Elections, Ideology, or Opposition? Assessing Competing Explanations of Judicial Spending in the Mexican States

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This study offers the first time series cross-section analysis of state courts in Mexico, explaining variation in judicial spending across Mexico’s 31 states from 1993 to 2009. Cutting against mainstream accounts of judicial empowerment that highlight electoral competition, I conclude that increasing competition, while a necessary precondition for the emergence of new political actors, has mixed results after a minimum, threshold level. Ideological motivations, especially on the left, enhance court budgets, and these motivations surmount the dampening, Downsian effect of competition. Further, the reduced effect of the PAN (National Action Party, former opposition party) and the increased positive effect of the PRI (Institutional Revolutionary Party, former national hegemon) since 2000 suggest ways in which former opposition parties can become less ideological (or more pro-regime), whereas former dominant parties can become more ideological (or more anti-regime). The results not only identify clear relationships but also highlight the complex electoral and partisan sources of policy change in authoritarian and emerging democratic regimes. (JEL C23, H76, K49)

1. Introduction

The twin processes of democratization and economic liberalization raised the profile of courts in Latin America over the last three decades. In the political

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arena, effective courts allow for the vindication of individual rights and liberties, promoting what the United Nations Development Program has called the “civil dimension” of citizenship (Marshall 1965; UNDP 2004). In the economic arena, effective courts facilitate the enforcement of contract and property rights, leading to predictability and efficiency in commercial transactions (Kaufmann et al. 1999; Cross 2002). Courts, in short, are critical to both democracy and markets.

Despite clear political and economic benefits from strong judicial institutions, courts are not always empowered. Why do some governments carry out this empowerment, whereas others do not pursue policies with seemingly obvious benefits? Building on existing scholarship in United States and comparative judicial politics, as well as broader scholarship on institutional change and performance, this study offers the first time series cross-section analysis of court budgets in one of Latin America’s largest federal systems and democracies. The analysis examines judicial budgets across the 31 Mexican states from 1993 to 2009, excluding the Federal District (Mexico City).

Forecasting the results, the analysis yields four main findings. First, electoral competition has both direct and indirect effects. Directly, electoral competition generates incentives that increase spending; indirectly, competition tends to generate arrangements of divided government, which in turn decrease spending. Analysis of spending over time confirms this result, revealing that electoral competition exerts a positive effect while divided government is not significant from 1993 to 2000, and then these results reverse from 2001 to 2009—electoral competition is no longer significant and divided government exerts a negative effect. These results suggest a tension between the positive pressures of electoral competitiveness and the negative pressures of more complex configurations of relevant actors in the aftermath of competitive elections. These negative, indirect pressures are understudied in a literature on democratisation that tends to emphasize the benefits of increasing electoral competition in new democracies, so these findings help fill a theoretical gap. Further, these results indicate electoral competition has a positive influence in more authoritarian settings, but that the complex configurations created by this competition, namely divided government, can generate deadlocks and other obstacles for policy change in democratic settings. These theoretical contributions are of interest beyond the politics of Mexico.

Second, a robust finding is that ideology has a curvilinear, U-shaped relationship with spending, with the left prong of the “U” higher than the right. That is, leftist governors of the Party of the Democratic Revolution (PRD, by its Spanish initials) and rightist governors of the National Action Party (PAN)

1. Mexico City is excluded both because it is a statistical outlier (exhibiting spending per capita more than double that of the next highest state) and because the district has been continuously governed by the left-of-center PRD since local elections for head of government were first allowed in 1997. Both factors would bias the analysis in favor of finding the left exerts a stronger positive pressure on judicial budgets. Notably, the same finding remains regardless of the exclusion, strengthening the conclusion that the left does indeed generate gains for judicial spending. I return to this later.
both spend more on courts than their centrist counterparts of the Institutional Revolutionary Party (PRI), and the left spends more than the right. Indeed, the left exerts an upward pressure on spending that overcomes the downward pressure of divided government. As was the case with electoral competition, these relationships change over time; the positive influence of the right disappears but the left consistently exerts a significant and strongly positive effect on spending.

Third, proregime-antiregime dynamics and the national PRI-to-PAN transition in 2000 matter. Specifically, status as a local opposition party vis-à-vis the party that occupies the presidency exerts a positive pressure on spending. Following the national transition, this phenomenon is apparent in the diminished effect of the PAN since 2000, and in the rising, positive effect of the PRI in the same time period. This finding is cause for both optimism and pessimism. On the one hand, the changing influence of the PRI suggests that parties with long authoritarian legacies can become promoters of positive institutional change following alternation in power and an experience in an opposition role. On the other hand, the findings suggest the rise of the PAN reduces its programmaticness, a phenomenon that does not necessarily bode well for courts. Importantly, the effect of ideology persists even controlling for state-federal alignment.

Finally, the interaction of electoral competition and ideology produces a Downsian effect in which increasing competition dampens the marginal influence of ideology. Notably, despite this dampening, the left continues to exert a strong upward pressure on spending. Even in high competition environments, the left still exerts a strong upward pressure on court budgets, whereas the effects of the center and right are lower, virtually indistinguishable, and not statistically significant. I conclude that increasing competition, while a necessary precondition for the emergence of new political actors, has mixed and indeterminate results after a minimum level has been reached. Ideological motivations, especially on the left, yield strong courts, and these motivations surmount the Downsian pressure from electoral competition to become less ideological. In short, leftist parties in competitive electoral environments appear to be the best combination for courts.

2. Judicial Spending and Court Performance

Although judicial spending is an imperfect measure of court performance, the US and comparative literature on judicial politics recognizes a relationship between increases in court funding and gains in accessibility, efficiency, and even independence. Systematic studies in Latin America, either quantitative or qualitative, of the effect of spending on different components of performance (access, efficiency, and independence) are lacking. However, the logical relationship between financial resources and institutional performance allows us to deduce that court budgets determine the proper functioning of the judicial branch. Put simply, financial resources facilitate institutional planning and development, the hiring of personnel, and purchasing of materials and
supplies. In addition to this deductive argument for the importance of judicial spending, the evidence from studies in the United States supports the expectation that weak court budgets undermine judicial performance. In short, if studies in the United States show that judicial spending is important for the performance of the courts, then the autonomy and performance of courts in newer and poorer democracies is in greater jeopardy due to the heightened political vulnerability of court budgets in these countries. Finally, existing research in Mexico identifies judicial spending as a critical determinant of judicial performance.

