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Changing the rules of the game : the development and reform of party law in Latin America

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CHAPTER 6 – Mexico

*El caudillo gobierna de espaldas a la ley:
él hace la ley.
El tlatoani, inclusive si su poder brota
de la usurpación azteca
o del monopolio del PRI,
se ampara siempre en la legalidad:
todo lo que hace,
lo hace en nombre de la ley*

–Octavio Paz, *Crítica de la Pirámide*²⁵⁴

6.1 Mexico: rise and fall of a party hegemony

In 1917, the end of the violent, decade-long Mexican Revolution marked the foundation of Mexico's contemporary constitutional order. A centralized post-revolutionary political system replaced conflictive local caudillo and church rule. The stability of the new system depended to a substantial extent on the creation of the *Partido Nacional Revolucionario* (National Revolutionary Party, PNR), which managed to absorb political conflict within its ranks. Its successor, the *Partido Revolucionario Institucional* (Institutional Revolutionary Party, PRI), remained in power throughout the twentieth century (Eisenstadt 2004).

The institutionalized nature of the political settlement set the PRI-governed Mexican state apart from the authoritarian, more personalistic, regimes that dominated the Latin American region throughout the 20th century. In the appendage to his famous 'Labyrinth of Solitude', Nobel laureate Octavio Paz argues that this is the case because the PRI built on the legacy of the great Aztec empires. These *tlatoani* (rulers)

²⁵⁴ The caudillo governs with his back to the law: he makes the law. The tlatoani habitually exercises a right [to govern] – regardless if his power springs from the usurpation practiced by the Aztecs or from the PRI's monopoly: everything the tlatoani does, it does in the name of the law.

governed through an impersonal, clerical, and institutional form of domination. The PRI's rule relied similarly on legalistic, rather than personalistic, practices to ensure its organizational survival.²⁵⁵ The informal *dedazo* practice (finger marking), for example, allowed PRI presidents to handpick their successors from a small group of close allies. This informal institution ensured the religious-like alternation of PRI presidents and lowered the likelihood of instability during the regular turnover of political power from one PRI president to the next (Langston 2006a).²⁵⁶

Despite the institutionalized nature of its rule, the PRI was unable to maintain its dominance over the political system indefinitely. The 2000 election of Vicente Fox – the presidential candidate for the *Partido de Acción Nacional* (National Action Party, PAN) – marked the end of a 70-year-cycle of PRI presidents and thereby completed a process of democratic transition (Córdova Vianello 2008, 672–73; Wuhs 2008, 20). Party law reform played an important role in this transitional process, as these reforms opened up the political system in a gradual and controlled manner (Diaz-Cayeros and Magaloni 2001; Eisenstadt 2004). The legally embedded transitional process underlines how Mexican politicians continued to construct their rule through constitutional principles even as the internal make-up of the *tlatoni* shifted.

Contemporary party law reform in Mexico should be understood in the context of the legacies of the PRI hegemonic system founded on legalistic practices and the gradual closing- and opening-up of the political system to opposition forces through political reforms. This chapter's first section describes the development of party law since 1917, when the restrictive regulation of political parties started to be used as a strategy to concentrate and maintain political power in an institutionalized manner (Rodríguez Araujo 1989; Wuhs 2008, 10–14). It shows how from the 1970's on, growing political protests and social demands for political change led the hegemonic party elites to adopt an ever-more-inclusive electoral regime through various rounds of party law reform.²⁵⁷ The transitional process culminated in the adoption of the 1996 electoral code, which institutionalized a multi-party system of governance that relied on a firm constitutional principle: public money should predominate over private money in the funding of elections to ensure equality between the main political contenders (Córdova Vianello 2011, 351–54).

²⁵⁵ This is not to say that the PRI never engaged in violent acts or electoral fraud to maintain its position in power. Nevertheless, the legal validation of its rule through formal institutions formed an important pillar of the PRI's hegemony (Eisenstadt 2004).

²⁵⁶ The prohibition of presidential reelection had formed one of the central outcomes of the Mexican Revolution (Aguilar Camín and Meyer 2010, 92).

²⁵⁷ These reforms took place in 1977, 1986, 1989-1990, 1993, 1994, and 1996.

In 2003, the political system had reconfigured to such an extent that three political parties had established themselves as relevant national political alternatives, that is, as realistic presidential contenders. At the same time, the party system remained fluid enough to confront these parties with serious challenges. Firstly, the generous availability of public money to finance elections resulted in both public outrage over public party funding and in an increase in the number of parties that ran in elections. Secondly, and as can be gauged from Table 6-1 below, this increase concurred with both an increase in electoral volatility and an increase in the effective number of parties in the legislature. Small and minor political parties had become electoral and legislative forces to be reckoned with.

Section two discusses how these developments created the need for political parties to engage in both electoral and legislative coalitions. In addition, it will show how the 2003 party law reform allowed the established political parties to respond to these developments through an *electoral economy* reform effort that targeted small and minor parties' access to resources by increasing formation costs. Reform agenda-setters identified the smaller parties as the main culprit of high election costs and presented the reform as an effort to curtail their access to organizational resources. In practice, this reform solidified the established parties' access over the electoral and legislative process at the detriment of new/minor parties without lowering the total amount of public funding available to parties substantially. As a consequence, the number of registered parties that ran in elections dropped steadily after the 2003 elections.

Section three discusses how the 2006 presidential elections presented a major challenge for the three established political parties. These elections proved highly contentious and resulted in a systemic legitimacy crisis and an 'arms race' pattern of electoral spending at the advantage of national media conglomerates. The three parties responded to these collective threats to their ideational and financial resources by adopting a constitutional (2007) and an electoral (2008) reform in line with the *systemic economy* reform strategy. In the process, politicians designed effective reforms to jointly limit their electoral spending while taking a symbolic stance against high electoral spending.²⁵⁸ The final section discusses the relevance of these findings for the resource-based perspective on party law reform developed here.

²⁵⁸ In 2014, Mexican legislators adopted a new round of party law reform. Given that research on the Mexican case had already been completed at the time, this chapter does not discuss this latest round of reform. It should be noted, however, that the provision introduced in 2014 followed the same principles that marked the shift to a multi-party system through the 1996 constitutional reform.

Table 6-1: Party system characteristics (1991-2012)

Year	Registered parties	Parties in the legislature	Electoral Volatility ²⁵⁹	Legislature: ENP	Legislature: Voter turnout ²⁶⁰
1991	10	6	n.a.	n.a.	61.11%
1994*	9	4	n.a.	n.a.	77.73%
1997	8	5	11.67	2.48	57.69%
2000*	11 ²⁶¹	8	15.33	2.83	57.24%
2003	11 ²⁶²	6	17.80	2.85	41.68%
2006*	8	8	16.47	3.20	58.90%
2009	8	8	16.37	3.56	44.61%
2012*	7	7	n.a.	n.a.	62.45%

* - presidential elections

Source: Number of registered and parliamentary parties - Elizondo (2010, 14–15) and Flores Andrade (2005); electoral volatility (Ruth 2016); effective number of parties (ENP)(Ruth 2016); voter turnout (percentage of registered voters who actually voted)(IDEA 2015). N.a. = not available.

6.2 The development of Mexican party law: a historical overview

The first legal regulation of political parties in Mexico did not necessarily set the stage for the creation of a hegemonic party state through the obstruction of new party formation.²⁶³ Instead, the 1918 ‘Law for the election of the Federal Powers’ established low registration requirements for the formation of political parties, as support of 100 members sufficed.²⁶⁴ Legislators also allowed independent candidates to present in federal legislative elections if they demonstrated the support of at least 50 citizens (Larrosa and Guerra 2005)(see Tabel 6-2 and Table 6-3 below for an overview of legal provisions adopted throughout the 20th century).

²⁵⁹ Ruth (2016) only provides data from the 1996 elections onwards. For consistency purposes, I did not include data from other sources. The same goes for the ENP.

²⁶⁰ Compulsory vote (not enforced)

²⁶¹ Grouped into four coalitions

²⁶² Two parties formed a coalition

²⁶³ Religious parties were the only political parties whose foundation was obstructed. This was the case because onflict over church-state relations had played a substantial role in the Mexican Revolution. The 1917 Constitution addressed this conflict dynamic by adopting an explicit prohibition of religious political groups (§130).

²⁶⁴ Diario Oficial, 2 July 1918.

A lenient party formation process thus marked the first post-transitional decades. Rather than relying on party law to maintain a dominant governing position, the PRI's forerunners PNR and the *Partido de la Revolución Mexicana* (Party of the Mexican Revolution, PRM) remained in power throughout the 1920's and 1930's through their dependency on populist policies instead. It was not until the early 1940's, when dissident governing party factions arose as viable electoral alternatives, that the government turned to legal means to institutionalize social conflict within a hegemonic party state model (Langston 2002, 66–69; Rodríguez Araujo 1989, 37, 40).

The 1946 'Federal Electoral Law' achieved this by banning independent candidates and by setting high quantitative and spatial registration requirements for new party formation.²⁶⁵ The 1946 reform also contained provisions that sought to prevent intra-PRI conflict from spilling over into the electoral arena (Langston 2002, 69; Paoli Bolio 1985, 146).²⁶⁶ To ensure that party formation costs did not inhibit the creation of the different electoral options that the PRI required to legitimize its rule, a transitory article added that for the 1946 elections, existing parties could register with 10,000 members only (transitory §2). This provision allowed the PRI, PAN and *Partido Comunista Mexicano* (Mexican Communist Party, PCM) to register throughout the next two years (Rodríguez Araujo 1989, 42).²⁶⁷ The party system thereby maintained a veneer of free and fair electoral competition.

Despite these new rules, internal party dissent did not die down immediately. In the 1952 elections, revolutionary PRI factions mobilized behind the candidacy of General Henríquez Guzmán and his *Federación de Partidos del Pueblo Mexicano* (Party Federation of the Mexican People, FPPM) (Langston 2002, 69–71; Rodríguez Araujo 1989, 42). The government responded by sponsoring a next round of electoral reform in 1954. This reform increased the requirements for party registration once again.²⁶⁸ In addition, it canceled the FPPM's registration as a result of one of its parties' alleged violation of public order during a party meeting earlier that year (Pellicer de Brody 1977, 486–87). As had been the case in 1946, legislators used the law

²⁶⁵ Diario Oficial, 7 Jan. 1946.

