The Institutionalisation of Power: The Influence of Mexican Unions in the Legislative Process

Diego Solís Delgadillo

PhD student at the Facultad Latinoamericana de Ciencias Sociales in México City Email: diego.solis@flacso.edu.mx

Abstract

Existing studies such as those of Pastor and Wise (2005) argue that the democratic period in Mexico has been characterised by serious governability problems derived from divided governments. Nevertheless, the empirical data shows this period has been the most productive in the history of Mexico, but at the same time a series of relevant reforms have been rejected or watered down. This paper focuses on the role played by interest groups in the legislative process, especially labour unions; the hypothesis is that the more powerful the groups, the more likely the legislative process will reflect the interest of that group. To establish how powerful a union is it follows the work of Acemoglu and Robinson (2006) and established indicators to measure the concept "de facto political power" then it proceeds to compare this explanation vis-à-vis other hypotheses for the legislative result such as divided governments, fragmentation and polarisation of the party system.

Key Words:

Congress, De Facto Political Power, Institutions, Interest Groups, Reforms

Introduction

Mexico experienced a profound institutional change during the 1990's. Its political regime changed from an authoritarian regime to a competitive democracy and its party system changed from a hegemonic system to a competitive one. These transformations were reflected in the composition of Congress where, for the first time in over 70 years, the Partido Revolucionario Institucional (PRI) lost the majority of the Lower House. Since then no president or opposition party has held a majority in Congress and while some authors have celebrated the arrival of pluralism, others have pointed out at the governability problems related to divided governments. Among the former are those of Hurtado (2001), Negretto (2003) and Wise and Pastor (2005). The argument of these studies follows that the institutional framework of presidentialism does not provide incentives for cooperation among political parties.

Therefore, according to their argument, Mexico suffers a deadlock between the president and Congress that inhibits the approval of crucial reforms. Among the reforms often cited as examples of the impasses between the executive and the legislative are fiscal, education, labour and energy reforms. These are referred to as "structural reforms" and are used by several authors as dependent variables while the presence of divided governments is presented as the independent variable that explains the failure of the bills. But as Casar and Marván (2014) have demonstrated the legislatures of the democratic period, characterised by the lack of majorities, show the highest number of approved bills in the history of Mexico (Figure 1).

More importantly the reforms approved during the democratic period were supported in 73 per cent of the cases by the three main political parties: Partido Acción Nacional (PAN), Partido Revolucionario Institucional (PRI) and Partido de la Revolución Democrática (PRD). Even the constitutional reforms, which require qualified majorities, were supported by a coalition conformed by PAN-PRI-PRD in 83 per cent of the cases (Casar, 2014). In other words, the cooperation among political parties is not uncommon in the Mexican Congress. These findings clearly question the paralysis argument. Nevertheless, the structural reforms proposed during this period were often rejected or strongly opposed by interest groups.

37 40 35 30 25 19 19 18 17 20 15 15 14 13 15 10 10 8 10 5 0 1964,1970 1970,1976 1976-1982 200-2006 1940,1946 1946,1952 2952.295° 2994.2000 1932,1934 **■ CONSTITUTIONAL REFORMS**

FIGURE 1. CONSTITUTIONAL REFORMS IN MEXICO 1928-2014

Source: Casar and Marván (2014)

Contrary to the divided government hypothesis, this paper argues that the failure of structural reforms is not related to divided governments but instead it can be explained by focusing on the role played by interest groups. It is relevant to focus on structural reforms because these proposals frequently tried to diminish rents extracted by interest groups. Those rents were established during the authoritarian regime by the hegemonic party to obtain the loyalty of crucial groups as labor unions, peasants and business associations (Bizberg, 2010; Haber et al, 2008; Elizondo, 2010). In exchange for the distribution of rents these groups offered political support to the PRI in what has been called "alliance for profits" (Haber et al, 2008).

After the debt crisis of 1982, which revealed the enormous fiscal deficits of the Mexican government, the capacity of the PRI to distribute rents substantially decreased. Still, several groups continued to receive benefits from the state, including unions of public workers such as teachers, oil workers and bureaucrats. But contrary to the past, these groups were no longer subordinated to the president and his party. Especially after the transition to democracy these groups gained autonomy and started to deploy strategies to influence the policy making process. Nevertheless, not all groups have succeeded in maintaining their privileges, which leads to the following question: why have some unions been successful in defending or promoting rent extraction while others have failed?

A plausible hypothesis is that the success or failure of these labor interest groups depends on what Acemoglu *et al* (2005) call *de facto* political power. In other words, that powerful unions that 1) have access to vast economic or human resources, 2) who are capable of resolving collective action dilemmas and 3) deploy pressure strategies over political parties and Congress; are more likely to resist or promote reforms that maximize their interests.