In the US literature, Alexander Hamilton’s Federalist No. 79 notes that “[n]ext to permanency in office, nothing can contribute more to the independence of judges than a fixed provision for their support.” More than 200 years after Hamilton’s words, judicial budgets in the United States are generally secure at the federal level, but as of 2003 only one state (West Virginia) had laws to protect the judicial budget from reductions by the legislature (Douglas and Hartley 2003: 453n2). Recent state-level scholarship in the United States demonstrates that “assaults on judicial independence” include “punitive cuts” in judicial budgets (Douglas and Hartley 2003: 441; Kaufman 1999; Bermant and Wheeler 1995). The study of Douglas and Hartley (2003) of court administrators and both executive and legislative budget officers found that both governors and state legislatures leverage budgetary decisions against the judiciary in order to influence the courts (448–50). Similarly, the Conference of State Court Administrators (COSCA 2003: 8) identifies the sometimes punitive function of the power of the purse. Thus, court budgets appear to be relatively secure at the federal level in the United States but are still politicized and vulnerable in the states. Moreover, policy makers recognize this vulnerability and target court budgets as a way of constraining courts.

Judicial budgets are even more vulnerable and of greater importance to court strength in newer and poorer democracies. In Latin America, where transitions to democracy took place in the last 20–30 years, judicial spending is highly politicized. A United Nations report on democracy in the region notes the allocation of financial resources to courts as one of the “outstanding issues” in the administration of justice (UNDP 2004: 104). Similarly, Pásara (2004: 18) identifies sufficient financial resources as one of the five principal themes of judicial reform in the region. Additionally, a 2005 report by the US National Center for State Courts, which analyzed state courts abroad and sponsored an initial study of state courts in Mexico (Caballero Juárez and Concha Cantú

\[\text{\footnotesize 2. The importance of court budgets is also contemplated in Art. III, sec. 1 of the US Constitution, which establishes that judges shall \text{"}receive for their services a compensation which shall not be diminished\text{"}. Sufficient budgetary resources provide judges with secure salaries, thereby avoiding a very concrete form of judicial dependence. Adequate funding also allows the judiciary to fill vacancies, purchase equipment, implement reforms, and perform effectively as the third branch of government. Thus, Jackson (1999) lists adequate resources as one of six conditions for judicial independence, the American Bar Association (ABA 1997: ii–iii) lists \text{"}an adequate appropriation from congress\text{"} as a condition for judicial independence, and the American Judicature Society (AJS 2005) adds that \text{"}adequate funding is critical to preserving an independent judiciary.\text{"}}\]
identifies adequate judicial budgets as “essential to ensuring judicial independence” (Gramckow 2005). Finally, in a region beset by inflation rates higher than the United States, Domingo (2000: 715) notes that these historically higher inflation rates further erode the real value of judicial budgets and corresponding salaries that are technically protected from reduction.

Domingo’s analysis of the Mexican Supreme Court emphasizes the importance of court budgets. In general, “financial autonomy and decent salaries” reduce judicial dependence on the political branches. More specifically, Domingo finds that judicial spending enhances the prestige of the judicial career (Domingo 2000: 715). Whereas historically a position on the court was not a worthwhile career aspiration, higher salaries and greater resources draw more competent individuals to the career. Secure salaries serve to insulate judges from bribery and corruption. Perhaps more importantly, healthy salaries also insulate judges from the temptations of future political aspirations in which they might receive higher salaries. For instance, Mexican judges historically treated the judicial career as a stepping stone to more lucrative positions in the political branches, so political loyalties were often more important than judicial standards, and career mobility served as a kind of euphemism for the instability of judicial positions. With higher budgets, and correspondingly higher salaries (salaries make up more than 80% of budgets across the Mexican states), career incentives shift away from political loyalty and toward institutional professionalism (Domingo 2000: 723–25). Judges become more concerned with developing their professional reputation and remain in their positions on the bench for longer periods of time. As an added benefit of career stability, the reservoir of experience and expertise of the judiciary also grows. In short, higher budgets enhance the ethics, stability, and competence of the judicial career.

The financial reality of judicial institutions at the subnational level in Mexico, however, is bleak. As in the United States, federal court budgets are increasingly secure and federal judges are very well compensated, earning in 2006 between $100,000 and $160,000 in US dollars per year in base salary, which does not include year-end bonuses or other benefits (El Universal, 29 February 2008). Despite growing budgets at the federal level, state budgets remain weak, vulnerable, and volatile.

Responding to this resource vulnerability, a recent 2-year study commissioned by the Mexican Supreme Court listed the security of judicial budgets

3. In the Mexican states, the financially strapped judicial branch is what one lawyer referred to as “Cinderella,” the poor relative of the other branches of government (Arroyo Moreno 2007: 17). Until very recently, state judicial positions were subject to the approval of the governor, so judicial terms overlapped with the 6-year term of the state executive, leading to what some scholars have labeled the “sexenio judicial” (Caballero Juárez 2005: 87). This openly dependent relationship between the executive and the judiciary led to a subservient judiciary that, among other things, did not challenge the budget assigned to it by the governor. Even if the legislature noticed a weak budget, party discipline, loyalty, and hierarchy within the dominant PRI prevented any changes. Where the judiciary has dared to make such challenges, state executives have historically reduced budgets and starved the judicial branch in order to maintain its subservience.
as one of its top priorities for reform (Caballero Juárez 2005; Caballero Juárez et al. 2006). Another 2006 report by the Mexican Supreme Court (SCJN 2006) identified court budgets as the “Achilles heel” of judicial independence.

Given the importance of judicial spending, it is not surprising that existing research also relies on judicial spending as a proxy for, or a component of, judicial performance, especially independence (e.g., Beer 2006; Ríos-Figueroa 2006). Furthermore, my own interviews in Mexico reveal that judges consider the budget an important annual responsibility, determining the planning, prestige, and performance of courts. In more than 60 personal interviews with judges and other legal elites in 2006 and 2008, judges reported numerous examples of annual budgets being exhausted before the end of the fiscal year, the inability to acquire equipment or carry out improvements in both infrastructure and services, as well as delays or the withholding of disbursements when sensitive cases reached the court, increasing the pressure on the political independence of the court due to chronic budgetary shortfalls.

3. The Puzzle of Judicial Spending in the Mexican States

Recalling the political and economic benefits that are supposed to flow from strong courts, a reasonable, naive expectation would be that all governments should promote judicial empowerment, measured here as court budgets. This expectation is stronger in regions like Latin America, where the international promotion of the rule of law and regional emphasis on strengthening judicial institutions has put tremendous pressure on governments to improve the judiciary. Indeed, Latin America stands out in terms of the magnitude of foreign investments and the range of actors involved in what might be called an industry of judicial reform (see, e.g., Méndez et al. 1999; Domingo and Sieder 2001; Pásara 2004). Further, within Mexico, the judiciary has received intense scrutiny in policy and academic circles, and prominent national court reform projects since 1994 have highlighted the judicial sector (e.g., Domingo 2000; Caballero Juárez and Concha Cantú 2001; Cumaraswamy 2002; Fix-Fierro 2004; Staton 2010; Beer 2006; Cornelius and Shirk 2007; Rios-Figueroa 2007; Finkel 2005, 2008). Thus, we might expect uniformity or convergence in comparable measures of judicial spending in the region, for example, real spending per capita, and this expectation is strongest within individual countries, like Mexico, that have pursued ambitious judicial reform projects at the national level, and where institutional similarities and domestic policy diffusion put additional harmonizing pressures on court budgets. Even if convergence is not occurring, we might anticipate that at least steady differences remain, as all governments seek to improve courts together, but their starting differences persist over time.

