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 Aguas calientes que esta en 22 al Noroeste ay de
 Puerto de la S. J. de Oaxaca, por el puente co
 Qbispado de Michoacan y Guadalaハラ Por
 de Oaxaca y Sur Comel. Acapulco y de
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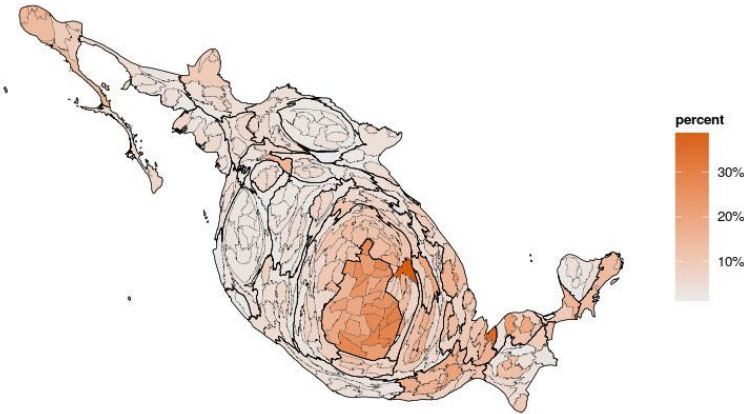
Instrumental incoherence and the emergence of Morena out of Mexico's failed decentralization reform

Alberto Diaz-Cayeros
 Stanford University

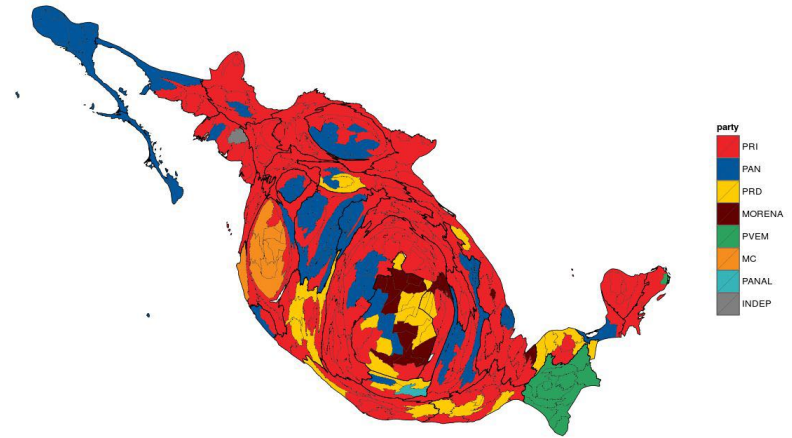
Mexican democratization has been followed by the electoral dominance of the Morena movement (party)

In 2015 that party support was moderate and regionally concentrated

MORENA votes equal area cartogram, by district



Winning party, by district



By 2024 Morena is overwhelming. A simple explanation might be emergence of a charismatic populist leader...

- AMLO crushed his opponent with 54.7% vote (18 million lead, 63.4% turnout)
- National Regeneration Movement (Morena) has displaced mayor parties
- Efforts to undermine independent electoral administration and checks and balances of the Supreme Court
- Press conferences every morning dominate news cycle
- Primary had the flavor of the bygone PRI era of dedazo and presidencialismo



AMLO is far more popular in terms of public opinion approval than any of his predecessors

Aprobación presidencial (1995-2020)



Source: Javier Marquez - Oraculus

But instrumental incoherence may provide a more plausible explanation

Democratization in the 1990s put pressures on increased fiscal decentralization

This was achieved through the creation of Aportaciones - a formula based federal transfer

The fiscal architecture ensured a credible commitment, which allowed politicians to seek careers cultivating local constituencies

But such transfer dependent arrangement did not enhance a Wicksellian connection between taxes and public spending, nor did it strengthen political accountability through electoral credit claiming

Established political parties became increasingly de-nationalized and disarticulated within the states, opening opportunities for local political entrepreneurs

Morena capitalized this disharmony from its bulwarks in Southern states and Mexico City

Relevant literature addresses local national linkage:

Nationalization of party systems

Stokes DE (1967)

Cox (1999)

Jones MP, Mainwaring S (2003)

Chhibber and Kollman (2004)

Caramani (2004)

Kasuya and Moenius (2008)

Golosoov (2014)

Kollman, Hicken, Caramani, et al. (2013)

Caramani and Kollman (2017)

Federalism and decentralization

Putnam (1993)

Faguet (2014)

Diaz-Cayeros (2006)

Harbers (2010, 2017)

Castañeda-Angarita (2013)

Enikolopov and Zhuravskaya (2007)

Macarin, Pique and Aragón (2020)

Faguet and Shami (2021)

Nationalization metrics are relatively well established

PSNS Party System Nationalization (Jones and Mainwaring) - Gini coefficient (inverse), weighted by the party vote share.

