economic Elites in Times of Economic Crises and Adjustments 141
Part II

3 The Genesis of the Post-Revolutionary Political Regime in Mexico: An Excursus 147

3.1 Regime Formation with the Help of Traditional Rent Revenues? From the Porfirian to the Post-revolutionary PRI Regime 147

3.1.1 The Porfiriato 147
3.1.2 The Revolutionary Period 148
3.1.3 The Cárdenas Era and the Corporatist Regime Formation 150

3.2 The Onset of Erosion for the PRI Regime and its Politico-economic Fundaments: Political Opening Due to Declining Traditional Rent Revenues? 153

3.2.1 The Agricultural Sector 153
3.2.2 The Role of Oil 154

3.3 The Emergence of Alternative Rent Revenues: Which Type of Rent Revenues Had an Impact on the Regime’s Development? 155

3.3.1 Revenues Received from Narcotráfico 156
3.3.2 Migrant Workers’ Remittances - Remesas 157

4 Decentralization and Political Openings: Increasing Autonomy of Subnational Entities and the Question of Transparency and Control 162

4.1 Antecedents of the Decentralization Reforms: The Long Term Project of Centralizing the Political System 162

4.2 The Onset of Decentralization: Increasing Autonomy of Sub-national Entities or a Modified Strategy of the Federal Level to Maintain Dependence? 168

4.2.1 Circumstances and Reasons for the Decision to Decentralize in the 1980s 168
4.2.2 The Reforma Municipal – Article 115 of the Mexican Constitution 169
4.2.3 Transferring Services Responsibilities in Nuevo León: A Potential Strategy to Maintain Clientelistic Networks? 172
4.2.4 Fondo General de Participaciones – Ramo 26 175
4.2.5 Evaluating the First Decentralization Reforms 177

4.3 Reforming the Reform? The Ramo 33 and the Second Reforma Municipal of 1997 179

4.3.1 Circumstances and Reasons for the New Reforms 179
4.3.2 The Implementation of the Fondo de Aportaciones Federales – Ramo 33 181
4.3.3 The Reforma Municipal of 1999: More Autonomy for the Municipios? 184
4.3.4 Federalism after the Cambio: Accountability in Nuevo León 186

4.3.5 Evaluating the Second Reform and the Today Situation 188

4.4 Continuities and Changes: Decentralization in Periods of Declining Traditional Rent Revenues and Increasing Availability of Alternative (Rent) Revenues 188

5 Social Protection Policies after the Political Cambio in 2000: Overcoming or Fostering Clientelistic Structures? 192

5.1 Antecedents: Social Protection under the Partido Revolucionario Institucional (PRI) 193

5.1.1 Social Policy under the PRI before and after the Político-economic Changes in the 1980s 194

5.1.2 The Creation of PRONASOL after the Economic Crisis of 1987 196

5.1.3 PROGRESA: A Consequence of the “Tequila” Crisis of 1994 & 1995 197

5.1.4 Procampo and the North American Free Trade Agreement (NAFTA) 198

5.2 Social Protection Programs after the Political Alternation: Continuities or Changes? 200

5.2.1 PROGRESA-Oportunidades: Breaking the Clientelistic Practices of the PRI? 201

5.2.2 Procampo: A Transitional Subsidy Program? 206

5.2.3 The Program 3x1: The Institutionalized Allocation of Rent Revenues? 212

5.2.4 The Impact of the Return of Traditional Rent Revenues on Social Protection Policies 216

5.3 Evaluating the PAN’s Social Protection Policies: Alternative Strategy to Maintain Clientelism or to Overcome Marginality? 219

6 Economic Groups and Their Impact on the Political Regime: Promoting Democracy through Modernization? 224

6.1 The Emergence and Development of the Economic Elite in Nuevo León 224

6.1.1 From the Cervecería Cuauhtémoc to FEMSA 227

6.1.2 Grupo Alfa 230

6.1.3 The Zambrano Family and CEMEX 231

6.1.4 Capital Concentration and Industrial Development in Monterrey under the Post-revolutionary PRI Regime 233
6.2 Productivity, Gains and Wages: How Can the Divergent Developments Be Explained? 237
   6.2.1 Strategies to Resolve the Crisis and Growth of the Conglomerates after the 1980s 237
   6.2.2 Wages since the Economic Opening Process 242
   6.2.3 Productivity and Wage Levels 245