Despite these expectations, preliminary evidence in Mexico suggests harmonization is not taking place. Figure 1 plots the standard deviation in spending.

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across states over time for each year in the data set from 1993 to 2009 ($N = 426$). If convergence or harmonization were taking place, this plot should trend toward zero. The opposite is taking place. Stated differently, not only is convergence not occurring but steady differences do not remain; rather, differences across states are being magnified, generating greater institutional inequalities and unevenness.

Further illustrating the variation in judicial spending across Mexico’s states, Figure 2 maps court budgets across Mexico’s 31 states (average spending between 1993 and 2009). The cross-state variation in Figure 2 is stark. This variation underscores the fact that Mexico is “many Mexicos” and that court resources vary greatly from one part of the country to another. This variation and the absence of convergence noted above constitute the central empirical puzzle examined here—the persistently uneven character of the legal dimension of the state across territorial units within a single country. Why do some state governments provide their courts with more resources than others? What accounts for the variation in Figures 1 and 2?

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5. I thank two anonymous reviewers for this suggestion.
6. These quantities reflect the amounts budgeted by the state for the operation of state courts at the first and second instance. In Mexico, first instance courts are juzgados de primera instancia and state supreme courts are Tribunales Superiores de Justicia or TSJs. Spending allocated for federal courts and other special courts, for example, labor or military courts, is not included. Unlike other areas of public spending (e.g., education or health), federal transfers do not cover judicial expenses at the state level. There are, however, occasional special transfers from the executive branch, but these special projects occur unsystematically throughout the country and over time. Spending figures are deflated (constant 2000 pesos; 2000 = 100) and per capitalized. The amount for each state represents the average between 1993 and 2009. Deflators are from the International Financial Statistics Database of the International Monetary Fund (IMF, 2010), and population figures are from INEGI.
4. Political Origins of Judicial Funding

Scholars of comparative democratization have increasingly turned their attention from explanations of democratic transitions to studies of the effects of growing electoral competition and the increasingly diverse political landscape in post-authoritarian settings. Building on these studies of the deepening or consolidation of democracy, I consider the effect of electoral competition, ideology, and government-opposition dynamics.

4.1 Electoral Competition

Existing research finds that electoral competition exerts an upward pressure on the performance of government and institutions. Findings in Mexico show that electoral competition positively influences legislative performance and institutionalization (Beer 2003; Solt 2004), electoral districting (Reynoso 2005), fiscal policy and performance (Boyce 2005; Flamand 2006), and educational spending (Hecock 2006). Political competitiveness also translates into more protections for human rights (Beer and Mitchell 2004) and, most relevant to the current study, smaller margins of victory translate into stronger judicial budgets in the Mexican states (Beer 2006).7

Scholars of judicial politics increasingly find a similar positive relationship between electoral competition and the performance of judicial institutions.

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7. Despite a long list of research findings supporting the positive relationship between electoral competition and government performance, there are exceptions. For example, Cleary (2007) finds no relationship between electoral competition and the responsiveness of municipal governments in Mexico, measured as the provision of public utilities (potable water and sewerage) and the generation of local revenue. However, Cleary also includes a long bibliography of findings regarding the positive effects of electoral competition, including Coppedge (1993), Rodriguez (1998), Mizrahi (1999), Aziz Nassif (2000), and Langston (2003).
Notably, although the general expectation is that conditions of competitiveness benefit courts, distinct causal mechanisms are at work. The causal logic dominant in the paragraph above is the “reelection logic,” whereby the responsiveness of political actors to the electorate depends on the uncertainty of an upcoming election. That is, politicians strengthen courts as a campaign strategy to win or retain office. Quite separately, an “insurance logic” (Landes and Posner 1975; Ginsburg 2003; Finkel 2005, 2008) anticipates that sitting politicians who are at serious risk of losing an upcoming election strengthen the judicial branch in order to provide a competent and politically independent actor that will be capable of protecting them in the event of an electoral loss. In other words, current majorities accept the short-term costs of delegating some of their power to the judiciary in order to provide the long-term benefit of political insurance (see Finkel 2008).

I test the predictions of the above claims, but also test competing claims that arise from close consideration of how competition might shape structural opportunities and political incentives. In contrast to the positive relationship between electoral competition and spending that is conventionally anticipated, two neglected propositions offer different predictions.

First, one way in which competition might not produce stronger courts is that, indirectly, competition makes divided government more likely. A core insight of veto player theory (Tsebelis 2002) supports this expectation. That is, competition in previously noncompetitive contexts generates a larger number of relevant actors and therefore makes policy change more difficult. Thus, increasing competition inhibits institutional improvements, resulting in less spending change, perhaps even negative change since spending is measured here in real terms. I call this the “indirect negative effect” of competition.

Second, another reason competition may not improve courts is that competition dampens ideological differences between parties, and under some circumstances, this might undermine court budgets. Following Downs (1957), plurality electoral rules and a district magnitude of one \(M = 1\) should exert a moderating pressure on the ideology of candidates. In Mexican gubernatorial elections, where these conditions hold, a median voter effect should reduce any difference in the effect of ideology among competing parties. Therefore, we should observe a reduced effect of ideology where the margin of victory is low (i.e., narrow). Stated otherwise, competition should push actors to the center, attenuating the effect of ideology. I call this the “conditional negative effect” of competition. To be clear, I do not argue that rightists or leftists will not empower courts under conditions of high competition in all cases. Rather, all else being equal, competition will dampen core ideological differences.

As is the case with the optimistic hypotheses that anticipate political competition strengthens courts, different mechanisms underpin the indirect and conditional negative effects of competition outlined above. The indirect effect is largely about structural opportunities for reform, tapping into debates about

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8. I am grateful to an anonymous reviewer for this phrasing (along with the “conditional” label below) and for helpful comments in this section.
veto constraints and strategic bargaining (Geddes 1996; Negretto 2006; Pozas-Loyo and Rios-Figueroa 2010). As policy proposals filter through these constraints and bargaining processes, policy change is slow and the shape of policy outcomes is different. Conversely, the conditional effect is about how the sincere preferences of ideological actors are attenuated in order to get into office and stay there. High levels of competition affect an ideological actor’s ability to propose policies that match their sincere preferences. In a way, the indirect effect is about policy outputs, and the conditional effect is about policy inputs.