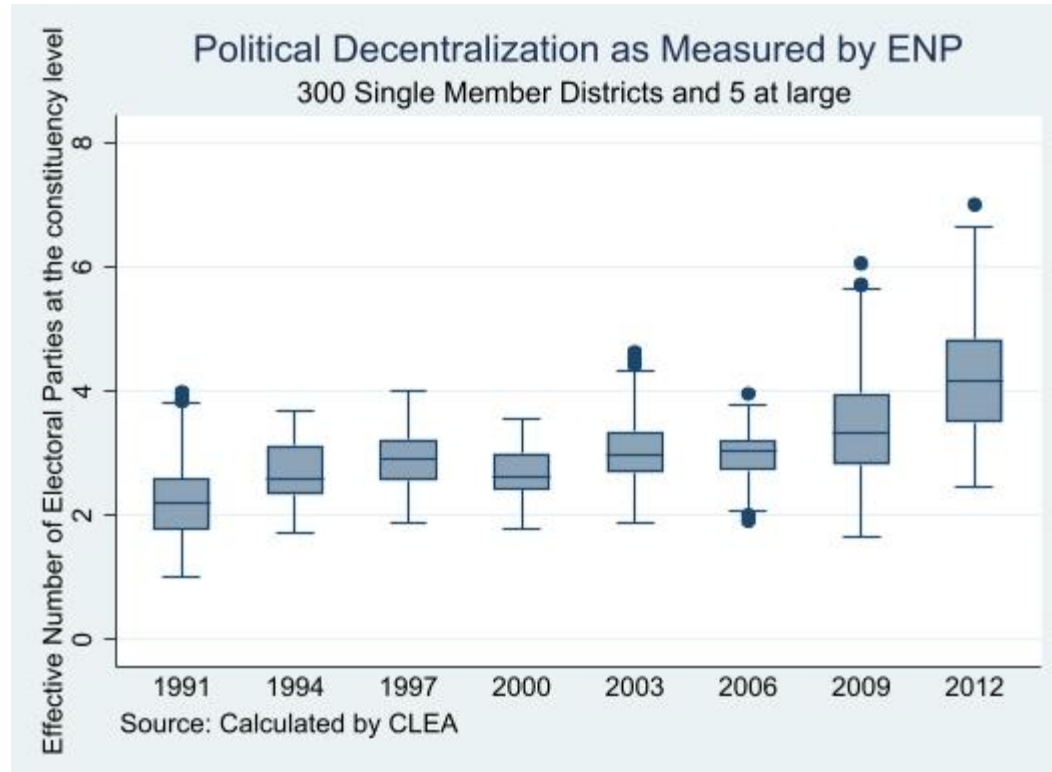
32 States (federal amendment by Golosov)

300 Electoral Districts (calculate municipal decomposition)

CLEA Constituency Level Elections Archive:

- ENP at the constituency level (300 districts) (local party system)
- “Inflation” measure (district contribution to national fragmentation)
- PSNS summarizes party by party articulation

Political decentralization as measured by party fragmentation in Mexico (and perhaps de-nationalization)