²⁶⁶ Towards this end, the government established that new parties needed to register at least one year before elections (§37). In addition, the law required parties to adopt a system for the internal election of candidates in their party statutes (§25). A subsequent 1949 reform (Diario Oficial, 21 Feb. 1949) went even further and added the failure to organize internal elections for candidate selection as one of the reasons for the cancellation of party registration (§36).

²⁶⁷ The 1946 reform also introduced the prohibition of parties with international ties (§24). This prohibition allowed the PRI to target those opposition parties with real electoral potential. As a result, the government used the new law to ban both the PCM and the fascist *Partido Fuerza Popular* (Popular Force Party, PFP) in 1949 (Paoli Bolio 1985, 147).

²⁶⁸ Diario Oficial, 7 Jan. 1954.

to institutionalize some semblance of oppositional electoral forces to ensure regime legitimacy, while simultaneously addressing the threats that dissident PRI factions posed for the survival of the hegemonic model.

The various rounds of reform, as portrayed in Table 6-2 below, succeeded in closing up the party system over the course of the next decades.²⁶⁹ Inter-party competition shifted to the local political level instead (Paoli Bolio 1985, 152). At the federal level, the PAN maintained itself as the only real, albeit ineffective, opposition party. Other parties mainly functioned as government-sponsored opposition satellites that ensured electoral legitimacy (Harbers and Ingram 2014, 258). The high exit costs for dissident factions, a direct result of the high party formation rules, contained intra-PRI competition successfully (Langston 2002, 72). In addition, the PRI consolidated an informally institutionalized mechanism for candidate selection that ensured internal stability (Peschard 1993, 101). As a result, no other losing faction would leave the PRI until 1987 (Langston 2002, 72–73).

²⁶⁹ It should be noted that the successive PRI governments also made good use of electoral system reforms to manage the shape of formal party competition in elections (see Diaz-Cayeros and Magaloni 2001).

Table 6-2: Development of Mexican party law (1918-1954)

Topic	1918	1946	1954
Electoral participation	Parties and independents	Only registered parties	No change
Members per state		1000 members in 2/3 states ²⁷⁰	2500 members in 2/3 states
Total members	100	30.000	75.000
Party ban	Religious parties	Violent, religious, or international parties are banned	No change
Party cancelation		Failure to maintain registration requirements, party organs, and monthly party newspaper ²⁷¹	No change
Candidate selection		Statutes determine method	No change

Intra-PRI stability did not result, however, in regime stability. In the early 1960's, it became apparent that the hegemonic system with controlled opposition parties had become exhausted as a large part of the electorate refused to vote in elections (Paoli Bolio 1978, 201–2; Rodríguez Araujo 1989, 44–45). In response, the government adopted a 1963 electoral reform that introduced proportional measures to ensure more representative opposition parties.²⁷² Nevertheless, the opposition's practical political insignificance only contributed to more societal discontent with the federal political system. Electoral abstention therefore continued to increase from the late 1960's onwards. The PRI's hegemony was more at risk due to the erosion of its popular legitimacy than due to party competition.

Political elites turned to yet two more rounds of party law reform in 1973 and 1977

²⁷⁰ The 1949 Federal Electoral Law (Diario Oficial, 21 Feb. 1949) established that the government could cancel the registration of those political parties that failed to fulfill the law's requirements. A 1951 electoral reform required parties to present a notary certification that proved residency of at least five percent of these members (Diario Oficial, 4 Dec. 1951).

²⁷¹ A 1949 reform adds failure to organize intra-party elections to select candidates as an additional reason for the temporal cancelation of party registration (Diario Oficial, 21 Feb. 1949).

²⁷² Diario Oficial, 22 June 1963.

to promote political participation (Paoli Bolio 1985, 155; Peschard 1993, 105; Rodríguez Araujo 1989, 49). The 1973 reform of the Federal Electoral Law lowered the costs of party maintenance for the existing opposition parties so that these could obtain a better showing in elections (Paoli Bolio 1978, 203–4; Rodríguez Araujo 1989, 49–57) (see Table 6-3 below for an overview of the legal provisions adopted between 1973 and 1996).²⁷³ It also introduced public party funding through the provision of indirect public funding in the form of free postage and media access during elections (§39). Given that the PRI held monopolistic access over all the state's resources, these provisions should be read as attempts to create an incentive for opposition party formation and maintenance (Harbers and Ingram 2014, 260).

Despite these efforts to solidify a credible opposition, the 1973 reform proved insufficient to address the hegemonic party system's deteriorating legitimacy resulting from the lack of credible political opposition (Barquín Álvarez 1987, 334–35). In 1977, the newly elected government therefore responded to the imminent legitimacy crisis by adopting an even further-reaching constitutional reform and a new electoral law: the 'Law on Political Organizations and Electoral Processes.'²⁷⁴ The new electoral law lowered the spatial requirements for party formation.²⁷⁵ It also established that the *Comisión Federal Electoral* (Federal Electoral Committee, CFE), a governing body with party delegates, would implement the equal provision of media access and access to electoral resources in more detail (§49).²⁷⁶ Combined, these measures facilitated the creation of new political parties (Córdova Vianello 2008, 659).

Pressure for political opening continued throughout the 1980's and manifested itself most clearly in PRI dissident Cuauhtémoc Cárdenas's strong showing in the 1988 elections. Although early vote counts put Cárdenas ahead on election night, PRI candidate Salinas came out first after a computer malfunction (Harbers and Ingram 2014, 260–61; Langston 2002, 78). As a consequence of these events, Salinas's electoral victory lacked popular legitimacy. In addition, it united the PRI government and the PAN in their desire to stop Cárdenas's left-wing political advance (Eisenstadt 2004, 45). Adopting a new round of electoral reforms proved key in addressing

²⁷³ Diario Oficial, No. 4, Jan. 1973.

²⁷⁴ Diario Oficial, 30 Dec. 1977. Jesús Reyes Heróles, Interior Secretary and the reform's author, defended this reform's measures aimed at opening up of the party system as the only way to maintain political order (Paoli Bolio 1978, 205).

²⁷⁵ In addition, parties could apply for conditional registration if they could demonstrate to have engaged in continuous political activities for a period four years. Conditional registration would be converted into final registration if the party received 1.5 percent of the national vote (§32).

²⁷⁶ The 1987 'Federal Electoral Code' (Diario Oficial, 12 Feb. 1987) also introduced proportional public funding and media access for parties with the requirements that parties needed to present finance reports to the electoral authorities (§61).

both the legitimacy crisis and in fostering an alliance between these two parties. As a gesture of goodwill to the PAN, the 1990 reform increased non-PRI party access to public funding (§49).²⁷⁷ The main focus of the subsequent 1989-1990 constitutional and electoral reform was the creation of an autonomous electoral authority, the *Instituto Federal Electoral* (Federal Electoral Institute, IFE), that would oversee the fairness of elections (Córdova Vianello 2008, 661; Eisenstadt 2004, 45).²⁷⁸ This would prove a key moment in the transitional process of Mexican reform and the IFE would continue to exercise this role for the next 15 years.

Despite these new rules, severe contention ensued during the 1994 elections over disparity in the resources that parties had at their disposal (Córdova Vianello 2008, 668; Harbers and Ingram 2014, 263). In response, a 1996 constitutional reform established equal access to financial resources as a democratic principle and ordered that public resources should prevail over private party funding (§41).²⁷⁹ The accompanying 1996 electoral reform increased equal access to financial resources in its regulation of media access in elections (§47).²⁸⁰ The monitoring capacities of the electoral authority were increased through the creation of a special monitoring unit within the IFE (§49). In addition, the IFE obtained the right to qualify the outcome of presidential elections (§60). This latter reform proved a turning point in the transitional process, as it eliminated the executive branch's electoral authority (Córdova Vianello 2008, 670; Eisenstadt 2004, 63).

This final round of reform preceded two important developments: the 1997 elections that gave rise to the first PRI presidency without a legislative majority and the 2000 elections that witnessed the first alteration of the presidency from the PRI to PAN President Fox (Klesner 2005). As has been illustrated in detail in this section, party law reform played a substantial role in this extended transitional process. With the rise of relevant oppositional alternatives, regulatory emphasis shifted to the need to professionalize and improve the quality of elections and to create a financial level playing field between parties (Córdova, 2011: 349-351; Becerra, Salazar and Woldenberg, 2005). As will be discussed in more detail in the following sections, these new normative concerns would continue to drive party law reform after democratic transition.

²⁷⁷ In 1993, a constitutional reform codified that the law would establish rules for public funding and electoral campaigns (§41). An electoral reform that same year (Diario Oficial, 24 Sep. 1993) specified the sources of funding upon which parties could rely.

²⁷⁸ Diario Oficial, 15 Aug. 1990.

²⁷⁹ Harbers and Ingram (2014, 263) note that the PRI went along with these changes due to its increasingly problematic access to state resources through the Finance Ministry.

²⁸⁰ Diario Oficial, 31 Oct. 1996.

Table 6-3: Development of Mexican party law (1973-1996)

Topic	1973	1977
Members per state	2000 in 22 states ²⁸¹	3000 in 16 states
Members per district		300 in 150 districts
Minimal number of members	65.000	65.000
Party cancelation	Failure to maintain membership	Failure to: *maintain membership *obtain $\leq 1.5\%$ votes
Intra-party democracy in party statutes	Method for internal election candidates and leadership	Internal procedures for renovation leadership/ norms for candidate nomination
Indirect public funding	*Free postage *Media access during elections	*Access to electoral resources
Direct public funding		
Private funding		

²⁸¹ Party registration required that state assemblies contained a minimum of 25 members from at least half of the states' municipalities – as verified by a public notary or judge.

²⁸² A 1993 reform changed this into failure to reach 1.5 percent of the vote in two consecutive federal elections

²⁸³ A 1993 reform adds quantitative and qualitative donation limits and established that only parties may procure media access during elections.