Methods

In order to test the hypothesis this paper proposes and operationalization of the concept "de facto political power" comprises fifteen indicators. Based on the operationalisation of the concept it constructs an Index of de facto Political Power (IFPP) for each group analyzed. Then the index is compared to the legislative outcome, whether it is positive or negative to the interest group involved. Five cases were selected to capture variation on the dependent variable, including three cases where the interest group was successful in achieving a positive result and two in which the interest groups failed to defend their prerogatives.

The cases selected involve three labour interest groups: the teachers union: Sindicato Nacional de Trabajadores de la Educación (SNTE), the state owned oil company union: Sindicato de Trabajadores Petroleros de la República Mexicana (STPRM), and the workers of Instituto Mexicano del Seguro Social (IMSS), a governmental organisation that assists public health, pensions and social security, who are represented by the Sindicato Nacional de Trabajadores del Seguro Social (SNTSS). Case study of these three groups consisted in document analysis to examine both the characteristics of these groups and the strategies used by the unions prior to the discussion the bill.

Once the values of the IFPP are obtained, then I proceed to use the comparative method, contrasting the variations in the IFPP with other explanations to the legislative result such as the presence or absence of divided governments and the fragmentation and polarization of the party system, using as indicators the Rae Index for fragmentation and the standard deviation of the preferences of political parties in the left-right continuum.

Political Power and Institutions

The belief that institutions matter is shared by many political scientists and economist alike. Nevertheless, as Shepsle (2006) has noticed, most of the studies about institutions focus on their effects and not on their origins. That is, most studies do not address how political actors arrive to institutional equilibriums. Some exceptions are the work of Knight (1992), Acemoglu *et al* (2005) and Acemoglu and Robinson (2006) who argue that political power play a central role in the conformation of institutional frameworks.

Contrary to the idea that institutions are crafted to resolve collective dilemmas or reduce transaction costs, their argument sustains that institutions reflect power equilibriums. Namely, that the rules of the game are the institutionalisation of power relations in a given time. The theory assumes:

- 1. Institutions can be defined as the rules of the game which generate constrictions and opportunities (North, 1990; Knight, 1992)
- 2. Actors are self-interested. Meaning that individuals, groups and parties act in their own interest (Shepsle, 1999; Knight, 1991; Grossman and Helpman, 2001)
- 3. Institutions are endogenous; which means that actors can create and change institutions. It also implies that political outcomes can be identified as equilibriums that are the result of strategic interactions among actors. (Knight, 1992; Shepsle, 2006; Acemoglu *et al* 2005; Acemoglu and Robinson, 2006)
- 4. The most powerful actors are more capable of influencing the decision making process. At the same time two kinds of power can be distinguished: *de jure* political power derived from formal institutions, and *de facto* political power which rest on the resources, aptitudes to resolve collective action dilemmas or capacity of violence of an actor (Acemoglu *et al*, 2005; Acemoglu and Robinson, 2006)
- 5. Institutions distribute political and economic resources creating winners and losers. Therefore self-interest actors compete to obtain benefits from those institutions (Knight, 1992; Acemoglu *et al*, 2005; Acemoglu and Robinson, 2006)

Since reforms are essentially changes in the rules of the game, these assumptions can be useful to analyze the legislative process. One of the advantages is that it takes into account both the distributional conflict surrounding institutional change and the presence of informal actors in the decision making process. Contrary to most of the studies on

legislative process this framework allows us to recognise that political decisions are not only influenced by elected officials but also by stakeholders. Among the informal actors who possess *de facto* political power are interest groups who possess both resources and capacity to resolve collective action dilemmas.

Measuring de facto political power

Once the relevance of *de facto* political power in institutional change is recognised then the biggest challenge is to operationalize the concept. Here I follow the work of Sartori (2012) to reduce the level of abstraction of the concept "*de facto* political power". This means reducing its denotation and increasing its connotation. By moving down the "ladder of abstraction" it is possible to attach more attributes to the concept. This allows more precision about the attributes shared by labour interest groups in specific cases.

The concept "de facto political power" is composed of three dimensions. The first two are taken from the work of Acemoglu et al (2005): resources and capacity to resolve collective action dilemmas. Then I add a third dimension called "pressure" which compiles several tactics used by interest groups which have been identified by Grossman and Helpman (2001), Tullock (2005), Schneider (2009) and Baumgartner and Leech (1998). While the first two dimensions indicate the capacities of the groups the third one indicates the strategies actually taken by the interest groups. Once the dimensions are determined, then it is possible to establish indicators for every dimension.