Four measures capture competition: (a) margin of victory, (b) majority distance, (c) effective number of parties (or effective number of candidates [ENC]; Laakso and Taagepera 1979), and (d) divided government and various degrees of unified government. First, following Beer (2006) and Cleary (2007), margin of victory is the most straightforward measure of competitiveness, with lower (i.e., narrower) margins capturing higher levels of competition. That is, as the margin of victory decreases, competition is increasing. This variable ranges from 0.01 to 0.92. Second, majority distance offers a variation on margin of victory, capturing the extent of the winner’s majority by subtracting 50 from the margin of victory (Schedler 2005). Therefore, if a winner obtained only a plurality of votes, majority distance will be negative. Conversely, if a winner captured a majority of votes, majority distance will be increasingly positive depending on the size of the vote share. Third, ENC is a formula often used to measure party system fragmentation. However, by also capturing movement toward multipartyism, ENC adequately captures competitiveness in a system like Mexico where the baseline condition is single-party dominance. Interparty competition is present when there are at least two political parties of comparable strength competing effectively for governor in the state and is low when a single party has a stranglehold on electoral competition (see also Beer 2003; Chavez 2004). Thus, measures below two indicate single-party dominance, and measures above two indicate movement toward multipartyism. ENC ranges from 1.10 (in two states—Quintana Roo and San Luis Potosí) to 3.37 in Morelos.

Finally, the fourth measure of competition is a series of dummy variables capturing divided government and degrees of unified government. Divided government identifies all instances in which the party that occupies the executive branch has neither an absolute majority nor a plurality in the legislature (Beer 2003; Ríos-Figueroa 2006; Iaryczower et al. 2002, 2006). Stated otherwise, divided government occurs where one party holds the governor’s office and a different party has most seats in the legislature. Alternately, unified government occurs where the party in the governor’s office holds a plurality

\[ N = \frac{1}{\sum s_i^2}, \]

where \( s_i \) equals the proportion of either votes or seats of the \( i \)th party (Laakso and Taagepera 1979). For example, \( N = 2.00 \) where two parties each hold half of the seats in the legislature \((1/((.50)^2 + (.50)^2))\). \( N = 1.00 \) if one party were to completely dominate the legislature. Electoral data are from CIDAC (2006).

In cases where the party in the governor’s office held a share of the majority of seats in the legislature (i.e., two parties had the same number of seats), the observations were coded unified-plurality.
or a majority of seats in the legislature. This coding results in four variables: (a) \textit{unified-super} (1 if governor’s party holds at least 66% of legislative seats, 0 otherwise), (b) \textit{unified-simple} (1 if governor’s party holds at least 50% of seats, 0 otherwise), (c) \textit{unified-plurality} (1 if governor’s party hold only a plurality of seats, 0 otherwise), and (d) \textit{divided government} (1 if governor’s party is not the largest in the legislature, 0 otherwise).

The four measures of competition identified above yield the following hypotheses. Three measures—margin of victory, majority distance, and ENC—capture the anticipated positive effect of electoral competition. The various measures of divided and unified government, however, capture the potential negative effect of competition. On its own, divided government may capture some of the positive pressures generated by competition. However, in models that include both divided government and another measure of competition, for example, divided government and margin of victory, divided government should exert a negative pressure on spending. Conversely, spending increases should be easier to accomplish in unified governments. Separately, Hypothesis 1e captures the expected conditional effect of competition on ideology.

\begin{itemize}
  \item \textbf{H1a} Spending will vary negatively with margin of victory and majority distance.
  \item \textbf{H1b} Spending will vary positively with the ENC.
  \item \textbf{H1c} Spending will vary positively with divided government.
  \item \textbf{H1d} When controlling for margin of victory or ENC, spending will vary negatively with divided government.
  \item \textbf{H1e} The marginal effect of ideology will be greater in noncompetitive settings and lower in competitive ones.
\end{itemize}

4.2 Ideology

Strengthening the judiciary is expected to be a policy priority for left- and right-leaning actors more than centrist or nonideological actors. Leftist parties tend to favor democracy promotion, whereas parties on the right favor market promotion. Both favor improvements in the judiciary, but for programmatically different reasons. On the left, parties seek to enhance the real effect of individual rights and liberties. On the right, parties tend to emphasize the security and predictability of commercial transactions, as well as public safety issues. The work of Morton and Knopff (2000) on the Liberal Party in Canada offers support for this expectation from the comparative literature on political ideology and judicial reform. Also, Epp’s (1998) work on “support structures for legal mobilization” suggests that parties with strong links to activist networks, like the PRD in Mexico, will promote legal change and exert greater pressure on the judiciary for increased performance. Gillman’s (2002,
thesis of “partisan coalitions” also supports the expectation that partisan alignments on the left and right will shape institutional change. Additional work in Mexico suggests a similar link between programmatic party commitments and policy change in the legal and judicial arenas. Mizrahi (1999) finds that crime control increased with the presence of the rightist PAN, and Ingram, forthcoming finds right- and left-leaning actors promoting judicial council reforms. Populist, clientelist, and other parties not easily classified along a left-right spectrum are expected to signal support for democracy-oriented policies to maintain a populist appearance. However, these gestures will lack programmatic commitments necessary for adequate funding or long-term support and, thus, are expected to have little effect.

In Mexico, political parties evolved out of a dominant-party system under the PRI that ruled national politics until 2000. Due to its patrimonial and corporatist structure, as well as its hegemonic and authoritarian tradition, the PRI is not expected to be one of the ideological actors driving positive changes in judicial performance. Rather, the PRI is a nonideological, populist party (Coppedge 1997: 6) and is therefore expected to have a negative relationship with institutional change and judicial spending at the state level. It would not be in the interest of the PRI to promote institutional performance—including judicial performance—that increases the checks and balances on its style of governing. Additionally, in spite of promoting judicial reform at the federal level, the PRI’s motivations for this reform remain unclear.11

Conversely, the rightist PAN and the center-left PRD are both ideological parties that have strong commitments toward judicial reform. The PAN is a conservative party with strong business ties, a free market ideology, and a vocal stance on increasing public safety (Mizrahi 2003; Shirk 2005). It is reasonable to expect the PAN to pressure for reform in the area of commercial and business law and to pressure for greater efficiency in commercial transactions. Business interests also favor public order and security for their investments, so the PAN is expected to exert a positive influence on judicial spending, both as a general indicator of judicial strength and as an indicator of a secure environment for investment and other business activity. The PRD is a progressive party of the left, with strong ties to social movements and activist networks (see, e.g., Bruhn 1999). The PRD is therefore expected to pressure for reform in the area of public justice and criminal procedures. In sum, judicial strengthening is expected where either the PAN or PRD are dominant, but no significant improvement is expected where the PRI is dominant.