²⁸⁴ Also: limitation annual individual donations to 0.05 percent of total organizational funding and prohibition anonymous donations

1987	1990	1996
No change	No change	3000 in 10 states
No change	No change	300 in 100 districts
No change	No change	0.13% electoral register
No change	Failure to: *obtain $\leq 1.5\%$ votes ²⁸² *maintain membership *participate in elections	Failure to: *obtain $\leq 2\%$ votes *maintain membership *participate in elections
Norms for candidate nomination	Norms for democratic candidate nomination and procedures for democratic leadership selection	No change
*15 minutes media access monthly. Increase during elections	*15 minutes media access monthly. Prop. increase during elections	*250 radio hours and 200 television hours in elections. Distributed 30% equally and 70% prop.
Distributed: *50% prop. to votes *50% prop. to seats	Distributed: *prop. to votes	Distributed: *30% equally *70% prop. to votes
Present finance reports to FCE	Present finance reports to IFE ²⁸³	Private funding max. 10% of total funding. ²⁸⁴

6.3 2003 reform: closing up the party system

6.3.a Changes in the resource environment

Throughout the 1990's, party system opening resulted in an increase in the number of registered parties that participated in federal elections and that obtained seats in the legislature (Córdova Vianello 2011, 354–358, also see Table 6-1 above). These developments were accompanied by an increase in electoral volatility and ballot splitting. A relatively high degree of Mexicans across the entire societal spectrum voted for different parties in consecutive elections and for different parties in the same elections (Crow 2005). The party system thereby demonstrated a fluid and transitional dynamic.

The new parties that arose did not necessarily offer new programmatic alternatives nor did they represent new cleavages (Flores Andrade 2005, 2007). As a consequence, many of the newly registered parties failed to obtain legislative representation and often did not even obtain sufficient votes to maintain their registration.²⁸⁵ Their proliferation is best explained with reference to the availability of public funding, which created incentives for the formation of unviable political parties that did not necessarily constitute political advocates of underrepresented groups and currents in society.²⁸⁶ Such parties could register, obtain public funding, and disband after elections without having to devolve the money they had received from the state. The ephemeral *Partido de la Sociedad Nacionalista* (Party of the Nationalist Society, PSN) was a case in point as it merely provided employment to, and advanced the interests of, one extended family.

Despite their relatively small sizes and short lifespans, the new and/or minor parties played an increasingly important role in Mexican politics due to their role in electoral and legislative coalitions. Expanded electoral competitiveness pushed parties to strategically coordinate the presentation of candidates in electoral districts so as to avoid wasting votes on weak candidates.²⁸⁷ The established parties PRD and PAN relied on this strategy, which bridged their ideological left-right divide, to take on the

²⁸⁵ Given that the political reforms had aimed to open up the electoral system as well, this discrepancy was not due to malapportionment. The *Partido Demócrata Mexicano* (Mexican Democratic Party, PDM), *Partido Popular Socialista* (Popular Socialist Party, PPS) and the *Partido Auténtico de la Revolución Mexicana* (Authentic Party of the Mexican Revolution, PARM) are paradigmatic cases.

²⁸⁶ Due to a lack of regulation, the state was unable to retrieve subventions and assets from those parties that lost their registration. It was not until 2003 that the IFE's General Council adopted an agreement (CG153/2003) that obviated this problem. Also see La Universal (09 July 2003) 'Pide Huchim cambiar leyes para que partidos devuelvan recursos.' La Universal (26 Sept. 2003) 'El IFE, imposibilitado de recuperar los bienes adquiridos por el PSN.'

²⁸⁷ For elections at the local level, Reynoso (2011) demonstrates that these alliances tended to be purely pragmatic ones that did not entail policy or ideological agreement.

hegemonic PRI in its subnational bastions of power. The small and new parties applied the coalition strategy in an even more pragmatic manner in federal elections as well, where they forged alliances with different established and minor parties in different states within the same elections (González Madrid and Solís Nieves 1999).²⁸⁸

Alliance formation provided the small and minor parties with multiple benefits. At times, the formation of electoral alliances enabled newly registered parties to circumvent the threshold for the cancelation of party registration by artificially increasing the number of votes received in elections (Flores Andrade 2005, 151). Alliance formation did not take place in elections only. In the legislature, the PRI's 1996 loss of its legislative majority had opened up the door for small parties to participate in legislative coalitions. On occasion, these parties delivered crucial votes to ensure the failure or passage of legislative initiatives.²⁸⁹ The minor parties also obtained positions in, and presided over, a number of legislative committees (Casar 2000; González Madrid and Solís Nieves 1999, 217–18; Pérez Correa 1999). All of these developments increased the leverage of small and new parties over the existing parties and provided them with electoral and legislative bargaining chips they did not sell cheaply (Flores Andrade 2005, 136. 150).

The process of party system change that had started in the 1990's thus increased the relevance of small/minor parties in Mexican political life. At the same time, the established parties saw themselves confronted by a string of corruption scandals that threatened both their legitimacy and their access to financial resources. The PRI came under fire in the so-called *Pemexgate* scandal that referred to the transfer of 50 million dollars from the state-owned oil company PEMEX, through its trade union, to the campaign of the PRI's presidential candidate in the 2000 elections. The PAN and PVEM, had simultaneously become implicated in the *Amigos de Fox* (Friends of Fox) scandal. This scandal involved a civil society organization that had supported the successful presidential candidacy of PAN candidate Vicente Fox with over nine million dollars through the triangulation of funds (Córdova Vianello and Murayama 2006).

Several small and/or new parties, such as the *Partido Verde Ecologista de México* (Mexican Green Ecologist Party, PVEM) and the above-mentioned PSN, also became in-

²⁸⁸ It should be noted that Méndez (2012) does find that the larger the ideological distance between parties, measured as their hypothetical distribution along a left-right 10-point-scale, the lower the likelihood that they will form an electoral alliance.

²⁸⁹ PAN delegate Beatriz Zavala Peniche relates, for example, how the vote of one representative of a minor party determined that a political trial would be started against Yucatán governor Cervera Pacheco. *La Jornada* (4 March 1998) 'Votos determinantes en la Cámara.'

volved in cases of financial mismanagement and corruption scandals.²⁹⁰ These scandals increased the public perception that these parties were not just unrepresentative, but mainly out to capture public resources (Flores Andrade 2005, 2007).²⁹¹ At the same time, public opinion increasingly turned against the high costs of elections and the substantial amount of public funding that all political parties received (Córdova Vianello 2011, 357; Peschard 2006), as well as the “boring, aggressive, and useless” nature of election campaigns.²⁹² Opening up the political system to new competitors had increased the costs of elections without convincing the public at large about the benefits this electoral competition bestowed on them.

Several direct and indirect resource threats thus confronted the established political parties in the early 2000s. The increased legislative and electoral relevance of new/minor parties decreased the established parties’ ability to promote their politicians’ electoral and legislative goals. More indirectly, the public rejection of high elections costs threatened the parties’ collective access to ideational resources. In line with the resource-based perspective on party law reform, this suggests the adoption of an *electoral economy* reform in which the established parties’ would seek to protect their access to resources vis-à-vis newly formed parties in an effective manner. In response to external demands for change, parties are expected to adopt a *systemic economy* reform in which they would safeguard continued access to financial resources effectively while addressing public concerns over high election costs in a more symbolic manner.

6.3.b Negotiation process

A review of the reform process shows that these strategies did indeed define the outcome of the adopted party law reform. This process was initiated by the PRI, which emerged as the largest legislative party from the 2003 mid-term legislative elections. Before the new legislature had been installed, the PRI leadership took immediate legislative initiative by proposing an electoral reform. Its proposal contained measures

²⁹⁰ See El Universal (08 Sept. 2003) ‘Descuidaron minipartidos la capacitación de militantes.’ El Universal (10 Oct. 2003) ‘Ratifican multa al PAN y a ecologistas.’ El Universal (25 May 2003) ‘Sanciona el IFE a PSN con 36 mdp.’ El Universal (24 Sept. 2003) ‘PGR investiga por fraude al líder del PSN.’ El Universal (22 July 2002) ‘Acusan al PSN capitalino de desviar tres millones.’ El Universal (14 Sept. 2002) ‘Acusa PRI a partido de engañar con falsas pólizas de seguro.’ El Universal (22 Sept. 2003) ‘Partidos efímeros, son fugaces y costosos.’

²⁹¹ In a 2003 opinion poll commissioned by the Chamber of Representatives, six out of ten respondents therefore opposed the registration of new political parties. Centro de Estudios Sociales y de Opinión Pública (2003) ‘El IFE en la opinión pública.’

²⁹² According to a 2003 opinion poll by newspaper *Reforma*, 50% of respondents agreed with this characterization of election campaigns. La Reforma (4 July 2003) ‘Encuesta/Critican ciudadanos campañas políticas.’ According to Estrada and Poiré (2007, 77), this newspaper is the country’s most credible newspaper pollster.

that addressed public discontent with election costs and the proliferation of small/minor parties. Towards these ends, it reduced public party funding and the length of campaigns, it increased the IFE's oversight over political finance in general and over campaigns for candidate selection in particular, and it increased the threshold for maintenance of party registration from two to five percent to impede the formation of parties that only function as "satellites that appear in search of public funding."²⁹³

Governing PAN President Fox quickly coopted the PRI's proposal by urging its Interior Minister Santiago Creel to coordinate a consensual agreement among the various parties in the legislature. This appeared a rather easy feat as all parties agreed publicly on the need to address the themes that the PRI's proposal mentioned.²⁹⁴ Indeed, the PRI and PAN controlled sufficient seats to pass any bill (see Appendix 7). Despite positive reports on the proposal's progress, however, the electoral reform's timing obstructed its swift trajectory through the legislature (Cadena-Roa and López Leyva 2011, 440). The PAN's rapprochement to the PRI on fiscal and energy reforms had created internal divisions within this latter party (Langston 2010, 247–48).²⁹⁵ In addition, a legislative decision to start criminal proceedings against a PRI senator for his involvement in Pemexgate damaged relations between the parties.²⁹⁶

As a consequence, the PRI withdrew its unconditional support for the electoral reform and sided with the small PVEM party in its opposition to a higher threshold for maintenance of party registration.²⁹⁷ Legislators subsequently dropped the need to set boundaries to the so-called 'business parties,' 'family parties,' and 'political franchises' from the political agenda.²⁹⁸ Instead, attention shifted to the need to develop better rules to recover funding from parties that lost their registration to decrease this incentive for their proliferation (see Table 6-5 for an overview of the changes in reform proposals).²⁹⁹ This theme still linked to the broader public debate on the costs of elections and the shortcomings of small and minor political parties. Up to this point, external pressure to reduce election costs hence seemed to set the reform agenda.