TABLE 1. OPERATIONALIZATION OF DE FACTO POLITICAL POWER FOR LABOUR INTEREST GROUPS

	-High number of union members			
Resources	-Economic resources (union dues)			
	-Political expertise			
		-Distribution of		
		rents		
	Positive incentives	-Passing of jobs		
		from parents to		
Capacity for collective action		their children		
		-Distribution of		
		public offices		
		-Noncompetitive		
	Negative	elections		
	incentives	-Sanctions to		
	dissidents			
		- Impugned		
	Cohesion	internal procedures		
		-Union split-offs		
	-Funding of politics	al parties with veto		
	power			
Pressure	-Endorsement of presidential candidates			
	-Capture of congressional committees			
	-Demonstrations in favour or against a			
	bill			
	-Absence of strong opposition			

Source: Own elaboration based on the dimensions of Acemoglu et al (2005)

The first source of *de facto* political power identified by Acemoglu *et al* is resources. As Zald and McCarthy (1987) and Schlozman (2010) have shown entering into the pressure system is not something any group can afford, it takes resources for a group to take off and keep it going. Therefore only a minority of groups have the resources to influence the policymaking process. But money is not the only resource a group can possess, other

resources are its numbers and its human capital. In the case of labor unions, at least three indicators can be measured: i) The size of the union, that is if the group is large enough to catch the attention of policymakers, ii) The economic resources of the interest group, that is if the group can be considered as a wealthy group who can sustain the costs of organisation, and iii) Political expertise, this refers to the political professionalisation of its leaders, it takes as a proxy variable if it's leaders have served as representatives in Congress.

The second dimension of the concept is "capacity for collective action". Here I follow the work of Olson (1965) who noticed the consequences derived from the free rider problem. The olsonian solution to this cooperation dilemma lies in the incentives, either positive or negative, provided by the organisations. Among the positive incentives applied by the labor interest groups in the public sector I looked for: 1) Distribution of rents, that is if the groups obtain benefits above the average citizen, the indicator reflects if the unions reach wage increases above the minimum wage raises. 2) Passing of jobs from parents to their children, this indicates whether the union allows for public jobs -such as teachers or nurses- to the treated like private property. 3) Distribution of public offices, in other words, if the union allocates bureaucratic jobs -such as supervisors of state owned companies or ministries- at their own discretion.

In regard to negative incentives I looked for 1) Type of elections, that is if the internal leadership is elected by competitive methods or if a single elite controls the organisation and, 2) Sanctions to dissidents, this indicator shows if there is documented sanctions against the leadership's opposition. In addition to positive and negative incentives, I add a third set of indicators called "cohesion" to measure the capacity of collective action. This set of indicators show the conformity of its members with the organisation: 1) Impugned internal procedures, which indicates documented legal actions against the results of internal elections in the organisation, and 2) Union split-offs, this indicator shows if the union experienced scissions previous to the discussion of the bill.

The third dimension called "pressure" looks for the tactics used by labor interest groups to influence the decision making process. Here I follow the work of Grossman and Helpman (2001), Tullock (2005), Schneider (2009) and Baumgartner and Leech (1998). The indicators are: i) Funding of political parties with veto power, ii) Endorsement of

presidential candidates, iii) Capture of congressional committees, which refers to whether there are members of the union serving as congressman –especially as chairman or secretaries- in such committees, iv) Demonstrations in favor or against a bill and finally, v) Absence of strong opposition, this last indicator is not a tactic but it is worth measuring it since the presence of other groups might decrease the effectiveness of these strategies. The values of the indicators are binary where 0 represents absence and 1 presence of the attribute.

The data for these indicators was collected from the following sources: the number of union members is recollected from the work of Bensusán and Middlebrook (2013) and national newspapers (Reforma, El Universal and La Jornada). The economic resources are an estimation based on the number of members and the union fees as percentage discounted on their average salary. The political expertise is taken from the database of Sistema de Información Legislativa (SIL) which compiles information about all the congressman who have served since 1997. The distribution of rents compares the wage raises divulged on newspapers with the increase in minimum wage reported by the Comisión Nacional de los Salarios Mínimos (CONSAMI). The indicators for type of elections and sanctions to dissidents are taken from the Report on Labor Human Rights elaborated by CERAL and from newspaper reports.

To measure the presence or absence of the following attributes: passing of jobs from parents to their children, distribution of public offices, impugned internal procedures, union split-offs, funding of political parties with veto power, endorsement of presidential candidates, demonstrations in favor or against a bill and absence of strong opposition I reviewed articles published in two of the main newspapers in Mexico: *Reforma* and *El Universal* for each of the groups analyzed for the period 1996-2012. In the case of SNTE, the teachers unions, I reviewed 7,685 articles in *Reforma* and 9,708 articles in *El Universal*, for the oil workers union (STPRM) I reviewed 491 notes in *Reforma* and 811 in *El Universal* and for the workers of IMSS (SNTSS) I reviewed 389 articles in *Reforma* and 511 in *El Universal*. Finally, the data for capture of congressional committees is taken from SIL.

In the pages that follow, I will develop five cases of reform in Mexico concerning labour interest groups in the public sector. First I look into the potential effects of these bills over the profits of labour unions, that is, whether the proposal enhanced or threatened the rent extraction capabilities of the stakeholders. Second, I analyze the strength of the interest groups previous to the legislative process, in other words, I measure the *de facto* political power of every group before the discussion the reforms.