Following this argument, ideology is coded three ways. First, dummy variables identify each of the three main parties—PRD, PRI, and PAN—distinguishing the

11. Finkel (2008) notes that the PRI no longer controlled a supermajority of votes in the lower chamber of congress, so it needed the help of the PAN to change the constitution. The PAN, however, wanted a stronger reform, so the PRI was forced into approving a stronger positive change. In short, the ideology of the PAN played a significant role, not that of the PRI, that is, “[t]he combination of an insecure ruling party seeking insurance and an opposition party pushing for greater judicial empowerment determined the final judicial reform package” (2008: 102).
effect of each party without forcing them onto a left-right continuum. The second variable does force the three parties into an evenly spaced ordinal variable (−1 to 1). Thus, the three main parties are coded left (PRD = −1), center (PRI = 0), and right (PAN = 1), respectively. Finally, drawing on survey data from the University of Salamanca (Alcántara 2008), the third variable locates the three parties along a 10-point scale (1 equals “far left” and 10 equals “far right”), where the location of each party changes every 3 years depending on the survey data. The PRD varies from 2.29 to 2.78, the PRI varies from 6.09 to 6.94, and the PAN varies from 8.94 to 9.55.

All variables are able to identify directional effects along a left-to-right ideological space, distinguishing between left and right. The left-right ideological continuum thus captures a linear relationship between ideology and spending, that is, whether leftist politicians increase judicial spending more than rightist ones or vice-versa. However, the empirical implication from the theory outlined above is that the presence of ideological commitments—both left and right—matters more than their direction. Squared terms for both the ordinal and Salamanca variables capture a nonlinear relationship, yielding the following hypotheses.

H2a Judicial spending will vary positively with both leftist and rightist governors.

H2b Ideology will have a nonlinear relationship with spending.

4.3 Government-Opposition Dynamics

The literature on proregime-antiregime dynamics in Mexico and elsewhere (e.g., Abrucio 1998; Domínguez and McCann 1995; Klesner 2005) suggests that parties’ behavior may be more oppositional than ideological. That is, political parties will alter their behavior depending on whether they are in one of two roles: (a) government or (b) opposition. In the Mexican context, we might note that the PRI constituted the base of authoritarianism. Consequently, opposition to PRI dominance on behalf of the PRD and PAN (“anti-PRI regime”) would drive judicial spending rather than ideological commitments. We should see evidence of this “opposition effect” or “anti-regime effect” apart from ideology.

Two empirical implications derive from this argument. First, contrary to the hypotheses outlined above regarding ideology, the ideational differences between the PRD and the PAN should matter less than the fact they are both historically opposition parties, so the PRD and the PAN should exert the same or similar substantive effect on judicial spending once in government. Second, the national PRI-to-PAN transition in 2000 should affect pro/anti-regime dynamics for both the PRI and PAN, causing the PRI to become anti-regime and exert a positive effect on spending, the PAN to have a reduced and perhaps
even negative effect after this juncture, and the PRD to maintain its effect under the new anti-PAN regime (see Medina Vidal et al. 2010: 67). 12

The analysis determines whether ideology exerts an effect and whether there is any difference in the magnitude of this effect between the left and the right. Regarding the second implication, we should observe changes in the relationship between ideology and spending across two time periods: 1993–2000 and 2001–09. Additionally, a variable capturing state-federal alignment (1 if party in the governor’s office is the same as the party of the president, 0 otherwise) acts as a proxy for pro/anti-regime effects and should have a negative relationship with spending.

\[ H3a \] Judicial spending will vary equally with the left and the right.

\[ H3b \] Judicial spending will vary negatively with state-federal alignment.

5. Data and Methods

5.1 Data

Sections 2 and 3 above explain the data for judicial spending and the principal explanatory variables of competition, ideology, and opposition. The dependent variable is annual state-level judicial spending per capita. Mexican budget data, which is from state official reporters (Diario Oficial, Periódico Oficial, or Gazeta Oficial) 13 captures the annual judicial budget per capita in real terms and is adjusted for inflation using 2000 as the base year in Mexico (2000 = 100). 14 The 16-year time span (1993–2009) includes years before and after the historic national transition in 2000 that marked the end of the PRI’s 71-year reign. Thus, the time span captures wide variation in key independent variables of competition and ideology from both authoritarian and democratic periods.

12. A third empirical implication is that within the same party there should be differences between (a) observations where the party is dominant and (b) instances where the party returns to office after an experience in opposition. For instance, where the PRI loses the governor’s office, spends a period of time in opposition, and then returns to office, we should observe the PRI exert a more positive effect than when it was previously undefeated. Unfortunately, there are only four instances of the PRI returning to office in this fashion (Chihuahua, Nayarit, Nuevo Leon, and Yucatan) and no instances of the PRD or PAN holding office, losing, and then returning to office, so this implication cannot be tested in the current data.

13. The court budget develops in the contested process of executive proposals and legislative negotiations in the fall of each year, and the final amount allocated to the judiciary is then published in the official state reporter, usually in the final week of December, as the “Presupuesto de Egresos.” Gaps in the data were supplemented with data from the national statistics office (INEGI, multiple years), the Financial Coordinating Council (Consejo Coordinador Financiero or CCF 2004), Bello Paredes (2006: 101n12), and individual state Web sites. After all data collection, five observations were missing (out of 271); these few gaps were filled with interpolated values.

14. Deflation indices are drawn from the International Financial Statistics Database of the International Monetary Fund (IMF). Transformations are the author’s own using second quarter data from IMF.
Three control variables are included: gross domestic product (GDP) per capita, population density, and election year. GDP figures control for broad differences in the level of development across states and are from Instituto Nacional de Estadística, Geografía, e Información (INEGI\textsuperscript{13}). Population density controls for the concentration of people and the general degree of urbanization. All states are expected to incur a minimum “floor” of court maintenance costs as part of economy of scale problems associated with state judiciaries. Similarly, small changes in already small budgets might appear large due to the per capita transformation. Population density controls for these factors. Figures on population and territorial size used to calculate this variable and the per capita transformation are also from INEGI. Election year is a dummy variable (0, 1), where 1 identifies a year in which gubernatorial or legislative elections were held. This variable captures any budgetary increases associated with the electoral calendar. Table 1 reports descriptive statistics for all data.