1991 .6924565

1994 .7523586

1997 .686456

2000 .7517259

2003 .51008

2006 .7141724

2009 .664337

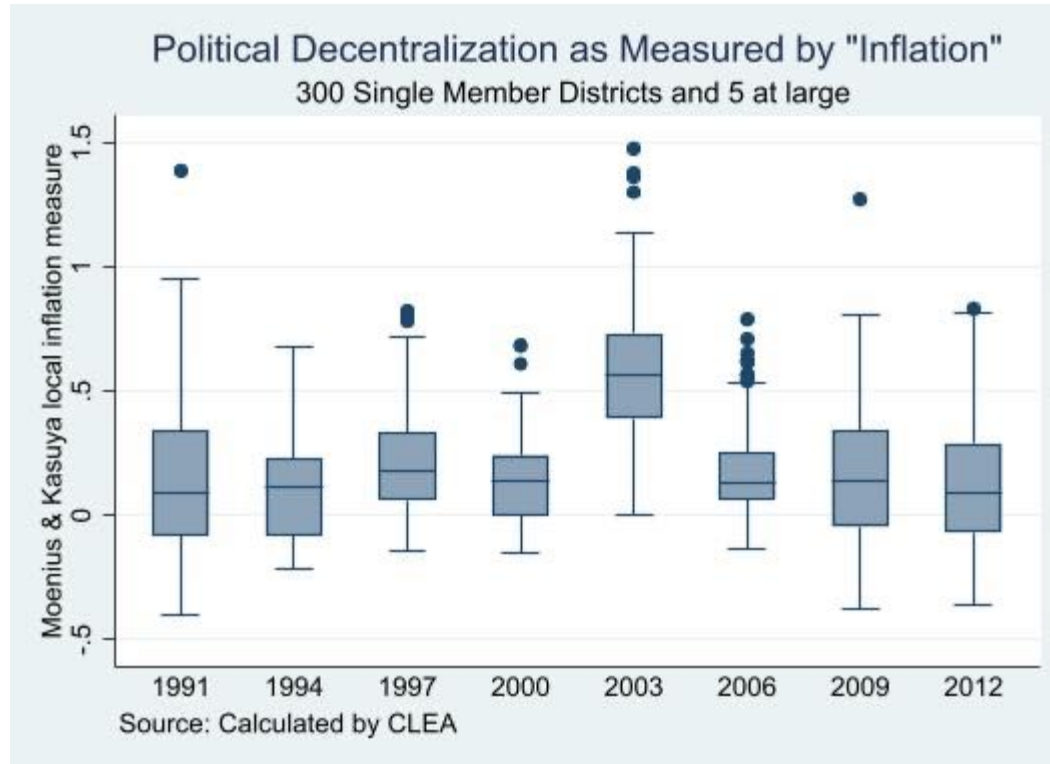
2012 .6451531

2015

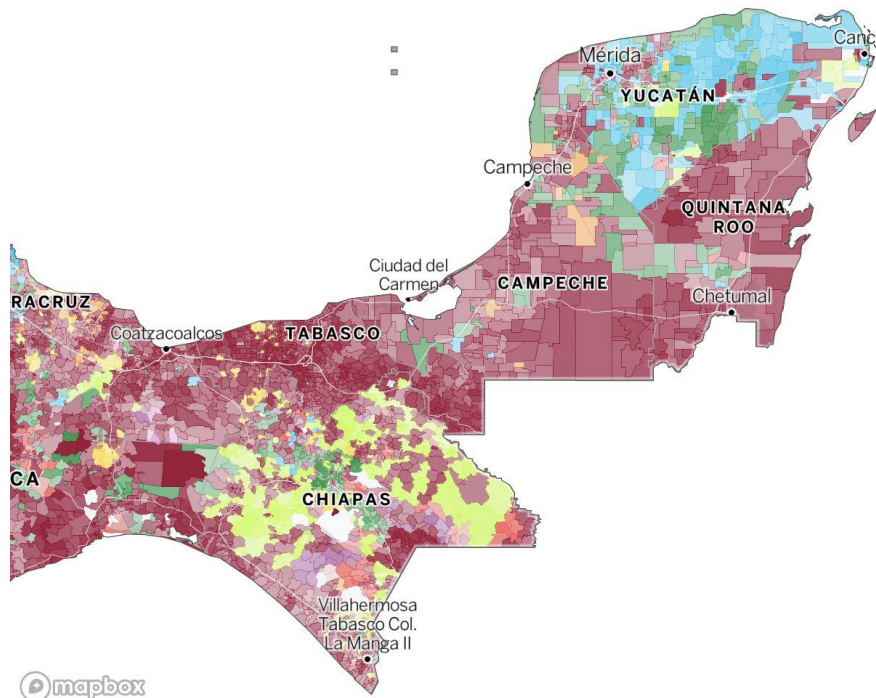