Mexican Unions in the Legislative Process

As previously stated, during the democratic period several bills were proposed on education, energy and social security issues which involved labor interest groups. Some of these bills tried to enhance the rent extraction of these groups while others tried to restrict them. Here are five cases of reform in which labour interest groups' rents were potentially affected:

- A) A constitutional reform proposal in 2002 to make pre-school mandatory. This bill was proposed by members of SNTE, the teachers unions, who at the time served as representatives in Congress. The approval of the bill can be considered as a positive result for the union since making pre-school mandatory implied the increase in the number of jobs that could be distributed by the union.
- B) A proposal to reform the General Law of Education (LGE) in 2002. The bill, crafted by SNTE members, consisted of an increase in the education budget so that the government would meet the recommendations of UNESCO by investing 8 percent of GDP in education (Loyo, 2006; Góngora and Leyva, 2008)⁶⁷. This bill may seem like a positive reform that would channel resources to the formation of human capital. Nevertheless, in Mexico more than 90 percent of the education budget is spent on teachers' salaries. Therefore, the approval of the bill was beneficial for the union insomuch as it enhanced its rents.
- C) A proposal in 2004 to reform the Social Security Law, in regard with the pension and retirement system (RJP) of the employees of the Mexican Social Security Institute (IMSS). The bill intended to resolve the profound financial crisis of IMSS which was due in great part to the generous pension scheme enjoyed by the employees of the institute (IMSS, 2004). As a result, the institute was utilising the

⁶⁷ The amount proposed by SNTE was unviable since 8 percent of GDP amounts to almost the total of income tax and value added tax combined (Elizondo, 2009)

contributions of the 12 million private sector workers to cover the expenses of the RJP. In fact, it was using 70,5 percent of its budget to cover salaries and pensions. The proposal intended to change the pay-as-you-go system to a system of private accounts. The approval of this bill can be considered a negative result to the IMSS' union (SNTSS) considering it reduced its rents.

- D) In 2008 the president presented a proposal to reform the oil owned company Petroleos Mexicanos (PEMEX) to improve its productivity. In the early negotiations the president agreed with the PRI to exclude the reform of the pension scheme of the oil workers affiliated to the Sindicato de Trabajadores Petroleros de la República Mexicana (STPRM) (Serra, 2011). These employees are among the most privileged workers in the public sector and the least productive oil workers in the world (Elizondo, 2010). The result for the STRPM was positive since they maintained the *status quo*, even when the cost of the pension scheme was too costly for PEMEX.
- E) In 2012 a reform was introduced by the president to improve the quality of education by making evaluations on teachers mandatory. The bill intended to generate incentives for teachers to improve their performance by implementing standardised evaluations. The bill included a system of uniform standards for teachers hiring and promotion based on merit. At the same time, the proposal would undermine the power of SNTE over the distribution of jobs and promotions, such as directors and supervisors. Hence, the approval of the bill was a negative result for the union.

As can be appreciated, while some groups were affected by reforms others benefited from the institutional changes. Moreover, in the cases where SNTE was involved we can observe both positive and negative results for the union. The argument of this paper is that those variations are related to changes in the *de facto* political power. In other words; when groups were strong enough they obtained positive results in the legislative process, while the weaker groups were unable of to defend their rents. To capture the power of these groups at the moment of reform I now analyse every group prior to the discussion of the bills.

Resources

The unions created during the hegemonic period held exclusive representation of their respective sectors and a close relation to the PRI. So SNTE represented all the teachers in the country, STPRM agglutinated all the workers in the oil sector and SNTSS did the same for the workers of IMSS. Accordingly the Haber *et al* (2008) and Bizberg (2010) these organisations maintained clientelistic relations with the government where the union provided loyalty and electoral support in exchange for rents. Despite the transition to democracy, the traditional unions remain the prime brokers between the workers of these sectors and the government.

Due to the monopoly of representation these unions are composed of a high number of members and consequently control vast resources. For example, SNTE is the largest union in Latin America with over 1 million 300 thousand members; SNTSS comprises 375 thousand members who operate the largest medical services in the country and STPRM, while only constituted by 114 thousand workers, holds the monopoly representation of the state oil company Petróleos Mexicanos (PEMEX), one of the biggest oil companies in the world. A high number of members results in vast economic resources, especially since union dues are discounted directly from the members' salaries. Consequently, these are wealthy organisations.⁶⁸

Another resource available to these groups is the political expertise of their leaders. In the cases of SNTE and STPRM it can be observed a continuous participation of union members as representatives in Congress both in the hegemonic and the democratic period. In contrast, SNTSS practically disappeared from Congress during the 1990's; hence at the time of reform they lacked a resource available to SNTE and STPRM: legislative expertise. Table 2 sum up the indicators for dimension "resources" for the five cases of reform. As can be observed these groups are very homogeneous in regard to resources, with the exception of political expertise.