²⁹³ El Universal (9 Aug. 2003) 'Presenta PRI iniciativa de reforma al Cofipe.'

²⁹⁴ El Universal (3 Sep. 2003) 'Acuerdan diputados cambiar ley electoral.'

²⁹⁵ El Universal (26 Sep. 2003) 'Creel: hay disposición priísta para avanzar.' El Universal (01 Oct. 2003) 'Polariza el tema a los priístas.'

²⁹⁶ El Universal (5 Sep. 2003) 'Niega Creel que juicio contra Aldana sea chantaje al PRI.'

²⁹⁷ El Universal (17 Sep. 2003) 'Divide a diputados tope para que partidos salven registro.'

²⁹⁸ See El Universal (22 Sep. 2003) 'Avala Consejo la agenda del PRD.' El Universal (23 Sep. 2003) 'Ampliará Senado poder de fiscalización del IFE.'

²⁹⁹ El Universal (25 Sep. 2003) 'Freno a proliferación de partidos familiares.'

Over the course of September 2003, legislators stated once again that they had reached a consensus on issues such as the reduction of public funding and the length of campaigns (used to calculate the total amount of public funding), as well as the improvement of the IFE's monitoring functions, and would soon present their proposal to Congress.³⁰⁰ At the start of October, however, an important IFE ruling further altered the course of the negotiations over this integral reform effort. In response to the above-mentioned financial scandals, the IFE's General Council imposed a 32.3 million dollar fine on the PAN and 16.5 million dollar fine on the PVEM for their role in the Amigos de Fox scandal. These fines were so high because the donations at issue exceeded personal donation limits by far and had originated from prohibited sources such as foreigners and commercial businesses.³⁰¹ This verdict followed in the footsteps of an 89.2 million dollar fine that the PRI had received earlier that year in relation to the Pemexgate scandal.

The IFE subtracts fines from the amount of public funding appointed to each party. Three out of six congressional parties were therefore confronted by a substantial decline in their public funding in the run-up to the important 2006 presidential elections. As a consequence, the reduction of public funding, a common public demand, became a thorn in the negotiation process. Parties first tried to offset the reduction of direct public funding by simultaneously proposing an increase in party access to public media.³⁰² This proved an insufficient incentive and one that also met with severe opposition from the media lobby.³⁰³ When confronted by the sudden need to safeguard what public financial resources they had left, legislators relegated the need to address political parties' image in the eyes of society to second place. It became increasingly unlikely that the parties would adopt a reform that addressed the pressure to lower the costs of elections.

Next to influencing the established parties' financial outlook, the IFE's imposition of huge fines on the PAN, PRI and PVEM also influenced party willingness to form a reform coalition in support of an integral reform effort in other ways. This was

³⁰⁰ El Universal (25 Sep. 2003) 'Freno a proliferación de partidos familiares,' El Universal (26 Sep. 2003) 'Creel: hay disposición priísta para avanzar.'

³⁰¹ El Universal (10 Oct. 2003) 'Ratifican multa al PAN y a ecologistas.'

³⁰² El Universal (12 Oct. 2003) 'Se fueron 'partiditos' sin rendir cuentas,' El Universal (12 Oct. 2003) 'Reducir costo de institutos políticos, reto dice Zebadúa,' El Universal (24 Oct. 2003) 'Proyectan 'endurecer' la fiscalización del IFE,' El Universal (29 Oct. 2003) 'Eliminarán para IFE secreto bancario.'

³⁰³ Increasing party access to the media as a means to curtail public funding usually means that parties may only use the media access provided to them by the state. In this manner, party media expenses drop and parties require less direct public funding. Such a prohibition on privately obtained media access curtails the profits that media outlets can make of elections. During the 2007/2008 round of reform, PRI Senator Manuel Bartlett revealed that these interests had blocked previous reform efforts. See El Universal (4 July 2007) 'Urgen a concretar una nueva ley electoral para que rijan en 2009.'

the case because the reform had been planned for introduction in Congress on 28 October 2003, combined with a proposal for the renovation of the members of the IFE's General Council.³⁰⁴ The PRD and PAN members wanted to reelect several experienced council members to ensure institutional continuity and to maintain their partisan influence within this body (Estévez, Magar, and Rosas 2008). The PRI opposed this proposal due to its outrage over the large fine it had received earlier that year. Through reference to a 1996 transitional article, the PRI argued that all members of the IFE's General Council were barred from reelection; thereby punishing the Council for its disciplinary actions against the PRI (Peschard 2006, 103).³⁰⁵

More problematically, in the subsequent negotiations over the appointment of new electoral councilors, the PRI and PAN used their combined supermajority in the Chamber of Representatives to shut out the PRD from the negotiation process (Peschard 2006, 103). Whereas the previous General Council had been appointed in 1996 with support from all parties, which provided the institution with an important source of legitimacy, the new Council did not result from such a broad partisan consensus (Estévez, Magar, and Rosas 2008; Peschard 2006, 103). The PRI and PAN defended their actions, stating that "the IFE's renewal is a delicate matter, which should not be influenced by the idea of party 'quotas'. If we build an IFE based on quotas, we would end up wounding this institution mortally, and, consequently, democracy as well."³⁰⁶

Needless to say, the PRD did not agree with this point of view and fought a public battle to shift the negotiations "from the city's restaurants to Congress," where all parties would be able to have a say over the appointment process.³⁰⁷ The conflict culminated on 28 October 2003, the proposed date for the introduction of both the electoral reform and the nomination of new council members in the Chamber of Representatives. One of the proposed Council candidates revoked his nomination due to the PRD's opposition to his election.³⁰⁸ This upset the working relationship between the three established parties – which had already been strained to begin

³⁰⁴ La Jornada (25 Oct. 2003) 'Confía Creel en que la actual legislatura aprobará las reformas estructurales.'

El Universal (26 Oct. 2003) 'Necesarios, 6 meses para una campaña presidencial: Gómez.'

³⁰⁵ The 1996 transitional article prohibited the reelection of the so-called 'citizen councilors.' The 1996 reform abolished this figure and replaced them by 'electoral councilors' selected through congressional consensus (Estévez, Magar, and Rosas 2008).

³⁰⁶ El Universal (4 Oct. 2003) 'Confía AN en PRI para avalar en este periodo de las enmiendas.'

³⁰⁷ El Universal (12 Oct. 2003) 'Plantean que líderes nombren a consejeros.' El Universal (24 Oct. 2003) 'El martes, la votación para consejeros electorales.' El Universal (28 Oct. 2003) 'Entra en nuevo impasse nombramiento de consejeros del IFE.'

³⁰⁸ El Universal (28 Oct. 2003) 'Entra en nuevo impasse nombramiento de consejeros del IFE.'

with – to such an extent that the electoral reform lost its momentum and was put on the backburner.³⁰⁹

The inability of legislative parties to create an integral reform coalition did not, however, forestall political reform completely. That same day, the PRI's coalition partner PVEM introduced a reform proposal in the Senate that left all issues discussed above unanswered, but retook the proposal to address the proliferation of the so-called business parties.³¹⁰ In her Statement of Intent, PVEM Senator Verónica Velasco Rodríguez explicitly mentioned that the proposal addressed the “extreme pluralism” caused by the registration of new parties.³¹¹ In order to fight this ill, the PVEM proposed to increase the spatial requirement for party formation from 10 to 15 states and from 100 to 150 uninominal districts. It appointed oversight over registration requirements to the IFE, thereby ensuring the implementation of this new rule. The PVEM also proposed to cut public funding for newly registered parties from two to one percent of the total amount of public funding.

This new proposal reflected a shift of legislative attention towards the role that new and minor parties played in politics. The need to address public demands for less costly elections was relegated to a legitimizing status, such as by framing the proposal as one that addressed ‘business parties.’ By the beginning of December, the integral reform proposal had vanished from the political agenda completely, despite attempts from the executive, the PRD, and the IFE to keep the reform of political finance and oversight in the public spotlight.³¹² Instead, reform efforts focused on the PVEM's proposal, which the relevant Senate committees passed on to the Chamber of Representatives with some important modifications. The modified bill increased the spatial requirements even further to 20 states and 200 uninominal districts respectively. It also increased the quantitative membership requirement from 0.13 to 0.26 percent of the electoral register. In addition, it prohibited newly registered parties from forming electoral alliances during their first elections.

Lastly, the new proposal established that only national political associations could apply for party registration. Given that the electoral code allowed such associations

³⁰⁹ El Universal (9 Nov. 2003) ‘Congeladas las reformas electorales: AN.’

³¹⁰ The PVEM likely acted in coordination with the PRI as the parties had formed a partial electoral coalition in the 2003 elections and had tended to take a joint stance on issues related to party law. See, for example, El Universal (17 Sep. 2003) ‘Divide a diputados tope para que partidos salven registro.’ El Universal (23 Sep. 2003) ‘Ampliará Senado poder de fiscalización del IFE.’

³¹¹ Cámara de Senadores (28 Oct. 2003) ‘Exposición de Motivos.’

³¹² El Universal (8 Nov. 2003) ‘Promueve el IFE nueva reforma electoral.’ La Jornada (16 Nov. 2003) ‘La propuesta del Ejecutivo pretende regular el financiamiento a las precampañas.’ El Universal (22 Nov. 2003) ‘Camacho: no se ha caído la iniciativa electoral.’

to register only in the year before federal elections, whereas new parties could only register during a seven-month-period after federal elections, this provision effectively barred the formation of new parties for the 2006 presidential elections. The committee proposed these modifications to reach the reform's purported aim of limiting electoral participation to those parties that represented the entire national population.³¹³ All measures point to the senators' determination to address the theme of small/minor parties and their unwillingness to alter the distribution of, or oversight over, public funding whatsoever.

