

# T15P04 / New Political Regimes, Old Public Policy and Governing Patterns?

**Topic :** T15 / Democracy, Political Regime and Policy Process

**Chair :** Mauricio Dussauge (CIDE )

**Second Chair :** Jose Luis Mendez (El Colegio de México)

## GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

During the past three decades, Latin American countries have gone through significant processes of democratisation, economic liberalisation, and internationalisation. These processes have brought with them several political, economic, and administrative changes, and have opened up new policy and regulatory fields of intervention for national public sector institutions. However, while the transformations in terms of constitutional principles, legal norms, and even organizational structures are generally clear, we still know very little about: a) whether and how these formal transformations have actually changed traditional policymaking processes, old governing arrangements, executive-legislative relationships, federal/decentralisation arrangements, state-society exchanges, corruption levels and perceptions, policy analytical and regulatory capacities, or media-government relationships; b) whether we can find similar policy and governing patterns across the Latin American region, including forms of political/bureaucratic resistance or new regulatory developments, leading to some kind of regional policy convergence; or c) the extent to which recent theoretical debates in the international public policy and administration literature help describe and/or explain whether, how, and why democratisation, economic liberalisation, and internationalisation have contributed to new policy and governing patterns in each Latin American country. This panel represents an excellent opportunity to contribute to our empirical knowledge about the policy and governing transformations that have occurred in the region; to assess the usefulness of international theories, approaches, and debates to describe, understand, and/or explain ongoing political changes in the region and its various countries; and to build new policy theories and concepts grounded on the Latin American experience.

## CALL FOR PAPERS

In the past decades, Latin American countries have gone through significant changes in political, economic, and administrative terms, all of which have been triggered by democratization, economic liberalization, and internationalization trends. This panel seeks to make a contribution to our empirical and theoretical knowledge about the policy and governing transformations that have occurred in this region. We therefore seek papers that aim to: assess the usefulness of international theories, approaches, and debates to describe, understand, and/or explain ongoing political changes in the region and its various countries; and/or try to build new policy theories and concepts grounded on the Latin American experience. More specifically, the panel will seek to explore questions such as, has democratization led to better quality of government levels in Latin American countries? Has economic liberalization brought about the emergence of regulatory capitalism structures in the region? Can we speak of institutional, administrative or policy convergence across Latin American countries, and/or across policy sectors? Where do Latin American policy makers get their policy reform ideas, how, and why? In broader terms, the panel will try to explore the extent to which theories and approaches such as “institutionalism”, “multiple streams”, “advocacy coalitions”, “policy dismantling”, “reputation management”, “policy transfer”, and many others are applicable to recent Latin American countries’ public policy experiences. More specifically, papers could address one or more of the following topics:

- a) Effects of democratisation, economic liberalisation, and internationalisation on Latin American political institutions and policy processes
- b) Policy change and continuity in specific fields
- c) Structural policy reforms and their impact on administrative structures
- d) The true value of new policy values: transparency, accountability, open government, participation
- e) Policy diffusion, policy transfer and policy convergence across the region
- f) Policy influence of political, economic, and non-governmental actors
- g) Policy capacity in government and non-governmental institutions
- h) Policy impacts of corruption and clientelism

Papers adopting comparative approaches, mixed-methods, and/or assessing the usefulness of

contemporary policy theories are particularly encouraged.

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## Session 1 New developments in subnational governments

Thursday, June 29th 08:15 to 10:15 (Block B 1 - 1)

### **Metropolitan policy-making in Mexico. Governance and capacities**

ANA DIAZ-ALDRET (University of Guadalajara)

Formally, Mexico has a federalist system, but it has traditionally functioned as a centralist one in practice, and that reality marked the system until the end of the 1980s.

That was a decade that brought about several decentralizing reforms, oriented towards strengthening subnational levels of government and establishing major spaces of autonomy. It is important to mention that, due to the centralist tradition in Mexico, decentralization has been a vehicle for strengthening the federal system.

Unfortunately, these reforms did not have the expected impact. It was until processes of political change developed in the regions that the system finally began to operate with a federalist dynamic, with new arrangements for intergovernmental cooperations emerging in diverse areas of public policy.