5.2 Methods

The unit of analysis is the “state-year,” and the longitudinal, panel data set consists of 426 observations. These observations come from all 31 Mexican states, excluding the Federal District. The time span ranges from 1993 to 2009. However, data are available for varying numbers of years in each state, making the panels unbalanced. A minimum of 9 and a maximum of 16 time points are available. There are no gaps in the data set.
The unbalanced panel structure of the data generates methodological challenges. Standard OLS models assume the independence of individual observations, an assumption that is violated both temporally and spatially with the “state-years” analyzed here. State-years are correlated over time within each panel (state) and across space within each time point (year). Following Zorn (2001) and Liang and Zeger (1986), the large-N analysis applies a GEE model with a lead dependent variable (measured at time \( t + 1 \)) to capture temporal dynamics. Robustness checks included OLS with panel-corrected standard errors (PCSEs), PCSEs with a panel-specific AR1 correlation, and a fixed effects model (FEM). The results are substantially similar across these models. Indeed, the GEE and FEM results were most similar, and remaining models showed stronger effects of competition and ideology on judicial spending. Thus, the GEE model is not only appropriate but its results are also among the most conservative.

6. Results

Tables 2–4 and Figures 3–6 report all findings. Table 2 highlights two full models (Models 1 and 2), as well as two models that divide the data into two time periods (Model 3: 1993–2000; Model 4: 2001–09). Table 3 examines different arrangements of divided and unified government (Models 5–8), and Table 4 examines the effect of ideology at different levels of electoral competition (Models 9–12).

In Table 2, Models 1 and 2 are the same except that Model 2 includes state-federal alignment. The results are virtually identical across both models. Focusing on Model 2, margin of victory has the anticipated negative relationship with spending, that is, spending increases as the margin of victory narrows. Alternative specifications (not reported here) replacing margin of victory with majority distance and ENC generate similar results.

The effect of margin of victory is statistically and substantively significant. For instance, for each percentage point decrease in the margin of victory, spending rises by 0.1416 pesos per capita. That is, for approximately every seven-point drop in the margin of victory, spending increases approximately one peso per capita. This may not appear to be much, but if a state has 1 million people, then the judicial budget expands by 1 million pesos. Similarly, a one-unit increase in ENC translates to an increase in judicial spending of 7.37 pesos per capita.\(^{15}\) If a state was dominated by the PRI and had an ENC of 1.10 and a population of more than 2 million (e.g., San Luis Potosí in the mid-1990s), a change to competitive politics and an ENC of 2.10 would translate into an increase in the budget for state courts of approximately 14.74 million pesos or about 1.5 million US dollars.\(^{16}\)

\(^{15}\) ENC results not reported here.

\(^{16}\) The Mexican peso was trading at approximately 10 to the dollar (10:1) for several years as of late 2008. This changed rapidly with the global economic crisis in 2008–09, and the peso had lost nearly half of its value against the dollar, trading as high as 15:1 before settling in around 13:1 by September 2009.
Divided government has a negative relationship with spending and the effect of this electoral configuration is substantively significant. The omitted, modal category is unified (plurality), so a switch from this to divided government causes a reduction of 7.80 pesos per capita, which is roughly equivalent to a change of 50 percentage points in the margin of victory. Unified governments with simple and super majorities have a negative effect on spending, revealing that governments with legislative pluralities spend more than either divided or other unified arrangements.

Ideology also has a statistically and substantively significant relationship with spending. Model 1 reports only the results with the 10-point scale from the Salamanca data, but additional models using party dummies and the ordinal variable (−1 to 1) generated similar results. The 10-point, linear term has a negative relationship with spending, suggesting that leftist parties spend more on courts than centrist or rightist parties. Further, the positive sign on the
coefficient for the squared term suggests a parabolic or U-shaped relationship between ideology and spending. Though the full results of all auxiliary models are not reported here, Figure 3 graphs the predicted values for models using three alternate measures of ideology. The U-shaped relationship is consistent across all three models.

Figure 4 clarifies the significance of the interactive term by plotting predicted values and marginal effects of ideology (Brambor et al. 2006; see also, Jaccard and Turrisi 2003; Braumoeller 2004).17 The top graph of predicted

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17. For an example of this kind of analysis of interactions in the law and courts literature, see Staton (2010: chap. 5).
values offers a clear picture of the parabolic shape of the relationship between ideology and spending. Turning to the lower graph, the relationship is significant where the upper and lower bounds of the 95% confidence interval are either both above zero or both below zero (Brambor et al. 2006: 73–6). Thus, ideology has a significant effect when the value of ideology is less than approximately five; that is, only left-leaning parties have a statistically significant effect.

Lastly, state-federal alignment has a negative and significant relationship. The magnitude of this effect is substantial as having a governor that is of the same party as the president reduces spending by roughly four pesos per capita. Notably, both ideology and state-federal alignment are significant in the same model.

The analysis of separate time periods in Model 3 and Model 4 shows that margin of victory is significant in the first time period, but this relationship disappears after 2001. In contrast, simple unified government and divided government are not significant in the earlier period and become significant in the latter one. At first glance, ideology appears to retain its significant relationship across both time periods but graphs of the predicted values

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Table 4. GEE Analysis of Effect of Ideology at Low and High Levels of Electoral Competition

<table>
<thead>
<tr>
<th></th>
<th>Noncompetitive (margin of victory &gt; 0.12)</th>
<th>Competitive (margin of victory ≤ 0.12)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Ideology-Salamanca</td>
<td>−28.71**</td>
<td>−26.44**</td>
</tr>
<tr>
<td></td>
<td>(3.74)</td>
<td>(3.47)</td>
</tr>
<tr>
<td>Ideology-Salamanca</td>
<td>2.16**</td>
<td>2.14**</td>
</tr>
<tr>
<td>(squared term)</td>
<td>(0.31)</td>
<td>(0.28)</td>
</tr>
<tr>
<td>State-Federal Alignment</td>
<td>−11.78**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2.43)</td>
<td></td>
</tr>
<tr>
<td>GDP per capita (logged)</td>
<td>57.05**</td>
<td>44.66**</td>
</tr>
<tr>
<td></td>
<td>(5.30)</td>
<td>(5.40)</td>
</tr>
<tr>
<td>Population density</td>
<td>0.08**</td>
<td>0.06*</td>
</tr>
<tr>
<td></td>
<td>(0.03)</td>
<td>(0.02)</td>
</tr>
<tr>
<td>Election year</td>
<td>0.14</td>
<td>0.09</td>
</tr>
<tr>
<td></td>
<td>(1.66)</td>
<td>(1.53)</td>
</tr>
<tr>
<td>Constant</td>
<td>−471.62**</td>
<td>−343.74**</td>
</tr>
<tr>
<td></td>
<td>(61.70)</td>
<td>(61.42)</td>
</tr>
<tr>
<td>N</td>
<td>228</td>
<td>228</td>
</tr>
<tr>
<td>States</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Wald $\chi^2$</td>
<td>296.98</td>
<td>375.20</td>
</tr>
<tr>
<td>Probability &gt; $\chi^2$</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Coefficients with SEs in parentheses. **$p < .01$, *$p < .05$. 