After having passed the relevant Senate committees, both Chambers of the Legislature adopted the bill swiftly. The Senate adopted the bill with 90 votes in favor and zero opposed. In a similar consensual manner, the Chamber of Representatives adopted the bill with 426 votes in favor, 21 against and three abstentions. The *Partido de Trabajadores* (Workers' Party, PT) constituted the only party that voted against the bill. This party opposed the closing up of the party system that the reform entailed.³¹⁴ In their debate on the matter, senators and representatives from the various parties demonstrated a consensus on the need to address the functioning of political parties by preventing the formation of 'family and business parties'.³¹⁵ In particular, senators and representatives alike argued that such measures were needed to improve the image of party politics in the eyes of society and to lower the cost of politics by "preventing the proliferation of parties, as experience has shown us that [new/minor parties] only serve as leeches of the budget and that they do not contribute to Mexican democracy."³¹⁶

The new bill provided an opportunity for legislators to show responsiveness to public concerns about the functioning of parties, while putting the blame for the high costs of politics on the new/minor parties entirely.³¹⁷ As shown in Table 6-4 below, this

³¹³ Comisiones Unidas de Gobernación y de Estudios Legislativos (3 Dec. 2003) 'Dictamen.' The Senate committees did cut the proposal to lower public funding for newly registered parties from the reform proposal.

³¹⁴ Cámara de Diputados (27 Dec. 2003) 'Minuta.'

³¹⁵ Senado (9 Dec. 2003) 'Minuta.'

³¹⁶ Cámara de Diputados (27 Dec. 2003) 'Minuta.' Due to some minor revisions introduced by the Chamber of Representatives, the Senate passed the bill again on 28 December 2003.

³¹⁷ The one thing that the legislative parties did not agree on was the extent of this reform. Indeed, in both the Senate and Chamber discussions of the initiative, the PRD, PAN, PT, and *Convergencia* (Convergence) lamented the fact that this electoral reform did not contain measures on the reduction of the costs of public funding and the length of election campaigns as well as the IFE's capacity to monitor political finance. The PRI's silence on this matter suggests that this party had formed a major obstacle to the more integral reform proposal discussed above. Also see El Universal (23 Sep. 2003) 'Ampliará Senado poder de fiscalización del IFE.'

discourse misrepresented the reality of political finance, in which new and minor parties obtained some five percent of public funding only. More importantly, the established parties took control over their organizational resources by increasing formation costs – a measure that mainly hit the new and minor parties.

Table 6-4: Minor parties' public funding share of total amount of public funding³¹⁸

Category	1997*	%	2000**	%	2003***	%
Permanent organization	15,251,920.92	1.5%	160,763,156.22	10,7%	137,072,374.08	5.7%
Electoral expenses	19,689,901.16	1.9%	160,763,156.22	10,7%	137,072,374.08	5.7%
Earmarked activities	0	0%	7,297,551.19	11.6%	4,055,404.19	4.3%
Total	35,441,822.08	1.7%	328,823,863.03	10.7%	278,200,152.35	5.6%

Source: author's own elaboration based on the data provided by Flores Andrade (2005, 147–48)

* two parties; ** six parties; *** three parties

³¹⁸ In Mexican pesos (MXN)

Table 6-5: 2003 reform proposals

Topic	September proposals	October proposals	Adopted proposals
Registration requirements	Increase registration threshold to 5%		*Spatial requirements: 20/200 districts *Quantitative requirements – 0.26% of electoral register *Prohibition electoral alliances for new parties *Only NPA's may register
Public funding/cost of elections	*Reduce direct public funding *Provide free media access	*Reduce direct public funding *Provide free media access	
Private funding/cost of elections	Cut length of campaigns	Cut length of campaigns	
Monitoring and oversight	Improve IFE's monitoring capacity over political finance	Improve IFE's monitoring capacity over political finance	Appoints IFE to oversee registration requirements

To conclude, the 2003 reform created a window of opportunity to increase party registration requirements and to thereby put an end to the increased role that new and minor parties had come to play in the electoral and legislative arena. In line with the *electoral economy* reform strategy, the established parties' intrinsic desire to address these changes in the terms of party competition ensured the implementation of the new rules by relegating oversight over them to the IFE – an institution that had come to be well known for its robust monitoring efforts. At the same time, and in line with the *systemic economy* reform strategy in response to a legitimacy crisis, the new rules targeted the main public demand for change, the high costs of elections, in the least effective way possible. The 2003 reform merely addressed the changing terms of electoral competition, while legitimizing this effort by referring to public demands to lower public funding. In practice, the reform did not address these demands substan-

tially as this would threaten to undermine the established parties' financial resources needed for the upcoming 2006 presidential elections.

6.4 2007/2008 reform: tying up loose ends

6.4.a Changes in the resource environment

The 2003 reform had failed to address pertinent issues, such as the high degree of public party funding, lengthy campaigns, and the cost of elections. The 2006 presidential elections exacerbated these issues even further. The established political parties approached these elections as a zero-sum game in which they believed their entire political futures and chances at governing to be on the line. This was the case in particular for PAN candidate Felipe Calderón and PRD candidate Andres Manuel López Obrador (AMLO), as the PRI's candidate Roberto Madrazo had fallen behind in the polls some five months before the elections.

Both the PAN and PRD stood a realistic chance at winning the presidential elections, which resulted in an aggressive electoral playing field (Estrada and Poiré 2007, 75–77). In response, the parties spent excessively on campaign ads (Córdova Vianello 2011, 354–58), particularly in the urban areas and in regions with high levels of middle class voters where parties typically rely on marketing campaigns rather than clientelism to win elections (Curzio 2013, 141). The total cost of these campaign ads has been estimated at 180 million USD, or 56 percent of parties' electoral budgets (Orozco Henríquez 2011, 273).³¹⁹ The voluminous use of campaign ads was not only problematic in terms of their costs. In addition, all parties violated campaign regulations in their fight over the political limelight. The PAN did so in particular by resorting to negative campaign ads that targeted López Obrador, only to have the PRD follow its lead (Córdova Vianello 2011, 354–58; Magar and Romero 2007, 184).³²⁰ This violated the electoral law, which prohibited parties from making derogatory remarks about other parties (§38).

Violations of the electoral law also took place because trade unions, NGOs, and business groups contributed heartily to the electoral media circus through the exploitation of legal loopholes. This occurred despite the fact that campaign regu-

³¹⁹ El Universal (11 June 2007) 'Proponen prohibir spots con ataques entre candidatos.' El Universal (14 June 2007) 'PAN, PRD y PRI coinciden en bajar costo a campañas.' Legislators estimate this cost to have been even higher, namely 72 percent. Also see El Universal (2 Sep. 2007) 'Pactan prohibir a los partidos contratar spots en campañas.'

³²⁰ The PAN campaign characterized him as 'a danger for Mexico' by equating his left-wing agenda with that of Venezuelan neo-populist Hugo Chávez. The PRD subsequently tried to rupture Calderón's public image by linking him to corruption scandals.

lations only allowed for political ads financed by the parties themselves (§48). In addition, outgoing PAN president Fox violated campaign laws by making good use of his public stature to promote Calderón's candidacy. Combined, all these violations resulted in high levels of electoral litigation as a means to further the parties' electoral goals while simultaneously painting their competitors in a bad light (Cadena-Roa and López Leyva 2011, 433, 442; Schedler 2007, 89). With regard to campaign ads, for example, Estrada and Poiré (2007, 77) report that the *Tribunal Electoral del Poder Judicial de la Federación* (Federal Electoral Tribunal, TEPJF) – the judicial branch specialized in electoral matters – issued bans on no less than 29 denigrating campaign ads.

The problematic renewal of the IFE's General Council served to increase these inter-party tensions even further. As discussed above, the PRI and the PAN had appointed the members of the new council through an exclusionary consensus agreement in October 2003. As a consequence, the PRD did not acknowledge the IFE's legitimacy or political independence (Peschard 2006, 103). Throughout the elections, this rejection manifested itself in the PRD's public denouncement of the way the IFE had handled the PAN's negative campaign ads against López Obrador (Cadena-Roa and López Leyva 2011, 444; Magar and Romero 2007, 184).³²¹ The PRD's campaign strategy evolved from the mere questioning of its opposition candidates into one questioning the institutional framework established to guarantee democratic rights and freedoms.

During and after the elections, which were held on 2 July 2006, López Obrador expanded this strategy by questioning the IFE's work in producing a valid vote count and the TEPJF's handling of the subsequent electoral contention. The IFE itself provided some leverage for the PRD's strategy, as it had been unable to present an immediate electoral victor on Election Day. This was the result of the highly competitive nature of the elections and the subsequent inconclusive outcome of the preliminary electoral results. Both Calderón and López Obrador thereupon declared themselves winner of the presidential elections on the basis of different election polls.

It took the IFE four days to declare the final tally in favor of Calderón by a 0.58 percent margin – or 233,000 out of 40 million votes. This opened up the floor to PRD accusations of electoral fraud and demands for corresponding judicial action, which the IFE failed to address effectively. The PRD followers took to the streets of the capital to reinforce López Obrador's demand for a recount at first, and for the invalidation of election results later on. In addition, López Obrador declared

³²¹ The TEPJF did order the PAN to stop emitting its commercials targeting AMLO only to have the PAN circumvent this ruling through legal loopholes.

publicly that he did not recognize Calderón as president and proclaimed himself the legitimate head of state instead. It would take the TEPJF two months to finally declare Calderón president and protests did not die down until Calderón took office on 1 December 2006 (Cadena-Roa and López Leyva 2011, 445; Estrada and Poiré 2007, 73; Magar and Romero 2007, 184).