Despite the fact that subnational governments began to have a more active participation, they have not accomplished the institutional design and governmental arrangements that would give the federalist system an orderly scheme. This has been the general theme for the design and implementation of policies starting with the year 2000, although studies demonstrate the impact of decentralization has been differentiated among the diverse areas of public policy.

In this paper, I present the results of a research project that analyzes the metropolitan subject from the starting point of census data analysis. This is relevant because, according to INEGI-CONAPO, Mexico has 59 metropolitan areas and approximately 75 percent of the population resides within them. Regardless, a government metropolitan *no tiene* prácticamente agencias para la coordinación metropolitana. En estas aglomeraciones humanas convergen las facultades de los tres niveles de gobierno; en este sentido, el fenómeno metropolitano es un buen laboratorio para entender el entramado institucional y las capacidades de reforma y cambio en el ámbito del policy making en este país.

The result will point towards a weak capacity for generating public policies that are efficient in the deliniation of territories and urban governance. A noticeable lag in the planning of territories is present, translating into a chaotic urban growth that is fundamental driven by the interests of the market as a consequence for the evident frailty in all three branches of government to confront the subject of metropolitan development. Furthermore, the intention to establish an intergovernmental coordination towards metropolitan issues has failed. Policy learning processes are not present as is the case of Metropolitan Funds.

Due to everything mentioned, a space has been opened for international organizations (WB, IDB, UN-HABITAT) to introduce certain subjects and policy models that should be transferred to the Mexican reality. The paper explores up to which point certain subjects and visions should be internalized by government structures that have impact over metropolitan areas.

The last subject refers to the supposed democratic transition in Mexico that would propose that cities and socio-political dynamics promote new forms of horizontal governance with an important participative component. As will be demonstrated, the area of urban policy is one where less has been accomplished in this sense.

## **Federalism and institutional capacity to foster metropolitan policy cooperation: a comparative appraisal between Brazil and Mexico.**

Oliver Meza (Tecnologico de Monterrey)

Eduardo Grin (Fundação Getulio Vargas- Brazil)

Antonio Sergio Araújo Fernandes (Federal University of Bahia, Brazil)

Abrucio Fernando Luiz (Fundação Getulio Vargas)

¿What fosters local governments cooperation? Challenges on sustainable development of this millennium require the implementation of a set of policies with intensive cooperation across local governments. However successful cooperation schemes are not empirically abundant in the world, and exactly because of this is crucial to know the factors affecting such political choice and the organization of this kind of arrangement. This study aims to answer the question on local government cooperation within the context of metropolitan regions.

To govern the locality is said to be dependent on the surrounding institutional milieu. Convergence on this conclusion is soundly robust along the literature therefore we take advantage of it to base our study by comparing two federal systems. We aim to understand the different patterns of metropolitan cooperation between Mexico and Brazil. Our ground-level hypothesis is that institutional features of each federation imposes different transactional costs and inducements to the possibilities of establishing metropolitan cooperation schemes.

In order to proceed we derive a set of working hypothesis from the Institutional Collective Action Framework (ICAF) literature. We then empirically test these hypotheses on metropolitan cities –and municipalities- in Mexico and Brazil. We use a logistic binomial econometric model and a series of control variables. The results would then be discussed under the lenses of the ICAF. We are interest into understand to what extend differences in cooperation schemes are associated to the distinctive institutional milieu that characterizes each federal system.

## **Subnational state capacity and citizen engagement in Mexico**

Fernando Nieto Morales (El Colegio de México)

Fernanda Somuano (El Colegio de México)

## **Subnational state capacity and citizen engagement in Mexico**

Fernanda Somuano and Fernando Nieto

El Colegio de Mexico

Citizen engagement in public issues is considered central for “making democracy work”, and for fostering a better design and easier implementation of public policy. Although there is quite some literature that has examined the effects of participation on government responsiveness and policy effectiveness, only few studies have focused on how governing patterns and state capacities create favorable environments for participation. State capacity is the extent to which states can design public policies and elicit the necessary internal and external support and involvement to ensure policy implementation. Stronger states are those that can effectively rally bureaucratic capabilities, collect taxes, mobilize internal and external policy stakeholders, and steer societal and economic factors within their jurisdiction. Hence, state capacity is associated with a number of important social and political outcomes, ranging from economic growth to democratic normalcy.