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18. State-federal alignment is excluded in these models because the time period is expected to capture pro/anti-regime dynamics. The high correlation between alignment and ideology in latter time span supports this decision.

19. Results are similar with ENC instead of margin of victory.
and marginal effects reveal a different picture. Figure 5 plots predicted values (top) and marginal effects (bottom) for both time periods side to side. In both graphs, the shape of the top relationship resembles that of Figure 3 in that it is nonlinear. However, the graphs show that the effect of ideology changes over time. Notably, the right exerted a statistically significant effect in the first time period, but this effect disappears after 2000, and the PRI’s relationship with spending becomes significant in the latter time period. The left consistently exerts the strongest substantive effect, and this effect increases in statistical significance over time.

Table 3 takes a closer look at different arrangements of divided and unified government, which are operationalized as dummy variables listing the party in the governor’s office followed by the largest party in the legislature. Unified governments are represented by PRD-PRD, PRI-PRI, and PAN-PAN. Divided governments are represented by PRD-pri, PRD-pan, PRI-prd, PRI-pan, PAN-prd, and PAN-pri.20 Models 5 and 6 include the full time span and differ only in that Model 6 includes state-federal alignment. Focusing on Model 6, the analysis shows PRD-PRD administrations exert a strong and statistically significant upward pressure on court budgets. Indeed, compared to the modal, omitted category (PRI-PRI), unified PRD administrations spend 17.15 pesos

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20. All other measures of unified or divided government are omitted, along with measures of ideology due to either detected correlations or theoretical reasons to expect that their inclusion would obscure the effect of key variables.
per capita more. PRD administrations with the PRI in opposition (PRD-pri) do not exert a significant effect, and PRD-pan identifies Mexico City, which is excluded from the sample. PRI-prd and PAN-PAN both exert a positive effect on spending (at .10 level), indicating that the lowest point in the U-shaped relationship between ideology and spending, that is, the “valley” in this relationship is at PRI-unified administrations. State-federal alignment retains a negative relationship with spending, though only at .10 level.

Models 7 and 8 analyze time periods separately, revealing similar patterns over time as are evident in Table 2. First, with the exception of PRD-PRD being significant at the .10 level, none of the other governing arrangements are significant in the first time period. However, in 2001–09, PRD administrations (both unified and divided) exert a significant and large upward pressure on spending. Restating, even divided PRD administrations exert a substantial positive effect on court budgets. Second, PRI-pan, PAN-PAN, and PAN-prd have a negative relationship with spending compared with the modal category, so PRI-unified governments now exert a positive effect.

21. As would be expected, when Mexico City is included, this dummy variable has a strong positive effect on spending. This result (not reported here) supports the decision to leave this territorial unit out of the other models.
Table 4 examines the interactive relationship between competition and ideology. Separating the full sample of 426 observations into two subsamples according to the median value of margin of victory (median = 0.12), Models 9 and 10 analyze all observations where electoral competition is low (margin of victory > 0.12; N = 228), and Models 11 and 12 analyze all observations where competition is high (margin of victory ≤ 0.12; N = 217). Margin of victory is then dropped from the analysis, along with all measures of unified or divided government, leaving only ideology and control variables. In each subsample, the second model controls for state-federal alignment.

Figure 6 clarifies the results by plotting predicted values and marginal effects for Models 10 and 12. Ideology retains its general, nonlinear relationship with spending, with the left spending more than the right. On the left (low competition), the relationship looks very similar to that in Figure 3. On the right (high competition), however, the predicted values curve and the marginal effects plot are flatter. That is, both the left and right exert a positive effect in noncompetitive settings, but only the left exerts a statistically significant effect in competitive ones. The histograms at the bottom of the figure show the distribution of observations over time for each sample, revealing that noncompetitive observations are spread across the entire time span, and competitive observations appear more frequently in the latter years. That is, the “flattening” of ideology tends to be occurring more recently, but ideology has a pronounced effect in noncompetitive settings today as much as it did 15 years ago.

Finally, the control variables offer some insights, as well. GDP per capita, operating as a control for the general level of development of the state, is
statistically significant in all models. The positive relationship between overall state wealth and court budgets was anticipated and justifies the inclusion of the control for different levels of development across states. Population density and the control for election years are not significant in any of the models. Thus, the timing of elections does not seem to influence state court budgets, and the degree of urbanization or concentration of population also does not affect spending.

8. Discussion
The findings regarding competition offer mixed support for the expected positive relationship between electoral competition and spending. Smaller margins of victory are good for court budgets, as is the move from unified-super or unified-simple to unified-plurality. However, divided government exerts a negative pressure on spending. A reasonable conclusion is that competition acts as a necessary precondition for judicial change, that is, at least a minimum threshold of competition must be reached in order to permit the entry of new political actors who can exert their influence on courts. However, once this minimum threshold is reached, increasing competition can have both positive and negative effects. There is a strong indication that at least two dynamics occur simultaneously: (a) electoral competitiveness generates positive incentives for institutional change and (b) competition increases the number of relevant political actors, thereby blocking or impairing policy change. The former aligns with a growing literature on the positive effects of increasing electoral

Figure 6. Predicted Values and Marginal Effects for Low and High Competition (Models 10 and 12).
competition in new democracies (Rodriguez 1998; Beer 2001, 2003; Hecock 2006), resonating also with findings in comparative judicial politics (Chavez 2004; Beer 2006; Ríos-Figueroa 2007). This does not mean simply that “democracy is good for courts”; rather, close margins of victory are healthy, and two parties are better than one, three are better than two, etc. In contrast, the latter, negative result is an understudied phenomenon in new democracies, suggesting that overly optimistic accounts of the uniformly positive consequences of rising electoral competition in post-authoritarian settings may be underestimating the challenges that can arise in newly plural environments. The results suggest scholars should be more cautious in anticipating positive synergies from electoral competition.