The explosive aftermath of the 2006 presidential elections damaged the Mexican party system and the legitimacy of its democratic institutions. López Obrador's discourse on electoral fraud resonated in those parts of society that had not been convinced about the democratic nature of the political system to begin with (Estrada and Poiré 2007). Indeed, one year after the elections, a poll by newspaper *Reforma* revealed that 36 percent of the population believed the elections to have been fraudulent (cited in: Cadena-Roa and López Leyva 2011, 445). This represented a severe blow to the authorities involved in the management of, and oversight over, the electoral process.³²²

The contentious elections started a round of constitutional and electoral reforms that partly changed the legal regulation of Mexican political parties. On the one hand, these contextual events suggest that the legitimacy crisis spurred legislators to overcome their previous legislative impasse with regard to the reform of party laws in order to safeguard democratic governance. At the same time, however, the 2006 elections resulted in a continued PAN presidency and did not introduce major changes in the party system. In line with the resource-based perspective, this suggests the adoption of a *systemic economy* reform that would be able to address legitimacy concerns while safeguarding or increasing collective party access to organizational resources in the process.

6.4.b Negotiation process – 2007 constitutional reform

The PAN emerged from the 2006 elections as the largest party in the legislature. The PRI did not do so well, with the 2006 elections resulting in its lowest seat share in history (see Appendix 7). As a result, the 2006-2009 Legislature lacked any two-party combination that surpassed the two-thirds majority needed for constitutional reform.³²³ This suggested bleak prospects for reform. Indeed, during his visit to Mexico in April 2007, Italian political scientist Giovanni Sartori stated that “it would merit an Olympic medal” if legislators managed to adopt such a reform within a single

³²² Whereas election observers, political parties, and media reporting on the ground had registered no grave violations during the election process, something underwritten by the IFE's subsequent investigations, the elections nevertheless turned into “epic confrontations and rhetoric of past democratization struggles” (Schedler 2007, 91).

³²³ During the previous 2003-2006 Legislature, the established parties had proven unable to negotiate an integral electoral reform, even though the possibility for such a minimal reform coalition did exist.

year.³²⁴ In a feat of Herculean proportions, the legislature nevertheless adopted both a constitutional reform in November 2007 and an electoral reform in January 2008.

One important factor distinguished the extensive 2007 reforms from the limited 2003 reform process. Senator Manlio Fabio Beltrones, the PRI president of the Senate, understood that within the polemic political climate, a political reform effort would only succeed if it were adopted in a consensual manner outside of the public spotlight while surfing on the political momentum created by the contentious 2006 elections.³²⁵ Towards this end, Beltrones presented a procedural initiative called *Ley para la Reforma del Estado* (Law for State Reform).³²⁶ The initiative proposed the creation of a special reform committee with representatives from all political parties that would negotiate agreements on the most pressing structural concerns within the time frame of a single year.³²⁷ The *Comisión Ejecutiva de Negociación y Construcción de Acuerdo del Congreso de la Unión* (Executive Committee for the Negotiation and Construction of an Agreement of the Congress of the Union, CENCA) took office on 26 April 2007.³²⁸

Committee work played an important role in the negotiations over the 2007 constitutional reform. The CENCA presented an initial proposal to the legislature on 31 July 2007. The bill mainly consisted of a lengthy substitution of constitutional article 41, which regulates political parties.³²⁹ The most substantial changes that committee members introduced focused on the regulation of political finance and media access. The CENCA proposed a new formula for the calculation of organizational public funding, and of electoral public funding by extension. This formula established the total amount of organizational funding available through the multiplication of the number of registered voters with 70 percent of the minimum salary (Mexico D.F.).

³²⁴ El Universal (11 April 2007) 'En México la democracia no es sinónimo de igualdad: Sartori.'

³²⁵ Also see discourse Beltrones during the debate of the reform in the Senate. Cámara de Senadores (12 Sept. 2007) 'Minuta.'

³²⁶ El Universal (10 Jan. 2007) 'Discutirá senado en febrero dictamen de Reforma del Estado,' El Universal (31 Jan. 2007) 'Integran diputados comisión especial para la reforma del Estado,' El Universal (11 April 2007) 'Firmarán Calderón y Segob ley para reforma del Estado,' El Universal (17 April 2007) 'Acuerdan empezar con tema electoral diálogo sobre la reforma del Estado,' El Universal (24 April 2007) 'Centran Reforma del Estado en cinco temas.'

³²⁷ *Ley para la Reforma del Estado* (Diario Oficial, 13 Apr. 2007)

³²⁸ El Universal (22 April 2007) 'Instalará Congreso comisión para concretar Reforma del Estado,' El Universal (26 April 2007) 'Pactan diálogo sin exclusión en la reforma del Estado.' In hindsight, experts note that the committee's ability to negotiate reforms depended on the preliminary exclusion of contentious issues, such as legislative reelection and the introduction of two-round presidential elections, from the negotiation table (Alcocer V. 2008, 216; Freidenberg 2009, 282–83; Serra 2010, 14). Also see El Universal (25 April 2007) 'Avanza acuerdo PRD-PRI para la Reforma del Estado.'

³²⁹ CENCA (31 Aug. 2007) 'Exposición de motivos.'

In addition, the CENCA proposed that this amount would be distributed proportionally between parties. During presidential election years, parties would receive an additional amount of 50 percent of public organizational funding to cover election costs. The bill also earmarked 1.5% of organizational funding for educational purposes, such as political education and training, socioeconomic and political investigations, and editorial tasks. In addition, the article limited the length of legislative campaigns to 45 days, introduced an annual constitutional donation limit at ten percent of the spending limit applied in presidential elections, and stated that public media access would be regulated through law. Political finance regulation was extended to apply to party candidate selection processes as well.

The subsequent passage of the bill through the legislature confirms the important role that the consensus forged in CENCA played in the reform process. The Senate Committees on ‘Constitutional Affairs’, ‘Governance’, ‘Radio, Television and Cinema’, and ‘Legislative Studies’ reworked this proposal into a reform bill that they presented to the Senate on 12 September 2007 with hardly any differences. Subsequent discussions over the reform in both the Senate and the Chamber of Representatives did not substantively change this proposal either.³³⁰ Legislators hence decided on the most important points within the CENCA setting. Indeed, when comparing the Senate Committees with the CENCA’s bill, only minor differences appear (see Table 6-6 for an overview of changes in the proposal).

The relevant committees lowered organizational funding by calculating it based on 65 rather than 70 percent of the minimum wage and altered the distribution of public funding to the 30 percent equally and 70 percent proportionally (instead of 100 percent proportionally).³³¹ In addition, they increased earmarked public funding for educational activities from 1.5 to three percent of total organizational funding. Last-

³³⁰ The CENCA proposal had established that only political parties would be allowed to present candidates in elections. The legislature removed this monopoly position and put down instead that parties provide citizens with access to the exercise of public power – rather than that they form the only means to do so (§41) – and that parties have the right – rather than the exclusive right – to present candidates for elections (§116). The relevant Chamber committees proposed this change in light of existing international treaties and constitutional norms, which guarantee citizens’ active and passive voting rights. The committee members pushed the legislature to ensure the observation of these existing national and international norms.

³³¹ The Senate Committees changed this to maintain the 1996 norm that “matched the mixed nature of the electoral system.” Cámara de Senadores (12 Sep. 2007) ‘Dictamen de las Comisiones Unidas de Puntos Constitucionales; de Gobernación; de Radio, Televisión y Cinematografía; y de Estudios Legislativos, con proyecto de decreto de reformas a la Constitución Política de los Estados Unidos Mexicanos, en materia de Reforma Electoral.’

ly, the allowed length of legislative campaigns increased from 45 to 60 days.³³² The most substantial difference is visible in the regulation of media access, as the committees' bill contained extremely detailed regulation of party media access. It prohibited parties from obtaining any private media access at all. Instead, parties could only use the state media allocated to them by the IFE. Media was distributed among parties just as any other source of public funding, meaning that 30 percent was distributed equally and 70 percent proportionally. Parties had equal access to state media outside of elections.³³³

The proposals to restrict private media access met with severe opposition from media outlets and civil society organizations (Serra 2010). According to the media, for example, the proposed bill formed a violation of the freedom of expression and an attempt by the "partyocracy" (PRI, PAN, PRD) to maintain the established party status quo (see Freidenberg 2009, 297). In their debate on the reform, the established parties displayed recognition of this external opposition to the reform agenda. Nevertheless, all the reform proponents agreed that this was an unjust portrayal of the reform as it "only targeted parties, not individuals", and as it sought to "prevent the continued commercialization of politics under the encouragement of the illegal and illegitimate power of wealth[y actors]."³³⁴ Despite a unified effort to pressure the legislature into rejecting the complete prohibition of private media access, politicians went ahead with this substantial reform of the role of money and media in elections.³³⁵

The Senate adopted the proposal on 12 September 2007 with 110 votes in favor and 11 opposed.³³⁶ The Chamber did so two days later with 408 votes in favor, three opposed, and nine abstentions. The reform coalition, consisting of the PAN, PRD, PRI, and PT, as well as the PASC, all voted in favor of the reform. The PVEM

³³² In addition, the president of the IFE's Council is appointed for a 6-year-term (versus 9 years) but may be reelected (versus a prohibition on reelection). The constitutional reform of the IFE will be discussed in more detail below.

³³³ The law also elevated to constitutional norms the prohibition on defamatory ads, as well as media access bought on behalf of the political parties by third parties. As was the case for the constitutional establishment of donation limits, parties hence used the constitution to constrain party access to public and private funding in a very detailed manner.

³³⁴ Cámara de Senadores (12 Sep. 2007) 'Dictamen de las Comisiones Unidas de Puntos Constitucionales; de Gobernación; de Radio, Televisión y Cinematografía; y de Estudios Legislativos, con proyecto de decreto de reformas a la Constitución Política de los Estados Unidos Mexicanos, en materia de Reforma Electoral.' Also see, for example, statements of Representatives Raymundo Cárdenas Hernández (PRD), Diódoro Humberto Carrasco Altamirano (PAN), and Marina Arvizu Rivas (PASC). Cámara de Diputados (14 Sep. 2007) 'Minuta.'

³³⁵ El Universal (13 Sep. 2007) 'Especialistas critican "campana intimidatoria."'

