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Does migration promote democratization? Evidence from the Mexican transition

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ABSTRACT

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This paper presents evidence for a causal effect of international migration on the functioning of democratic institutions in the sending country. It does so for the particular case of the Mexican democratization process, using data from municipal elections for the 2000–2002 electoral cycle. Estimating an instrumental variable probit model, it is found that migration significantly increases the probability of a party in opposition to the former state party PRI to win in a municipal election for the first time. A 1% point increase in the proportion of migrant households in a municipality is estimated to increase the probability of an opposition party victory in so far continuously state-party ruled town halls by more than half a percent. This result is robust to the inclusion of controls for party preferences and can be interpreted to be the result of improved democratic institutions. *Journal of Comparative Economics* 40 (2) (2012) 159–175. Oberlin College, 10 N. Professor Street, Rice Hall 023, Oberlin, OH 44074, United States.

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1. Introduction

Mexico's democratization process, which on many counts started in the late 1960s and progressed with glacial speed to culminate in the election of Vicente Fox Quesada as Mexico's president in 2000, has received considerable attention in political science and among scholars of Latin American studies. The numerous literature includes the general treatments by Camp (2007) and Levy and Bruhn (2006); the recent quantitative analyses presented by Greene (2007), Magaloni (2006), or Eisenstadt's (2004) analysis of the role played by electoral institutions.

The biggest part of these studies focuses on political developments at the federal level with those at the state and municipal level receiving relatively scant attention. I believe this to be a critical omission given that in the same year Fox won the presidency, according to the data presented below, more than two thirds of Mexican municipalities were still governed by the old state party, the Institutional Revolutionary Party (PRI). To the degree that this is the result of persistent authoritarian power structures, it is likely to severely affect the local population in its prospects for economic development. For example, Tuirán-Gutiérrez (2003) observes “a high correlation between social backwardness and town halls governed by the PRI” (pp. 45/46).

This is to my knowledge the first paper to empirically explore the relationship between international migration and the functioning of democratic institutions in the sending countries. It presents evidence for a causal link between migration to the United States and electoral victories of parties in opposition to the PRI in Mexican municipal elections. Using data from

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the electoral cycle 2000–2002 for essentially all municipalities holding party based elections, it is shown that international migration significantly increases the probability that a party other than the PRI wins an election *for the first time*. A 1% point increase in the proportion of migrant households in a municipality is estimated to increase the probability of an opposition party victory in so far continuously state-party ruled townhalls by more than half a percent. Moreover, in municipalities that already had a non-PRI government at some point, the entire effect of migration on the electoral outcome is explained by party preferences, while in those that have been continuously PRI governed, this effect remains almost unaltered.

In what follows, the term opposition will be understood as meaning “in opposition to the PRI”, which is not too much of a stretch, given that in the year 2000 the Institutional Revolutionary Party still governed the vast majority of states and municipalities. According to the data used in this study, out of the 1982 municipalities for which complete electoral data is available, 69.82% were still PRI governed, and 50.28% never had any other party in power (since at least 1980). At the state level the PRI was still in control of 19 out of 31 states.

The present study is motivated by the observation that Mexico’s immigrant community in the United States appears to have a sizeable impact on the political process back home. There exists a vast anthropological and sociological literature on the effects of migrant communities and diasporas on sending country politics. For the Mexican case this literature focuses mostly on the role played by home town associations (HTAs). These are US-based organizations made up of migrants from the same town or region in Mexico with the principal aim to sponsor public projects in their places of origin. More recently, they have also become politically involved in the US through their advocacy of pro-immigrant policies (see [de la Garza and Hazan, 2003](#) for an extensive discussion on HTAs). It is often argued that the economic support for their hometowns, together with their organizational expertise gained in the US, converts these organizations into important political players in Mexico. For example, [de la Garza and Hazan \(2003\)](#) argue that they played an important role in bringing opposition candidates to political office in the state of Zacatecas. But this political activism is not necessarily constrained to the support of opposition parties, as the Institutionalized Revolutionary Party (PRI) has also been active in courting the migrant community ([Smith, 2001, 2005](#)).

The absence so far of almost any quantitative research on this particular issue is quite surprising, given the vast attention two closely related research areas have received: The process of democratization and the effects of international migration on sending regions. A big part of the democratization literature has analyzed the effect of economic growth, understood as the effect of the income level and its distribution, on the probability for a democratic system to emerge and/or to prevail.¹ In a well known study [Przeworski and Limongi \(1997\)](#) argue that a higher income does not promote a transition to democracy, but rather, prevents countries from falling back into dictatorship once democracy has been established. This result is contested by [Boix and Stokes \(2003\)](#) on empirical grounds, due to small sample size, selection, and omitted variable problems; as well as because of the lack of a clear causal mechanism which would explain it. Such a mechanism is in turn provided in a later paper by [Przeworski \(2005\)](#). Other authors who find evidence for a higher income to promote democracy include [Londregan and Poole \(1996\)](#) and [Barro \(1999\)](#).

The literature on the effects of international migration has traditionally focused on the receiving country.² Only fairly recently, development economists have begun to take a closer look at its impacts on the places of origin. This is all the more surprising as the literature on the effects of rural-to-urban migration, which deals with fairly similar questions, can be traced back to at least the 1970s (see, for example, [Lipton, 1980](#) or [Rempel and Lobdell, 1978](#)).

Most of this research deals with the role played by remittances with only a small number of papers taking into account other effects of emigration. Some early studies have inquired how remittances are spent ([Durand et al., 1996](#)) or on their impact on local economic activity ([Durand et al., 1996](#)). More recently, [Yang \(2007\)](#) confirms that remittances act as an insurance against exogenous income shocks in poor Philippine households and [Hildebrandt and McKenzie \(2005\)](#) find that for the case of Mexico, migration improves child health through remittances as well as through knowledge transfers. Regarding school attendance, [McKenzie and Rapoport \(2006\)](#) identify a negative effect of family migration experience for Mexico, while [Cox and Ureta \(2003\)](#) and [Yang \(2008\)](#) find a positive effect of remittances for the cases of El Salvador and the Philippines respectively. [Mishra \(2007\)](#) finds that emigration had a strong positive effect on Mexican wages.

Using data from the 2003 Mexican National Rural Household Survey, a number of papers with a rural focus have emerged recently. [Taylor and López-Feldman \(2010\)](#) find that migration to the United States not only increases rural households’ incomes, but also the productivity of agricultural land. On a related topic, [Pfeiffer and Taylor \(2007\)](#) show that the effect of international migration on household production depends crucially on the migrant’s gender. The widely reported negative effect is only found for male migrants. [Adams et al. \(2005\)](#) analyze the effects of remittances on a variety of poverty and inequality measures for rural communities, concluding that international remittances unambiguously reduce poverty, but have mixed effect on inequality. Overall, remittances tend to increase inequality, but, as the diffusion of migration starts to include poorer households, they have an equalizing effect in communities with high levels of migration. This latter result is also confirmed in a study by [McKenzie and Rapoport \(2007\)](#).

The quantitative literature on the political effects of migration is, so far, almost non-existent. [Díaz-Cayeros et al. \(2003\)](#) use a migration proxy as an explanatory variable in their work on transfer payments from the state and federal levels to

¹ The probably most comprehensive treatments in recent years has been put forward by [Acemoglu and Robinson \(2005\)](#) and [Boix \(2003\)](#).

² Almost exclusively the United States, see [Borjas \(2001\)](#) among many others.

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