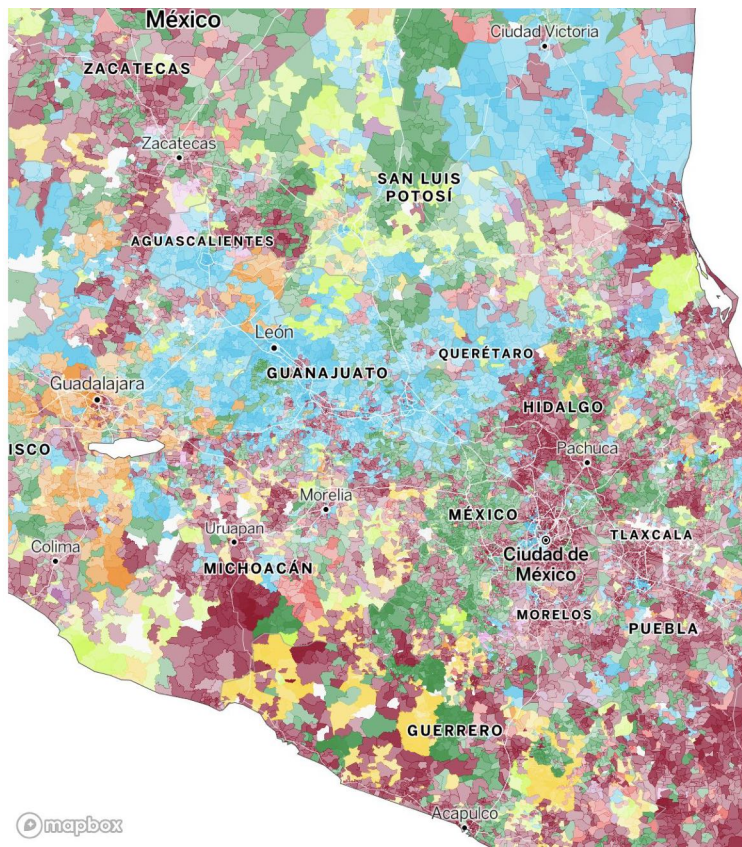
2018

2021

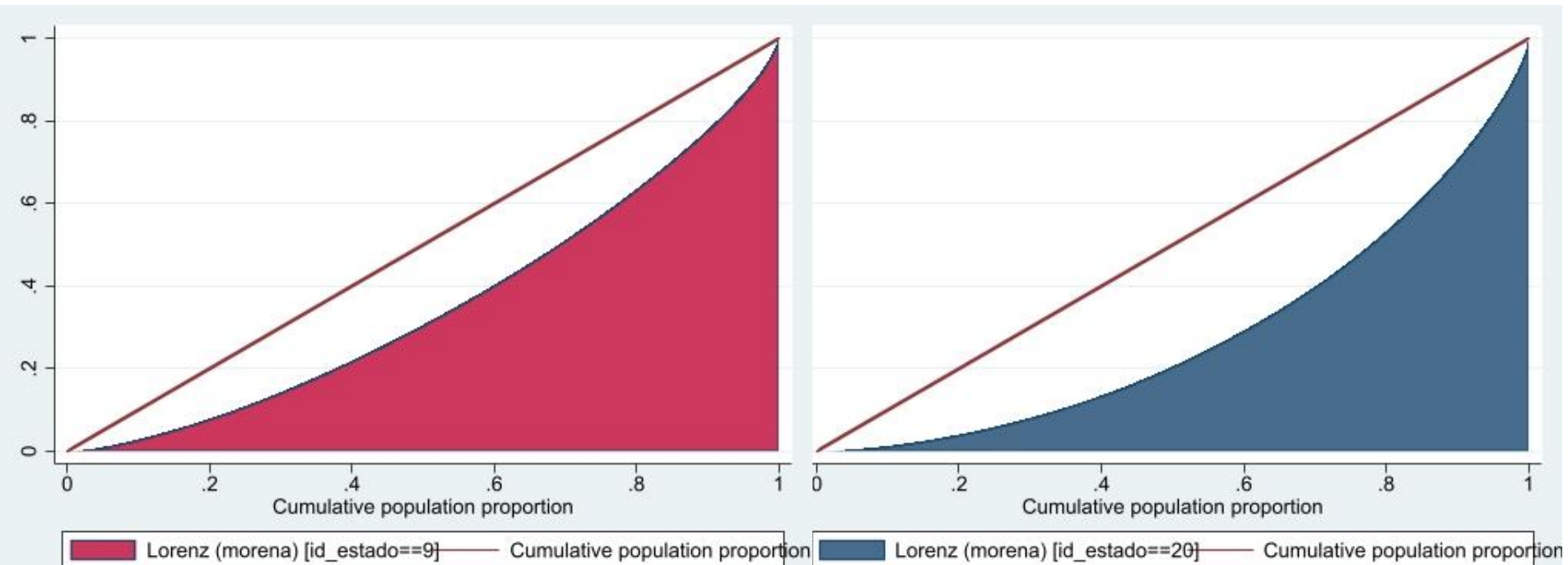
But other metrics such as “inflation” do not show greater de-nationalization