³³⁶ Cámara de Senadores (12 Sept. 2007) 'Minuta.'

and Convergencia both opposed the reform.³³⁷ These parties rejected the negotiation process that the three established parties had dominated (allegedly).³³⁸ In addition, these minor parties rallied against the way in which the distribution of public funding and media access advantaged the larger parties (Freidenberg 2009, 298).³³⁹

When looking in more detail at the reform process in relation to the adopted party law, the *systemic economy* reform strategy manifests itself in many ways. This is visible, first of all, in legislators' identification of the reform's purported aims. While introducing the CENCA's proposal in the legislature, PRI Committee President Beltrones presented the proposed changes as a means to "address the two largest problems facing Mexican democracy: money and the use and abuse of the means of communication."³⁴⁰ The statement is a clear reference to the 2006 elections, when the party's media and advertisement campaigns had taken on the character of an arms race. All parties tried to outspend each other, and engaged in vicious public campaigns, only to reach a 0.58 percent vote difference in the final tally. In addition, this expensive strategy damaged the public image of all parties. As a consequence, the need to address the "corrupting power of private media bosses" ran like a common thread through the vote qualifications of all the parties that supported the reform.³⁴¹ Media and election spending had started to pose a threat to political parties' joint access to resources.

³³⁷ The PNA abstained from voting on the bill. Cámara de Diputados (14 Sept. 2007) 'Minuta.'

³³⁸ See, for example, statements and vote qualifications of Senators Alejandro Gonzalez Yañez (PT), Dante Delgade Rannauro (Convergencia), Francisco Agundias Arias (PVEM), Jose Luis Lobato Campos (Convergencia), Arturo Escobar y Vega (PVEM), Irma Martinez Manriquez (PNA). Cámara de Senadores (12 Sept. 2007) 'Minuta.' Also see vote qualifications Representatives Francisco Elizondo Garrido (PVEM), Jacinto Gómez Pasillas (PNA), and Alejandro Chanona Burguete (Convergencia). Cámara de Diputados (14 Sep. 2007) 'Minuta.'

³³⁹ See, for example, statements Senator Dante Delgade Rannauro (Convergencia) and Representative Alejandro Chanona Burguete (Convergencia). Cámara de Senadores (12 Sept. 2007) 'Minuta.' Cámara de Diputados (14 Sep. 2007) 'Minuta.' As discussed above, the reform did not alter the existing distributive criterion that allocated 70 percent of funding proportionally and 30 percent equally between parties. Nevertheless, the minor parties calculated that the new rules meant that they would lose half of their funding while the established parties' funding would increase by 30 percent. See El Universal (2 Sep. 2007) 'Pactan prohibir a los partidos contratar spots en campaña.' El Universal (10 Sep. 2007) 'Panal y PAS denuncian 'partidocracia.''

³⁴⁰ CENCA (31 Aug. 2007) 'Exposición de motivos.'

³⁴¹ Cámara de Diputados (13 Sep. 2007) 'Dictamen de las Comisiones Unidas de Puntos Constitucionales, y de Gobernación.' Also see vote qualifications of Senators Alejandro Gonzalez Yañez (PT), Carlos Navarrete Ruiz (PRD) and Santiago Creel Miranda (PAN) as well as Representatives Raymundo Cárdenas Hernández (PRD), Diódoro Humberto Carrasco Altamirano (PAN), Marina Arvizu Rivas (PASC), and Ricardo Cantú Garza (PT). Cámara de Senadores (12 Sept. 2007) 'Minuta.' Cámara de Diputados (14 Sep. 2007) 'Minuta.'

Under the resource-based perspective, a response to such a direct threat requires that the legal changes legislators adopt are effective ones. In the case of private finance regulation, this required the constraint of the actions of all parties – including the governing party. In line with the expectations posited under the *systemic economy* reform strategy, legislators adopted measures for the effective implementation of the new political finance regime. They did so by strengthening the IFE’s capacity to control party finance.³⁴² Towards this end, the reform created a new technical committee within the IFE that would monitor political finance (§41). This committee obtained sufficient resources to oversee political finance and was no longer constrained by bank, fiscal or fiduciary secrets (Molenaar 2012b). In addition, the IFE became the ultimate national authority to manage party media access. In this manner, the IFE would be able to oversee the effective restriction of private party funding and media access to protect the established parties from market pressure. Indeed, in the debates on the reform, the reform proponents concur that such impartial and strict application of the rules was a necessary condition for a successful reform effort.³⁴³

In line with the *systemic economy* reform strategy, parties also needed to prevent that the party in government could have a significant financial or publicity advantage over other parties. Failure to do so would undercut the collective application of the reform. Parties therefore adopted a strict prohibition of government electoral publicity, as well as a prohibition of the involvement of public officials in election campaign (§134). In their debate on this article, representatives of the three major parties identify this measure as a necessary means to ensure “absolute impartiality in the management and application of public resources.”³⁴⁴

³⁴² Other proposed changes to constitutional articles also implemented the new norms created in article 41, such as through the specification that the Mexican states would adopt similar measures to prevent the undermining of these new rules through party practices and behavior at the state level (§116). See Cámara de Diputados (13 Sep. 2007) ‘Dictamen de las Comisiones Unidas de Puntos Constitucionales, y de Gobernación’ for the explicit mention of the need to professionalize the IFE as one of the reform’s motivations.

³⁴³ Cámara de Senadores (12 Sep. 2007) ‘Dictamen de las Comisiones Unidas de Puntos Constitucionales; de Gobernación; de Radio, Televisión y Cinematografía; y de Estudios Legislativos, con proyecto de decreto de reformas a la Constitución Política de los Estados Unidos Mexicanos, en materia de Reforma Electoral.’ Cámara de Diputados (13 Sep. 2007) ‘Dictamen de las Comisiones Unidas de Puntos Constitucionales, y de Gobernación.’

³⁴⁴ Cámara de Senadores (12 Sep. 2007) ‘Dictamen de las Comisiones Unidas de Puntos Constitucionales; de Gobernación; de Radio, Televisión y Cinematografía; y de Estudios Legislativos, con proyecto de decreto de reformas a la Constitución Política de los Estados Unidos Mexicanos, en materia de Reforma Electoral.’ Cámara de Diputados (13 Sep. 2007) ‘Dictamen de las Comisiones Unidas de Puntos Constitucionales, y de Gobernación’

Lastly, the reform targeted the electoral authorities to ensure impartial application of the political finance regime. Negotiations over the IFE's reform were slightly problematic due to the PRD's rejection of the IFE's conduct in the 2006 elections. Whereas the victorious PAN proposed maintenance of the IFE Council, the PRD only wanted to go ahead with the reform if the IFE would be restructured and its Council would be removed.³⁴⁵ Other parties advocated the restructuring of the IFE into an *Instituto Nacional de Elecciones* (National Electoral Institute, INE).³⁴⁶ Such a change entailed that the electoral authorities would oversee all the Mexican elections rather than just the federal ones. The three established parties finally found a compromise in the tiered replacement of the IFE's council (§41)(Freidenberg 2009, 297).³⁴⁷

In light of the recent legitimacy crisis, parties' faced a collective threat to their ideational resources as well – albeit in a more indirect manner because the elections had just been held. To safeguard their joint standing, legislators nevertheless presented the reform of political finance and media access as a means to lower the cost of elections. Frequent mention is made throughout the debates of the three billion pesos that the Mexican state would be able to save through the different calculation of electoral funding and the provision of state media access.³⁴⁸ The resource-based perspective suggests, however, that little need existed for legislators to address the height of public funding in an effective manner, as the legitimacy concerns did not result in the rise of new contenders.

Indeed, and as I show elsewhere, the new formula applied to calculate party organizational funding constituted a clear increase rather than decrease in the public funding available to parties annually (Molenaar 2012b). This does not contradict the purported aim of the reform directly, which was to “respond to the justified demand from society to reduce *the costs of campaigns* and to prevent the waste and abuse that offends society” (italics FM).³⁴⁹ Nevertheless, the shift from direct to more indirect public electoral funding in the form of media access, combined with the increase of

³⁴⁵ El Universal (27 April 2007) ‘Reitera PRD condición para apoyar reforma del Estado.’ El Universal (17 May 2007) ‘Apostará el PAN a fortalecer presidencialismo, dice Espina.’

³⁴⁶ El Universal (26 April 2007) ‘Pactan diálogo sin exclusión en la reforma del Estado.’ El Universal (26 May 2007) ‘Propone PRI transformar al IFE en Instituto Nacional Electoral.’ El Universal (21 May 2007) ‘Piden cancelar candidaturas a quienes rebasen topes de campaña.’ El Universal (23 May 2007) ‘Presenta Frente Amplio propuesta de Reforma del Estado.’

³⁴⁷ El Universal (31 August 2007) ‘Van por renovar IFE y bajar 50% el costo de campañas.’

³⁴⁸ See, for example, statements of Senators Manlio Fabio Beltrones Rivera (PRI), Santiago Creel Miranda (PAN) and of Representative Raymundo Cárdenas Hernández (PRD). Cámara de Senadores (12 Sept. 2007) ‘Minuta.’ Cámara de Diputados (14 Sep. 2007) ‘Minuta.’

³⁴⁹ Senador Manlio Fabio Beltrones Rivera (PRI). CENCA (31 Aug. 2007) ‘Exposición de motivos.’

organizational funding, does raise the suggestion that this reform contributed to less wasteful political spending in a symbolic way only.³⁵⁰

One final element of the reform that requires further elaboration is the regulation of the candidate selection process. The reform relegated the TEPJF to a position of court of last instance for conflicts involving internal party matters (§99). To understand this development it should be noted that, as had been the case in Costa Rica, the Mexican judicial authorities (TEPJF) had recently become more involved in intra-party affairs. This involvement can be traced back to the 1996 reform, which had established the protection of the political electoral rights of citizens as one of the TEPJF's functions. Over the next decade, the TEPJF used this provision to hear complaints involving intra-party disputes, such as those over candidate and leadership selection (Harbers and Ingram 2014, 264).