⁶⁸ SNTE members are required to transfer one percent of their salaries to the union, STPRM workers contribute two percent of their salaries to the union and IMSS transfers two percent of their employees' salaries to the SNTSS.

TABLE 2. RESOURCES INDICATORS OF LABOUR INTEREST GROUPS INVOLVED IN THE REFORMS

Indicators	SNTE 2002 (+)	SNTSS 2004 (-)	STPRM 2008 (+)	SNTE 2012 (-)
High number of union members	X	X	X	X
Vast Economic resources	X	X	X	X
Political expertise	X	0	X	X

Source: Own elaboration

Code: X= The attribute is present 0= The attribute is absent

Capacity for collective action

Unions are interest groups that face collective action dilemmas. As Olson (1965) pointed out, not all organisations are able to resolve these dilemmas, especially large organisations. The fact that groups are composed of self-interested individuals and that the benefits of the groups are not exclusive leads to the free rider problem. Therefore only the organisation that provide selective incentives are able to stimulate cooperation. In the unions analysed in this study, we can observe several incentives for cooperation.

For instance, SNTE provides positive incentives for cooperation since belonging to the union guarantees access to higher salaries than the average citizens (Guerrero *et al*, 2009)⁶⁹. Furthermore, members of SNTE enjoy better labour conditions than workers in the private sector; including larger vacation periods, flexible schedules and, most importantly: rigidity of the employment contract (Elizondo, 2009). Other incentives used by the teachers union derive from its control over the hiring of unionised personnel and over promotions both in the school system and at the Ministry of Education. This leads to corruption practices and builds networks of loyalty to the leadership (Elizondo, 2009).

STPRM deploys similar incentives to its members. Oil union members are among the most privileged public servants in the country. Their salaries and their wage increases are way above the average worker in the private sector⁷⁰ (Guerrero *et al*, 2009). The productivity of PEMEX's employees is very low in comparison to other oil companies in the world

⁶⁹ Guerrero *at al* (2009) found that a unionized member of SNTE receives a salary 164 percent higher than an average worker and 154 percent higher than a non-unionized teacher.

⁷⁰ By 2005 the average salary of a unionized employee of PEMEX was \$13,870 pesos while the salary of a worker in the manufacturing sector was only \$4,500 pesos (Guerrero *et al*, 2009).

(Elizondo, 2011, Serra, 2011). But despite the low productivity they enjoy benefits such as generous pensions, which has led to an enormous deficit in PEMEX (IMCO, 2013), and access to perks like transfers to cover the market basket, one thousand liters of gasoline *per* month and 135 kilograms of domestic gas. Besides, PEMEX employees enjoy a very rigid employment contract. As a consequence, it is almost impossible to fire an employee no matter how unproductive he is. Finally, just as SNTE, the oil union controls the hiring of new employees and the promotions of PEMEX's workers.

Similar positive incentives can be found in SNTSS, where workers enjoyed better salaries, benefits and pensions than the affiliated workers of IMSS (Levy, 2009). In fact, their generous pension scheme can be considered a case of rent extraction because it was financed by private workers contributions. Finally, a common practice in mexican unions is the passing of jobs from parents to their children, this means that a unionised worker has the prerogative to bequeath his job to one of his children. The inheritance of jobs is practiced in all unions analysed in this paper and it is also a strong incentive to keep in line with the union leadership.

Unions also use negative incentives to control their members. Some of these practices have been documented by CERAL. For example the internal procedures for electing union leaders in SNTE and STPRM are characterised for not being competitive. In the case of SNTE the assemblies for electing new leaders take place in locations of difficult access, also there have been documented cases of violence against the opposition and violation of quorum requirements. CERAL has also documented that STPRM recurs to practices such as electing their leaders by shows of hands or the use of ballots with the name of the employee written on it, precluding the secrecy of the vote.

Moreover, there's documented cases of sanctions against the leadership's opposition in the three unions. For example, members of dissident organisations in STPRM have been unfairly dismissed from PEMEX or accused of being enemies of the union. In the case of SNTSS the union can use negative incentives due to the fact that losing the union membership implies losing their jobs. Despite these positive and negative incentives, all of the union's internal procedures for electing their leaders have been impugned before the authorities, with the exception of SNTE election previous to the reforms of 2002. Finally,

all the unions have avoided split-offs from the organisation with the exception of SNTE previous to the 2012⁷¹. The summary of the collective action dimension can be seen in Table 3.