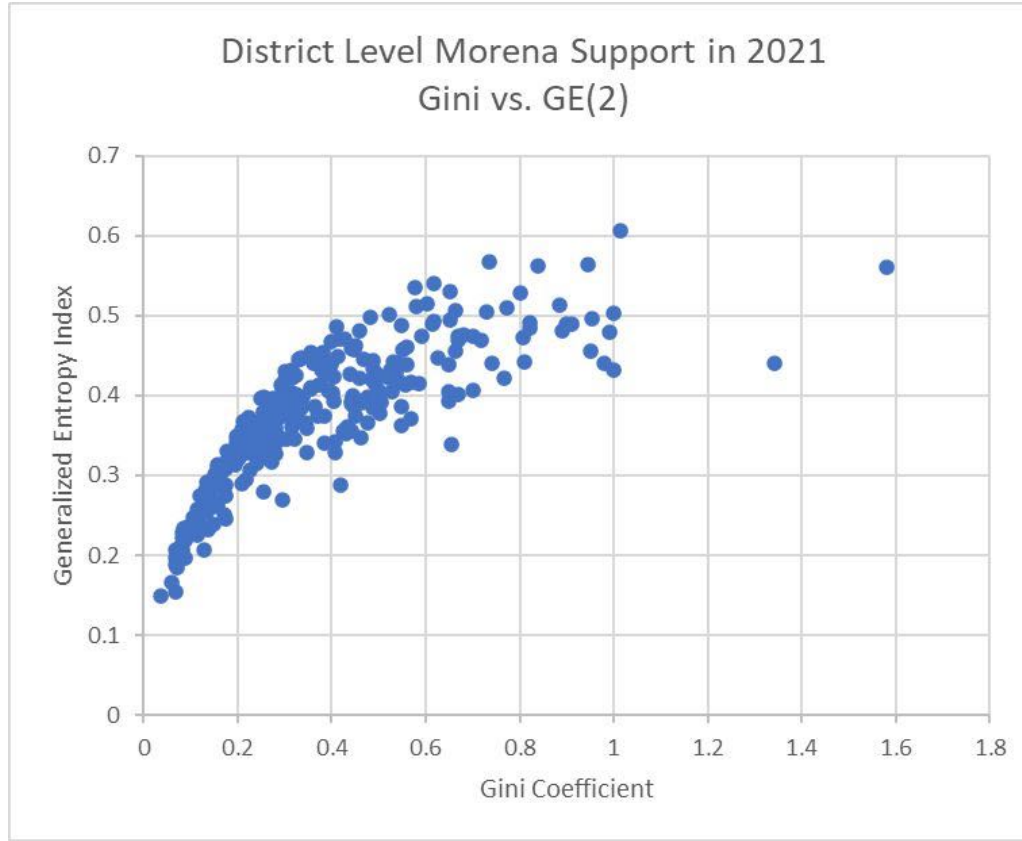
Leverage the 67k+ Precincts (Secciones Electorales)