6.3 Capitalist Labor Relations? The Employer’s and Workers Organizations 250
   6.3.1 Representing Workers Interests or Administering the Workforce? The Sindicatos Blancos 250
   6.3.2 The Political Organ of Oligarchic Groups: The Confederación Patronal de la República Mexicana (COPARMEX) 255

6.4 Reproducing Clientelism: The Impact of Economic Groups 260

7 Conclusion 263
   7.1 Empirical Findings 264
   7.2 Final Discussion and further Research Questions 273

8 Bibliography 281

9 Annex 299
   9.1 Annex I 301

Table 1: Election Results in the Área Metropolitana of Monterrey, 1997–2006 301
Table 2: Difference between the Total Income per Capita Received by Municipios (Amount Reported by the Municipios to INEGI) and the Total Amounts Transmitted to Municipios (Reported by the Government of Nuevo León to Cuenta Pública) (Mexican Pesos at Current Prices) 302
Table 3: Difference between the Participaciones Federales (PF) Received by Municipios (Amount Reported by the Municipios to INEGI) and the PF Transmitted to Municipios (Amount Reported by the Government of Nuevo León to Cuenta Pública) (Mexican Pesos at Current Prices) 304
Figure 1: Value of Mexican Exports of Illegal Drugs, 1961–2000: Percentage of Legal Exports (Black Curve/Left Scale) and Percentage of Oil Products (Grey Curve/Right Scale) 305
Figure 2: Annual Percentage Change of GDP, 1980–2008 (in Constant Prices) 306
Figure 3: Migrant Worker’s Remittances Sent to Mexico 306
9.2 Annex II

Table 1: Years of Education of 25 to 65 Year-Olds by Income Decile, 1984–2002

Table 2: Enrollment Rates of Young People in Poor and Rich Mexican Households, 1992 & 2000 (in Percent)

Table 3: Composition of the Extreme Poor by Household Head Characteristics in 1992 & 2002 (in Percent)

Table 4: Percentage Breakdown of Income and Average per Capita Income: Comparing Households with and without Remittances


Figure 1: Evolution of Remittances (Remesas) and Average Annual Wages (Remuneraciones) in Mexico, 1980–2003 (Constant US$ & Mex. Pesos of 2003)

9.3 Annex III

Table 1: Annual Growth Rate of Private Investments in Nuevo León in Selected Sectors, 1909–1936 (in Percent)

Table 2: CEMEX at the Mexican Domestic Market, 1970–1989

Table 3: Family Income Distribution in the Área Metropolitana of Monterrey, 1965–1985

Table 4: Average Growth Rates for External Sales (Exports and Sales of Foreign Associates, Percentage) and Domestic Sales (Percentage), 1992-2002

Table 5a: Average Real Wages per Worker’s Hour by Manufacturing Sub-Sector in Mexico, 1981–1992 (1981=100)

Table 5b: Average Real Wages per Worker’s Hour by Manufacturing Sub-Sector in Mexico, 1992-2003 (1992=100)

Table 6: Index of the Average Real Income per Employee in the Manufacturing Sector in Mexico, 1993–2001, (1993=100)

Table 7: Wages and Added Value of Employees in Mexico and Nuevo León (Selected Years between 1980–2003, in Mexican Pesos of 1993)

Table 8: Average Hours Worked and Income Received by Education, 1984 & 1994

Table 9: Mexico: Sources of Growth, 1940–1994 (in Percent)

Table 10: Export Sales by Company, 1990–2002 (in Percent)

Table 11: Monthly Manufacturing Wages by Worker’s Group in Nuevo León in 1993 (in 1993 Mex. Pesos)