TABLE 3. CAPACITY FOR COLLECTIVE ACTION INDICATORS OF INTEREST GROUPS INVOLVED IN THE REFORMS

	Indicadores	SNTE 2002 (+)	SNTSS 2004 (-)	STPRM 2008 (+)	SNTE 2012 (-)
Positive Incentives	Distribution of rents	X	X	X	X
	Passing of jobs from parents to their children	X	X	X	X
	Distribution of public offices	X	X	X	X
Negative Incentives	Non competitive elections	X	0	X	X
	Sanctions to dissidents	X	X	X	X
Cohesion	Impugned internal procedures	X	0	0	0
	Absence of union split-offs	X	X	X	0

Source: Own elaboration

Code: x= The attribute is present 0= The attribute is absent

Pressure

The groups analysed in this paper can influence the political process through different strategies. The first indicator is funding of political campaigns; this is not a widely used strategy since its illegal in Mexico for unions to provide contributions to candidates and can only be found in STPRM⁷². The second indicator is endorsements of presidential candidates, here all the unions, with the exception of SNTE in 2012, backed one of the presidential candidates proposed by one of the three main political parties⁷³. The third indicator show the presence of union members at the committees where the reforms were

⁷¹ During 2006-2011, SNTE experiences 23 split-off, mostly regional organisations that obtained government recognition by local states.

⁷² The clearest example was the funding provided by STPRM to Francisco Labastida, the PRI's presidential candidate in 2000.

⁷³ SNTE, SNTSS and STPRM openly backed Francisco Labastida (PRI) in 2000, STPRM endorsed Roberto Madrazo (PRI) in 2006 and Enrique Peña in 2012. Finally SNTE broke up his alliance with PRI previous to the 2012 election.

discussed, all the union had representatives at the committees with exception of SNTSS who only had one congressman at the Social Security Committee in the Lower House⁷⁴.

The fourth indicator shows if the unions recurred to demonstrations in favor or against a bill. Here only SNTSS in 2004 and SNTE in 2012 protested against the approval of the bills. Finally, the fifth indicator shows the absence of strong opposition, that is if no other group pressed against the interest of the union. In this regard, SNTSS in 2004 faced the opposition of the Confederation of Mexican Workers (CTM) who represented a large number of workers affiliated to IMSS, and whose contributions were used to pay the SNTSS's pensions. SNTE also faced opposition in 2012 from different organisations who sought to promote the standardized evaluations, including powerful business organisations like COPARMEX (Confederación Patronal de la República Mexicana), CEE (Consejo Coordinador Empresarial) and civil organisations like Mexicanos Primero and think tanks like IMCO and CIDAC.

TABLE 4. PRESSURE INDICATORS FOR INTEREST GROUPS INVOLVED IN THE REFORMS

INDICATORS	SNTE 2002 (+)	SNTSS 2004 (-)	STPRM 2008 (+)	SNTE 2013 (-)
Funding of political parties with veto power	0	0	X	0
Endorsement of presidential candidates	X	X	X	0
Capture of congressional committees	X	0	X	X
Demostrations in favor or against a bill	0	X	0	X
Absence of strong opposition	X	0	X	0

Source: Own elaboration

Code: x= The attribute is present 0= The attribute is absent

⁷⁴ In contrast SNTE had 11 congressman and three senators at the education committees liked to the union in 2002, STPRM had four representatives at the Energy Committee in the Lower House prior to the 2008 reform.

Comparing de facto political power with alternative explanations

Once the indicators are measured, we can proceed to determine an Index of De Facto Political Power (IFPP). The index is the mean of the fifteen indicators used to measure the three dimensions that compose the concept de facto political power: 1) Resources, 2) Capacity for Collective Action and 3) Pressure. Table 5 shows the results for each group.

TABLE 5. INDEX OF DE FACTO POLITICAL POWER

DIMENSION	SNTE 2002 (+)	SNTSS 2004 (-)	STPRM 2008 (+)	SNTE 2013 (-)
Resources	3	2	3	3
Capacity for Collective Action	7	5	6	5
Pressure	3	2	4	2
Total	13	9	13	10
IFPP	0.86	0.6	0.86	.66

Source: Own elaboration

The first observation that can be made about the index is that the groups who had positive results: SNTE in 2002 and STPRM in 2008 obtained higher scores than the negative cases. Also these groups seem be very similar in their resources, but they vary in their capacity for collective action and in the tactics used to influence the decision making process. Table 5 shows that political power can change across time, as in the case of SNTE who lost cohesion across time and failed to make an alliance with a major political party in the 2012 elections. The data also shows that demonstrations against a bill are not an effective tactic: both SNTSS in 2004 and SNTE in 2012 recurred to protest but it had no impact on the legislative result. Besides, it can be observed that the cases where interest groups were successful are those in which there are no rival interest groups.

In order to compare this hypothesis, Table 6 compares this index with alternative explanations about the legislative results. These alternative explanations are: 1) The presence or absence of divided governments, coded binary where 0 means absence and 1 presence, 2) The fragmentation of the party system to measure this variable I use the Rae Index (1971) $F=1-\Sigma p_i^2$, where p are the percentages of seats obtained by each political party and 3) The polarization of preferences of congressman, the indicator used is the standard deviation of the self-identification of representatives in the right-left continuum, the data is taken from PELA (1997-2012).