Although state capacity has been studied, by and large, at the national level, it can also be observed at the subnational level. In many countries, such as federations, there is an explicit transference and balance of powers among federated states and a central (federal) government. Therefore, stronger or weaker subnational state capacities may also have relevant and specific political and social consequences for citizens living in the same country, but in different subnational units.

The present study inquires whether different dimensions of state capacity at the subnational level in Mexico hold a relation with citizens’ political engagement. We test two general hypotheses. The first one proposes that strong subnational states (with bureaucratic cohesion, extractive capacity, extraterritorial recognition and capacity to steer key local social and economic factors) provide incentives and conditions favorable for conventional forms of participation. The second hypothesis claims that where subnational state capacities

are weak, people expect poor or null performance of subnational policies, and therefore turn away from conventional participation, and instead turn to protest or community participation. To test these hypotheses, we use multilevel survey data from N=11,000 Mexican citizens in the 32 Mexican states in 2013. We test whether individuals' propensity to engage in different forms of participation (conventional participation, political protest, or community participation) is moderated by differences in subnational state capacities.

This study makes three contributions to extant research. First, we complement previous research on citizens' involvement in policy, and extend it in order to understand consequences of strong or weak capacities at the subnational level. Second, we empirically study different types of citizens' participation. This allows for a more fine-tuned analysis of individual-level political consequences of subnational state capacities. In particular, this approach allows for a comparison of citizens' responses to differences in local policy, as well as local institutional and bureaucratic differences. Third, we empirically test our arguments using cross-sectional data from a large sample of Mexican citizens combined with independently collected data on state capacity for all Mexican states.

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## Session 2 New transformations in the Latin American Region

Thursday, June 29th 10:30 to 12:30 (Block B 1 - 1)

### **A farewell to arms: The Long Run Developmental effects of Costa Rica's army abolishment**

Abarca Alejandro (Observatory of Development, University of Costa Rica)

Suráyabi Ramírez (Observatory of Development, University of Costa Rica)

Following the end of the civil in 1949, Costa Rica abolished its army and redirected its budget toward healthcare and education. Ever since and up to this day, Costa Rica has achieved some of the highest living standards and development indicators in Latin America. Furthermore, unlike most other countries in the region, Costa Rica has not had dictatorships or armed conflicts since the abolishment of its army. In addition, soon after the abolishment of its army, the country started experiencing a notable economic growth divergence relative to the rest of the countries in the region. Thus, these institutional changes along with long-standing democratic history have been considered to be factors of paramount importance that have led to these developmental achievements and democratic stability in the country up to this day.

Although the negative economic and political outcomes of wars and conflicts has been widely studied and acknowledged, to the best of our knowledge, there is still not a case study of the long run economic and developmental consequences of abolishing a country's armed forces.

This paper quantitatively investigates the effect of Costa Rica's army abolishment on the long run comparative development of Costa Rica with respect to Latin America. For this, we follow two methodological approaches. Firstly, we use a synthetic control model to estimate the specific impact of this institutional change in Costa Rica's economic growth and development, i.e. we use long time series data to systematically choose comparison Latin American countries that did not abolish their armies and compare their economic growth and developmental outcomes with Costa Rica. And secondly, we analyze long time series data along with the economic and political history of Costa Rica and the rest of Latin America in order to determine how the effect of the abolishment of Costa Rica's army endured through changes in the country's politics, public policies and institutions, and how these changes differ from the rest of Latin America.

Thus, by performing a quantitative comparative analysis of Latin American countries, this paper sheds light on how an institutional reform can have long lasting effects in a country's policies, economic growth, government and development.

### **Policy integration in Latin America**

Guillermo Cejudo (Centro de Investigación y Docencia Económicas (CIDE))

Cynthia Michel (Center for Research and Teaching in Economics (CIDE))

By the end of the 20th century, many Latin American countries transformed the way government operated, following a New Public Management logic of agencification, specialization and decentralization. As a consequence, many government interventions are now too specific or fragmented and are unable to address complex social problems.

In response, some government have attempted a more integrated, comprehensive type of interventions, sometimes based on careful planning to try to make sure that policies are coherent, others on intersectoral/intergovernmental coordination, and others on integrating several policies into encompassing strategies. Based on previous research on the conceptualization and operationalization of coordination, coherence and integration, (Cejudo and Michel 2016), we study three examples of policy integration in

Mexico, Chile and Uruguay. We try to understand how policy responses to fragmentation take different shapes and reach different results.