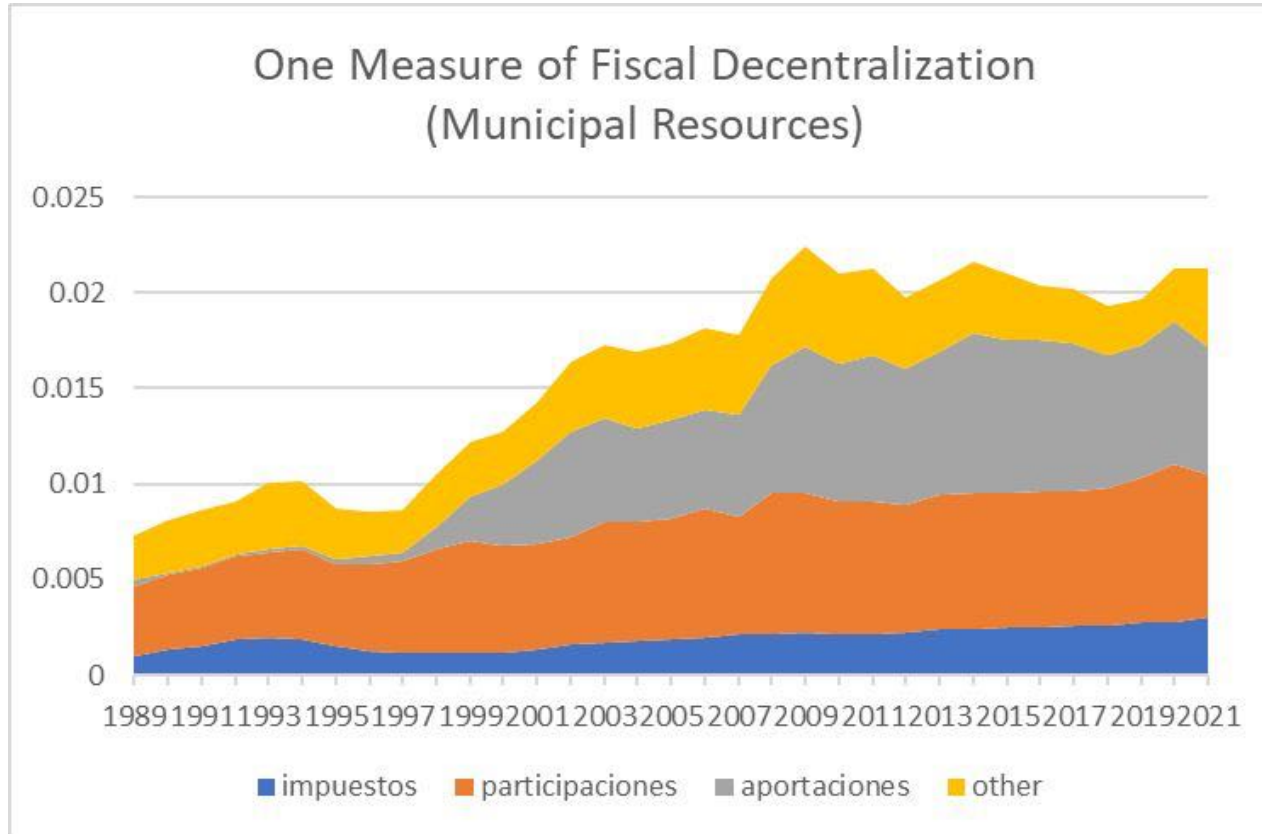
Party linkages by political partitions (district, state, region)