In response, the established parties used the opportunity presented by this reform to retake control over the organizational infrastructure. Throughout the 2003 integral reform negotiations, parties had already rallied around the need to set boundaries to the TEPJF's influence in internal party affairs. The 2007 constitutional reform provided an opportunity to address the "unjust judicialization of internal party processes."³⁵¹ This is yet another instance of how the collective protection of party resources – in this instance over their respective organizational infrastructures – drove the reform effort.

6.4.c Negotiation process – 2008 electoral reform

After the constitutional reform passed through both Chambers of the Legislature, constitutional article 135 required that the majority of Mexican state legislatures approved the reform as well. On 6 November 2007, after 30 out of 31 states had approved the reform, the Senate declared the constitutional reform adopted. The executive promulgated the decree on 13 November 2007. Legislators had stipulated in

³⁵⁰ The Senate committees changed the calculation of organizational public funding from 70 to 65 percent of the minimum salary in Mexico D.F. multiplied by the number of registered voters. In defense of this change, the official Committee Decision states that this constitutes a reduction of 200 million pesos annually. Parties hence seem to have been aware of the financial consequences that changing the calculation of public funding would have for the total amount of funding available to them. Cámara de Senadores (12 Sep. 2007) 'Dictamen de las Comisiones Unidas de Puntos Constitucionales; de Gobernación; de Radio, Televisión y Cinematografía; y de Estudios Legislativos, con proyecto de decreto de reformas a la Constitución Política de los Estados Unidos Mexicanos, en materia de Reforma Electoral.'

³⁵¹ Cámara de Senadores (12 Sep. 2007) 'Dictamen de las Comisiones Unidas de Puntos Constitucionales; de Gobernación; de Radio, Televisión y Cinematografía; y de Estudios Legislativos, con proyecto de decreto de reformas a la Constitución Política de los Estados Unidos Mexicanos, en materia de Reforma Electoral.' Also see Cámara de Diputados (13 Sep. 2007) 'Dictamen de las Comisiones Unidas de Puntos Constitucionales, y de Gobernación'

a transitory article that Congress would adopt the necessary legislation to implement the constitutional changes within 30 days.

On 30 November 2007, legislators of the established parties therefore presented an electoral reform bill to the Senate. In its exposition of motives, legislators stated constantly that the proposed changes introduced harmony and congruence between the electoral code and the reformed constitution.³⁵² Indeed, the constitutional reform had established such detailed principles on, for example, the allocation of public funding and media access, that the reform of the electoral code was mostly a formal procedure. In addition, the established parties continued to hold a sufficiently large majority in both Chambers to pass the bill without having to negotiate with the minor parties.

Only one article exhibits substantial changes between the initial reform proposal and the adopted electoral reform. Firstly, in their review of the proposal, the relevant Senate committees modified the distribution of public funding. The new proposal did so based on the number of votes obtained through plurality voting in single-member districts (§78). This benefited the established parties over other parties, as the formed held a marked advantage in single-member districts (Diaz-Cayeros and Magaloni 2001).³⁵³ In addition, the committees established that two percent of organizational funding would be earmarked for activities that promoted female leadership (§78). According to the committees, this change responded to the demands of female legislators from all parties to introduce measures that promoted affirmative action.³⁵⁴

None of these changes differ from the changes introduced in the 2007 constitutional reform. In the two months between the adoption of the reformed constitution and of the reformed electoral code, the established parties hence maintained their commitment to the constraint of private party funding while providing themselves with some additional financial benefits. On 11 December 2007 the Chamber of Representatives adopted the reformed electoral code with 351 votes in favor, 86 opposed, and 59 abstentions. Next to the established parties, only the PVEM voted in favor of

³⁵² Cámara de Senadores (30 Nov. 2007) 'Exposición de Motivos.'

³⁵³ In line with the constitutional restriction of private funding, the committees also made individual donation limits relative to electoral spending limits and lowered the amount of funding that parties could garner through the organization of activities and anonymous collections (§78). Lastly, the committees increased the amount of free postage parties were entitled to receive during both ordinary and elections years (§§91-92) to "cover party necessities in this area."

³⁵⁴ Cámara de Senadores (5 Dec. 2007) 'Dictamen de las Comisiones Unidas de Gobernación; y de Estudios Legislativos.'

the reform. By contrast, the other minor parties activated all their representatives to vote against a law they saw as merely contributing to an established “partocracy”.³⁵⁵

In summary, the 2007 legislative pact thus allowed legislators to do what they had been unable to do in 2003: adopt an integral electoral reform. The established parties used the opportunity for reform created by the contentious 2006 elections to address similar issues as had figured on the agenda in 2003: the costs of political finance, the IFE’s inability to monitor political finance effectively, and the high costs of media access. In addition, they used this opportunity to set limits to the TEPJF’s interference in internal party life. Consensus on the political finance reform was rather easy because all parties rejected the existing financial scheme that depended heavily on private media access.

In line with the *systemic economy* reform strategy, this ensured that the reform targeted the use of private money and media access in an effective manner and included mechanisms for the implementation of legal changes. In the debates, all parties exhibited a clear concern over the amount of money they needed to spend on media access as well as the viciousness of the last round of election campaigns. It was in all parties’ interests to constrain private media spending. The case is also illustrative of the limited role that public opinion plays in constraining *systemic economy* reforms. Even though the media embarked on a public opinion campaign against the reform, legislators pushed through regardless of the public backlash this generated.

Table 6-6: 2007 constitutional reform proposals

Topic	CENCA proposal	Senate committees proposal	Adopted proposals
Representation	Party monopoly over presentation candidates	Same as CENCA	Strikes party monopoly
Candidate selection	Internal party autonomy; TEPJF court of last instance	Same as CENCA	Same as CENCA

³⁵⁵ See, for example, vote qualifications of Representatives Aída Marina Arvizu Rivas (PASC), Miguel Ángel Jiménez Godínez (PNA), Abundo Peregrino García (PT), and Alejandro Chanona Burguete (Convergencia).

Topic	CENCA proposal	Senate committees proposal	Adopted proposals
Organizational funding	70% of minimum wage in DF x number of registered voters; distributed 100% proportionally	65% of minimum wage in DF x number of registered voters; distributed 30% equally and 70% proportionally	Same as Senate
Electoral funding	50% ordinary funding (30% for legislative elections only)	Same as CENCA	Same as CENCA
Earmarked funding	Earmarked funding 1.5% organizational funding for educational purposes	3% organizational funding for educational purposes	Same as Senate
Private funding	10% spending limits	Same as CENCA	Same as CENCA
Monitoring and oversight	Increase financial control (election and pre-campaigns)	Same as CENCA	Same as CENCA
Media access	Law will regulate party access to media	48 minutes per day (during elections); distributed 30% equally and 70% proportionally; prohibition private media access	Same as Senate
Campaign length	90 days for presidential campaigns; 45 days for legislative campaigns	60 days for legislative campaigns	Same as Senate

6.5 Conclusion: party law development and reform in Mexico

As discussed in the introduction to this chapter, the famous novelist Octavio Paz asserted that the Mexican PRI government historically functioned as a *tlatoani*: a type of ruler that built its domination on legal and institutional foundations. This chapter has shown that the transition to a multi-party political system, initiated in the 1970's and finalized in 2000, did not alter this dynamic fundamentally. With the opening up of the political system, Mexico moved to institutionalized power sharing among three established parties that continue to validate, as well as protect, their access to power through legal means (see Table 6-7 below for a summary).

These dynamics were visible first of all in the 2003 reform adopted in response to the rise of new parties that had started to change the terms of party competition. In line with the *electoral economy* reform strategy, as well as the predictions of Katz and Mair's cartel party theory (1995), the established parties responded to this development by increasing party formation and maintenance costs. This finding supports proposition 2 developed in Chapter 3, which holds that when adopted in response to changes in party competition and/or the rise of a new party, party law reforms will contain *effectively designed* legal provisions that redress the inter-party resource distribution balance, such as by making it more difficult to form and/or maintain a political party.

In the 2006 elections, however, it was not new parties but the political parties' own functioning and behavior that threatened their collective access to ideational and financial resources. Too much electoral spending had created an aggressive and costly playing field. In response, the parties adopted a *systemic economy* reform that constrained their collective ability to spend money in election campaigns. The mutual constraint of all the established political players was required to mitigate future crises, which ensured that the parties designed this reform in an effective manner. These findings support proposition 3a on the *systemic economy* strategy developed in Chapter 3, which holds that when adopted in response to institutional or societal changes that alter all political parties' access to resources, party law reforms will contain *effectively designed* legal provisions that redress political parties' collective access to resources, such as by creating private funding rules that benefit all parties.

With the introduction of a generous public funding scheme in the 1990's, legislators had opened the door to public outrage over the amount of public money available to parties. In both reform efforts, the parties suggested that they addressed these public concerns by either lowering the amount of money wasted on the proliferation of new/minor parties (2003) or by lowering the amount of electoral funding available to parties (2007/2008). In both cases, this constituted a *systemic economy* strategy, in line with proposition 3b, which holds that when adopted in response to a legiti-

macy crisis that only alters political parties' access to ideational resources, party law reforms will contain *symbolic* legal provisions that increase political parties' access to ideational capital, such as by adopting ineffective legal provisions on party finance. In practice, this meant that the political parties increased the total amount of direct and indirect funding available to them while presenting the reform as a cost-reducing effort.

Table 6-7: Summary of Mexican party law reform (2003-2008)

	2003		2007/2008
Strategy	Electoral economy	Systemic economy	Systemic economy
Resource at issue	Organizational infrastructure	Ideational resources	Ideational + financial resources
Threat	<u>Internal</u> New/minor parties importance in electoral and legislative alliances	<u>External</u> Public rejection public party funding	<u>Internal</u> Spending 'arms race' leads to high expenses <u>External</u> Public rejection of public party funding [and democratic system more generally]
Legal provisions	Increase party formation costs		*New calculation public funding *Restriction private funding and media access *Restriction campaign length
Effective design	<u>Effective</u> IFE oversees implementation	<u>Symbolic</u> Present reform as a way to lower public party funding	<u>Effective</u> Professionalization IFE and adoption of rules to ensure impartial implementation <u>Symbolic</u> New calculation does not lower total amount public funding