## **The Democratic Transitions in Central America: Institutionalism and Development in Nicaragua and Costa Rica**

Johnathan Ordonez (University of Milan)

The end of the 20th century was relevant for the democratic transitions in many countries of Latin America. However, and despite great efforts to create and enhance democratic institutions, the democratic transition in some countries has not been completed yet. The main objective of this paper is to analyze and compare the relationship between governance and economic development between two countries in Central America, Nicaragua and Costa Rica, and to study how this relationship has contributed to the democratic process for both countries. This paper makes a comparison between the democratic transition of the two countries, and reviews the reasons why Nicaragua has been left behind in the democratic transition whereas Costa Rica has not. Using the theoretical framework and methodology proposed by Adam Przeworski and Douglass North et al, two groups of countries are distinguished when analyzing democratic systems: the open access institutional groups, where Costa Rica belongs, and the close access institutional groups, where Nicaragua belongs. In the open access institutional groups, democratic institutions have acquired a great level of autonomy to ensure equity and free competition in the economic and political field. On the other hand, in the close access institutional groups powerful actors are the ones that provide stability in exchange for benefits created by a corrupted political system. Nicaragua is classified as a close access institutional group that has been oscillating for years between both types of groups, but does not make the qualitative leap towards an open access institutional group. Finally, in order to understand this leap from close access institutional group to open access institutional group, this study will analyze the role of important policies related to accession to power, rule of law, functioning of markets, civil society and political parties.

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## Session 3 The new architecture of the Mexican State

Thursday, June 29th 13:30 to 15:30 (Block B 1 - 1)

### **Constitutional autonomous agencies in Mexico: efficiency vs. autonomy**

Maria del Carmen Pardo (CIDE)

Constitutional autonomous agencies in Mexico: efficiency vs autonomy

María del Carmen Pardo

CIDE

They have been recorded in the last two decades significant changes to refine and establish limits for States and governments stop intervening in the economic field and will also serve as central agents of development. This was but one of the consequences of the changes that occurred in economic models, which affected very directly in strategies of downsizing of the State. Those changes were taken in many countries and were demanding new forms of relationship between different actors, so that States and their Governments could send signals of certainty to encourage investment and so that resources and earnings would be safeguarded, through economic policies and regulation based on principles of economic and non-political logic (Majone, 1999; cited by Dussauge) (, 2008: 1-24). Mexico does not was in no way alien to these strategies; successive governments implemented policies of privatization and deregulation, which were understood, initially, as a solution to liberalize the economy and lighten the governmental apparatus. As these policies were maturing, it can be said that they transformed the role, functions and, ultimately, the fields of intervention of the State. The Government set up resources and mechanisms to encourage macroeconomic balance, the regulation of the markets, but also who is to assume tasks essential without subordination to the political mandates of Governments in turn in sensitive matters, such as the electoral and the conduct of policies such as education, in order to not only ensure competition and investment , but the freedoms and rights of citizens.

The aim of this article is to review the appearance in the Mexican political and administrative structure of the so-called autonomous constitutional bodies (OCA) to try and outline some general reflections on his emergence, development, regulatory scaffolding, specialized technical demands, and that both the autonomic attribute allows them to carry out their tasks efficiently. The work incorporates a general approach to these agencies to find traits that they share, as well as some references of more timely character in relation to certain agencies.

### **Democratization and the emergence of different policy approaches towards poverty alleviation in Mexico. ¿Has it made any difference? ¿Is poverty a wicked problem?**

Jose Luis Mendez (El Colegio de México)