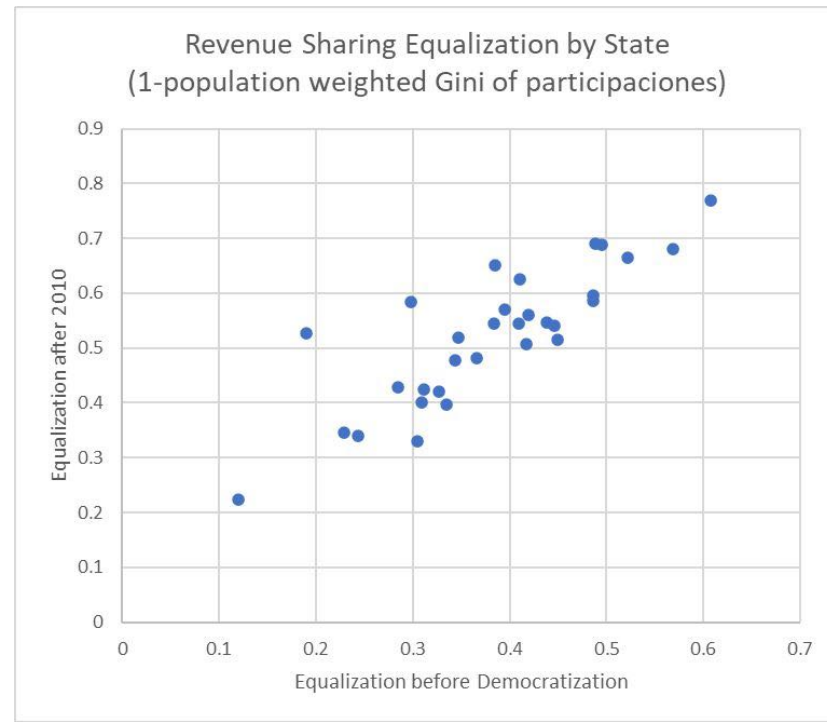
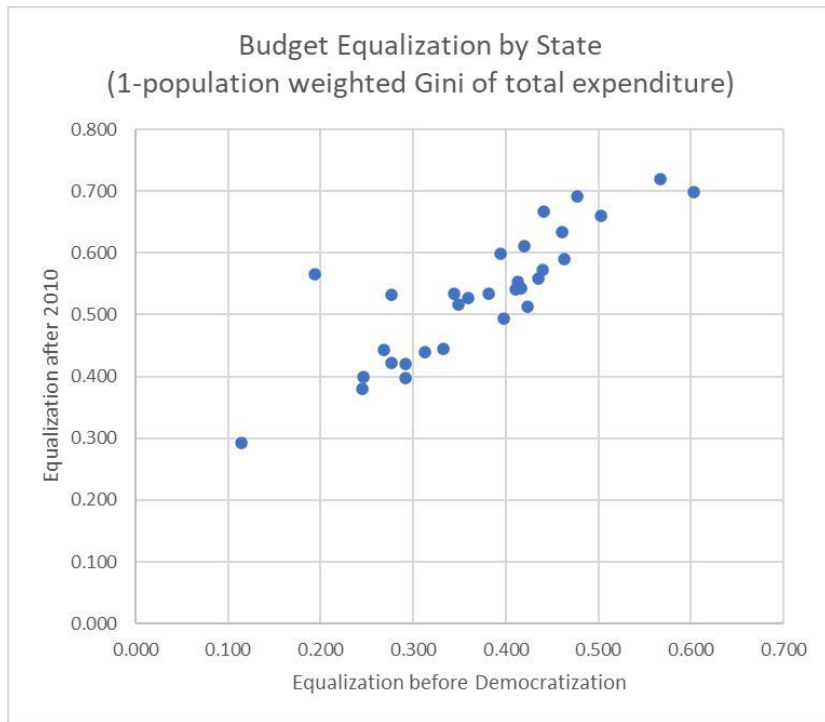
Between and within inequality decomposition



Fiscal decentralization characterized by three distinct phases: AMLO does not shift arrangement



Shifts in equalization across the board, but large differences across states



Some ideas on how to use a logic of de-nationalization with links to fiscal re-centralization

Endogenous relationship: Political de-nationalization \longleftrightarrow fiscal re-centralization

Fiscal structure mirroring the political structure? Three year fiscal structures, aggregated to the electoral district level (n=3300, 300 districts x 11 electoral cycles)

Solutions for causal inference?

RD around the 2000 democratization shock and the 2018 AMLO victory as exogenous *cause* of de-nationalization or re-centralization in the marginal districts or precincts (barely lost or won)

CEM on observables for individual precincts across sociodemographic variables, with or without a Morena “victory” to test a *causal effect* on fiscal effort

What may we learn about instrumental incoherence?

Sources of credibility to the initial thrust of decentralization

Institutions of fiscal federalism are sticky, because it is very difficult to avoid zero-sum perceptions, therefore retain the status quo

Political incentives to subvert the system through programmatic irregularities, misappropriation of funds, creative accounting

Oversight mechanisms might be too slow, electoral punishment too infrequent

Disaffection with democratic process