TABLE 6. ALTERNATIVE EXPLANATIONS

Case	Interest group's goal	Result	Divided Government	Fragmentation	Polarization	De Facto Political Power
A	Change the SQ	Positive	1	0,66	2,28	0,86
В	Change the SQ	Positive	1	0,66	2,28	0,86
С	Defend the SQ	Negative	1	0,71	2,51	0,6
D	Defend the SQ	Positive	1	0,72	2,96	0,86
Е	Defend the SQ	Negative	1	0,72	2,33	0,66

Source: Own elaboration

First, Table 6 shows that divided governments have been a constant over the democratic period. Therefore there's no variation between the legislative results and the absence of majorities in Congress. Second, one alternative explanation could argue that the legislative process in conditioned by the fragmentation of the party system, that is, that a higher fragmentation lead to paralysis. In Mexico, the fragmentation of the party system shows a small increase since 2003. But as can be appreciated in Table 6, interest groups have had positive results both during the highest (case D) and lowest periods of party fragmentation (cases A and B) and both positive and negative results in legislatures with the highest levels of fragmentation (case D and E). Hence, there's no variation between fragmentation and the legislative results for interest groups.

Third, an alternative hypothesis can argue that higher levels of polarization lead to paralysis since the legislators' preferences are not close in the left-right continuum. The polarization of Congress shows fluctuation among the observed cases, but this variation does not appear to have an impact on the legislative result: interest groups have obtained positive results during the lowest (case A and B) and highest levels of polarization (case D), also they've had negative results in legislatures with low levels of polarization (case E). Finally, Table 6 shows variation between the results obtained by interest groups and the scores of the IFPP. The three cases where interest groups had positive results (cases A, B and D) are the ones with higher scores in the IFPP and the negative cases (C and E) show lower scores in the index. Consequently, there appears to be a relation between the levels of de facto political power and the legislative results in the cases analysed in this paper.

Conclusion

The legislative process in México has been studied using divided governments as an independent variable. Nevertheless, institutions can be studied as dependent variables that are the result of distributional conflicts in which power, both formal and informal, play a crucial role. In this regard, institutional equilibriums can be considered as the institutionalisation of power relations. Moreover, in the Mexican case the failure to approve structural reforms could be explained by taking into account interest groups who exercise de facto political power.

In this paper I analysed labour interest groups that sought to influence the legislative process, either to promote rent extraction or to preserve the rents created during the hegemonic period. Still, not all groups were successful in the legislative process. The cases studied in this paper show that groups can win and lose in the decision making process and that the influence of groups can vary across time as in the case of SNTE. Hence, interest groups vary in their de facto political power and it is possible that this variable has consequences on the legislative process.

This study constructed an Index of de Facto Political Power (IFPP) and compared it to alternative explanations: divided governments, fragmentation of de party system and polarization of Congress. Comparing the results only the IFPP varied with the legislative result, this could mean that interest groups are relevant for the decision making process due to their resources, their capacity for collective action and the pressure they exercise over the political institutions. The groups analyzed in this paper were very homogeneous in their resources, but varied in their capacity for collective action and the tactics used to influence the decision making process.

Therefore, it is crucial to study de facto political power. Here I presented a first attempt to measure, what some political scientists consider to be unmeasurable because of the ambiguity of the concept. But the results, which for now apply to a small number of cases, can open the door to a wider set of analysis that could include quantitative methods and comparisons between countries. More importantly, taking into account interest groups in the conformation of political equilibriums can enrich the theory of institutions by including informal actors in the crafting of rules.

References

Acemoglu, Daron and James A. Robinson (2006): "Paths of Economic and Political Development" "in Barry Weingast and Donald Wittman, (eds.) *The Oxford Handbook of Political Economy*. New York: Oxford University Press

Acemoglu, Daron, Simon Johnson and James A. Robinson (2005): "Institutions as a Fundamental Cause of Long Run Growth" in Phillippe Aghion and Steven Durlauf (eds.) *Handbook of Economic Growth Vol. 1A.* Amsterdam: Elsevier

Baumgartner Frank R. and Beth L. Leech (1998): Basic Interests: The Importance of Groups in Politics and in Political Science. New Jersey: Princeton University Press

Bensusán, Graciela and Kevin Middlebook (2013): Sindicatos y Política en México: cambios, continuidades y contradicciones. México: Facultad Latinoamericana de Ciencias Sociales

Bizberg, Ilán (2010): "Una democracia vacía. Sociedad civil, movimientos sociales y democracia" in Bizberg, Ilán and Francisco Zapata (eds.) Los Grandes Problemas de México VI: Movimientos Sociales. México: El Colegio de México

Casar, María Amparo and Ignacio Marván (2014): Reformar sin Mayorías: La dinámica del cambio constitucional en México: 1997-2012. México: Taurus