Social justice was one of the most important goals of the Mexican Revolution and has been a central aim of all Mexican governments since then. In this way, in the 1930s and 1940s, the Mexican state established free public education for all children and social security for workers at both the private and public sectors. Also, from the 1930s to the 1970s thousands of hectares of land were redistributed among the rural poor; public agencies were established to distribute food and provide housing for the poorest sectors of the population. Beginning in the late 1970s, state programs specifically aiming at the extreme poor were designed. Thus, for almost 40 years now, these programs have been providing cash transfers to poor communities or families. Despite all these programs, almost one century after the end of the Mexican Revolution in 1917 poverty and inequality remain as a characteristic feature of the country. It is true that Latin America, Mexico included, had an "equality moment" from around the late-1990s to the early 2010s, during which poverty and



inequality decreased. However, the region still remains as the most unequal of all, with Mexico as one of the most unequal countries in the world, with about a fifth of its population in extreme poverty and close to half in moderate poverty. Furthermore, in recent years inequality in Mexico and other Latin American countries seems to have started an upward trend once again. The transition towards a democratic regime in Mexico, started in 1997, has involved the emergence of two policy approaches towards poverty alleviation, one from center or right governments (based on conditional cash transfers) and the other from leftist ones (based on a social rights concept). The goal of this paper is to show how these two approaches emerged and provide a first overall evaluation of its effectiveness. The general conclusion of the paper is that neither one has proven successful in fighting poverty, which in turn leads to the discussion of this issue as a wicked problem.

### **The quest for total congruence: the Mexican fashion of general systems as instruments of public administration. Towards order or the just the illusion of order?**

Eduardo Villarreal (CIDE)

David Arellano-Gault (CIDE)

In recent times Mexico has witnessed the creation of several "national systems" designed in order to give congruence and eliminate the fragmentation of public policies. In doing so, various systems have been created: transparency, government accounting, national anti-corruption, national archives, public security, among many others.

This tendency has taken an organizational form, but it might be thought also as a political strategies too. In other words, the accelerated multiplication of systems, created even by law, seems to refer to a political design strategy that assumes that it will have automatic positive impacts at the level of the organizations that are involved in such systems. Moreover, it can be said that the system strategy has also a rhetorical resource to yield easy legitimacy for reformers: systems are better options than other forms of coordination, seems to be assumed. And its repetition as strategy already seems to be irreflexive: there seems to be no need to justify the creation of systems as a primary way of designing solutions to public problems.

Public policy systems then have become automatically legitimized ways as a hegemonic and, in many senses, ideological instruments. Their results, however, are rather uncertain. And little is said that they are, in fact, just one theoretical and instrumental way among several alternatives for designing public policies. The advantages and disadvantages of embracing a theoretical paradigm such as the systemic one do not seem to be discussed much in political circles, nor in comparative terms, even less in terms of their assumptions and limitations.

It seems therefore important to fill that gap and to explain the assumptions and conditions of success of a systemic logic that inspires the design of these policy solutions. From the theoretical side, some relevant epistemological questions might be: can systems be actually designed? Can their results be predicted through interrelationship management? Can systems be controlled to produce managed and certain results? The most acknowledged theories (general theory, contingency theory, and Luhmann theory) of systems seem to answer no to such questions.

From the empirical side, on the other hand, it is relevant to question some issues: how many "systems" currently operate in the Federal Public Administration? What public policy instruments are included that actually can produce governmental coordination? What institutional capacities are required to make these instruments effective? How "systemic" are strictly Mexican national systems? If they are paradoxically inconsistent - as a logical and political category - what are the realistic expectations of their results?

The aim of the paper is thus to (theoretically) deconstruct the "systemic logic" of these systems in Mexico and open the debate about the need to discuss this view in its most realistic assumptions, its limitations and, above all, the need to study them as an alternative among several that in the Mexican construction of an effective government would have to be strengthened.

### **Is there a Regulatory State in Mexico?**

Mauricio Dussauge (CIDE )

Maria del Carmen Pardo (CIDE)

Regulation and regulatory reforms are high on the international research and policy agendas. Since Giandomenico Majone's pioneering discussion about the rise of the regulatory state, the literature has intensely debated whether, how, when, and why the various features of the said regulatory state

(privatisation, re-regulation, creation of independent regulatory agencies, etc.) have actually become central components of modern states. Some authors have criticised Majone's ideas and have suggested alternative concepts (regulatory regimes, regulatory capitalism), and some others have recently discussed whether regulation (as a field of studies and as practice) is in crisis. However, most of these debates have not been addressed in relation to developing countries. By looking at the various regulatory transformations which have taken place in Mexico during the past 30 years, this paper aims to assess the extent to which a Regulatory State (or something different) has emerged in Mexico. In doing so, the paper seeks to contribute to contemporary theoretical debates on regulation around the world, as well as to more empirically oriented discussions about the transformations of Latin American states.