Comisión Nacional de Salarios Mínimos (2014): "Salarios Mínimos Generales por Áreas Geográficas 1992-2014", accessible at http://www.conasami.gob.mx/pdf/salariominimo/salmin gral area geo.pdf (May 7th 2015)

Elizondo, Carlos (2009): "Perverse Equilibria: Unsuitable but Durable Institutions" in Michael Walton and Santiago Levy (eds.) *No Growth without Equity? Inequality, Interests, and Competition in Mexico.* New York: Palgrave Macmillan and The World Bank

----- (2010): "La economía política de un crecimiento mediocre" in Loaeza, Soledad y Jean-François Prud'homme (eds.) Los Grandes Problemas de México. Instituciones y Procesos Políticos. México: El Colegio de México

----- (2011): "Stuck in the Mud: The Politics of Constitutional Reform in the Oil Sector in Mexico", James A. Baker III Institute for Public Policy

IMCO (2013): Nos cambiaron el mapa: México ante la revolución energética del siglo XXI. México: Instituto Mexicano para la Competitividad

Góngora, Janette and Marco Antonio Leyva (2008): "El SNTE en su encrucijada: política o educación" Laboratorio de Políticas Públicas, Serie Ensayos & Investigaciones, num. 32, Buenos Aires

Grossman, Gene and Elhanan Helpman (2001): Special Interest Politics. Cambridge: The MIT Press

Guerrero Isabel, Luís Felipe López-Calva and Michael Walton (2009): "The Inequality Trap and It's Links to Low Growth in Mexico" in Michael Walton and Santiago Levy (eds.) No Growth Without Equity? Inequality, Interest and Competition in Mexico. New York: Palgrave Macmillan and the World Bank

Haber, Stephen, Hebert S. Klein, Noel Maurer and Kevin J. Middlebrook (2008): *Mexico since 1980*. New York: Cambridge University Press

Hurtado, Javier (2001): El sistema presidencial mexicano: evolución y perspectivas. México: Fondo de Cultura Económica

IMSS (2004): "Informe al Ejecutivo sobre la Situación Financiera del IMSS". México: Instituto Mexicano del Seguro Social

Knight, Jack (1992): Institutions and Social Conflict. New York: Cambridge University Press

Levy, Santiago (2009): "Social Security Reform in Mexico: For Whom?" in Michael Walton and Santiago Levy (eds.) No Growth without Equity? Inequality, Interests, and Competition in Mexico. New York: Palgrave Macmillan and The World Bank

Loyo, Aurora (2006): "El sello de la alternancia en la política educativa. México 2000-2005" in *Revista Mexicana de Investigación Educativa*, vol. 11, num. 30: pp. 1065-1092

McCarthy John D. and Mayer N. Zald (1987): "Resourse Mobilization and Social Movements: A Partial Theory" in *The American Journal of Sociology*, vol. 82, num. 6: pp. 1212-1241

Negretto, Gabriel (2003): "Diseño constitucional y separación de poderes en América Latina" in *Revista Mexicana de Sociología*, vol. 65, num. 1: pp. 41-76

North, Douglass (1990): Institutions, Institutional Change and Economic Performance. New York: Cambridge University Press,

Olson, Mancur (1965): The Logic Of Collective Action: Public Goods and the Theory of Groups. MA: Harvard University Press

Pastor, Manuel and Carol Wise (2005): "The Lost Sexenio: Vicente Fox and the New Politics of Economic Reform in Mexico," in *Latin American Politics and Society*, vol. 47, num. 4: pp.135-60

Santibañez, Lucrecia (2008): "Reforma Educativa: El Papel del SNTE" in Revista Mexicana de Investigación Educativa vol. 13, num. 37: pp. 419-443

Sartori, Giovanni (2012): Cómo Hacer Ciencia Política. Lógica, método y lenguaje en las ciencias sociales. México: Taurus

Schlozman, Kay (2010): "Who Sings in the Heavenly Chorus? The Shape of the Organized Interest System", in Sandy Maisel and Jeffrey Berry (eds.) *The Oxford Handbook of American Political Parties and Interest Groups*. New York: Oxford University Press

Schneider, Ben Ross (2009): "Business Politics in Latin America: Patterns of Fragmentation and Centralization", in David Coen, Wyn Grant and Graham Wilson (eds.) *The Oxford Handbook of Business and Government.* New York: Oxford University Press

Serra, Gilles (2011): "Why is Pemex so Hard to Modernize? An Analytical Framework Based on Congressional Politics", prepared for the seminar Política y Gobierno at CIDE, México

Shepsle, Kenneth (2006): "Old Questions and New Answers About Institutions" in Barry Weingast and Donald Wittman, (eds.) *The Oxford Handbook of Political Economy*. New York: Oxford University Press

Tullock, Gordon (2005): The Rent-Seeking Society. Virginia: Liberty Fund Inc