Between the positive pressures of electoral competition and the negative pressures of divided government, which has greater substantive effect? And between competition, divided government, and ideology, which exerts the strongest influence? Regarding the first question, the negative pressure of divided government may well overwhelm the positive effects of competitive elections. Considering that it would take a change in margin of victory of approximately 50 percentage points to match the magnitude of the effect of divided government, a reasonable conclusion is that a change of that magnitude is unlikely. Further, even if a margin of victory were to narrow by 50 points, a likely side effect would be divided government. Ultimately, these two dynamics are in tension with each other, as one result suggests narrow margins of victory push spending up, but states with low margins of victory are likely to generate divided governments, which then press spending down.²²

Models 3 and 4 provide insight in that margin of victory is significant in 1993–2000 but ceases to be so in 2001–09, and the opposite is true of divided government. These results support the conclusion that electoral competition exerts its positive pressure first, followed sequentially by the negative pressures of divided government. The results also suggest that electoral competition matters more in authoritarian settings than in democratic ones. This makes sense if we consider that electoral competition is likely to generate more openings and pressures for change where this same competition is either rare or new and is therefore opening up new political spaces. Moreover, the finding is not consistent with the reelection logic, which anticipates close elections to generate positive pressures uniformly. In contrast, the results do support the signaling logic. That is, electoral winners who lack a strong, dominant majority, for example, unified governments with pluralities, increase court budgets as a credible commitment to losing parties and other political minorities in order to govern more effectively. This is precisely what the signaling logic expects. Aside from indicating a causal mechanism, these results suggest that competition may also have a nonlinear relationship with spending. Scholars should

²² Coding both margin of victory and ENC as dichotomous variables (0 = low; 1 = high) and cross-tabulating against divided government shows a statistically significant relationship between both measures of competition and the lead value of divided government, that is, divided government at time \( t + 1 \) (\( p < .01 \) and \( p < .05 \), respectively).
look for positive effects where competition is low or moderate (in generally noncompetitive settings or where only legislative pluralities are possible), and then a negative effect where competition is high, generating unified governments with legislative majorities. These direct and indirect effects of competition are of theoretical interest beyond Mexican politics.

The results also suggest ideology can overcome the dampening effect of divided government. First, the magnitude of the positive effect of a leftist governor is greater at all times than the magnitude of the negative effect of divided government. Second, in Model 8, the effect of divided government with a leftist governor is strongly positive. Also, unlike the PRD, the PRI and PAN administrations are not able to overcome the downward pressure of divided government. Lastly, Table 3 clarifies that the negative effect of unified governments seen in Table 2 is likely due to PRI-unified governments from 1993 to 2000 and PAN-PAN governments from 2001 to 2009. Thus, divided government dampens the effect of the right but not the left, suggesting that leftist administrations in competitive settings are the best combination for courts.

The significance of the left in local government in these models emphasizes the overall findings regarding ideology. Key among these findings is the nonlinear, U-shape of the relationship. Importantly, the left prong of the “U” is always higher than the right, reinforcing the finding that—even though both the PRD and the PAN benefit spending more than the PRI—the PRD exerts a stronger upward pressure than the PAN. It should also be emphasized that the models exclude PRD-governed Mexico City precisely to avoid biasing results in favor of the left. Even without Mexico City in the sample, the PRD’s effect is marked, supporting the conclusion that the left matters a great deal for the strength of court budgets. Further, even when controlling for government-opposition effects, the left’s influence remains.

Michoacan offers an example of a state that is emblematic of two of the main findings here, that ideology promotes judicial spending and that the left should exert a particularly strong effect in this regard. Michoacan is a stronghold of the left (Bruhn 1999). Historically, the state’s courts under the PRI were some of the poorest in the country. However, the PRD reached the governor’s office for the first time in 2002 with Lazaro Cardenas Batel (LCB). He began an historic period of increased funding for the judiciary amid a much broader judicial reform project. Specifically, in LCB’s first year in office, he more than doubled the judicial budget. Analysis of the reform process shows LCB also created a judicial council and then delegated control over the execution of the expanded budget to this administrative organ within the judiciary (Ingram, forthcoming). Notably, he did not have political control over the council, so LCB was constraining himself in delegating control over the increased budget. This kind of costly behavior (McAdam 1986) is historically anomalous among traditional Mexican governors and indicative of principled commitments, that is, ideology. Interview evidence supports this conclusion. Many judges and politicians noted LCB’s qualitatively different “vision of democracy,” one that included a commitment to a true and effective separation of powers. LCB himself highlighted that part of his project to bring about this
separation was to strengthen the judiciary and increasing the court’s financial resources was the first among many steps toward this goal. Thus, the timing and sequence of events in Michoacan complement the quantitative findings reported here.

Regarding the opposition hypothesis, there is clearly a difference in effect across the three parties, and the PRD always has a positive and stronger effect than the PAN. Both these findings favor concluding that the presence and direction of ideological commitments matter more than an opposition effect. However, the PRI and PAN have practically switched places before and after 2000 in their effect on spending (see Figure 4 and Model 8). Indeed, where unified PRI governments (PRI-PRI) were previously the “valley” in the relationship between ideology and spending, PRI-PRI governments now spend more than most PAN governments, including those that are unified. Thus, both ideology and opposition dynamics are at work. Given the long tenure of the PRI regime, it is good news that opposition dynamics can arise in former hegemons, suggesting that scholars of new democracies should look for changes in pro/anti-regime dynamics and opposition effects relatively quickly.

Finally, on the interaction of competition and ideology, competition exerts a reductive or “flattening” effect on ideology. That is, ideology is still a significant factor even in very competitive settings, but ideology is less of a factor in competitive settings than in noncompetitive ones. Figure 3 suggests that competition may be forcing the PRI to increase allocations to the courts, becoming more like the PAN in its spending patterns regarding the judiciary. The PAN, meanwhile, remains largely unchanged. In contexts of low and high electoral competition, the PAN spends the same on courts. The PRD, meanwhile, spends more on courts than either of its counterparts in both low and high competition, and competition pushes it still higher. Thus, there is some mixed evidence regarding the Downsian moderating effect of competition on ideology. The overall flattening of the relationship supports the Downsian expectation, and if Downs were correct, we could read the PRI’s rise in spending to meet the PAN as a kind of equalizing or “centering” of spending. But the PRD’s high spending in noncompetitive environments should drop as competition increases, and it does not. Rather, although the marginal effect of the PRD decreases (from a slope of approximately −15 to −5), the high predicted values of PRD’s spending on courts in noncompetitive environments moves still higher in competitive contexts. Thus, competition erases the ideological difference between the PRI and PAN, but the left is largely unaffected. Again, this reinforces the finding that the left, despite the dampening effect of competition, exerts a stronger programmatic effect than the right.

9. Conclusion
Examining court budgets across the Mexican states from 1993 to 2009, the main results are as follows. Electoral competition increases spending, divided

government reduces spending, and these relationships change over time. The evidence suggests a sequence between (a) rising electoral competition and positive pressures on spending and (b) new patterns of divided government that exert a negative effect on spending and render electoral competition insignificant. Ideology has a surprisingly robust U-shaped relationship with spending, with the left and right exerting a strong effect on spending, but the effect of the left is always stronger than the right. Indeed, the left’s influence overcomes the negative effect of divided government. Electoral competition dampens the effect of ideology, but the left overcomes this dampening, as well. Lastly, the experience as an opposition party with regard to the party that occupies the presidency matters, a phenomenon that has caused the PRI to exert a similar effect as the PAN in the aftermath of the national PRI-to-PAN transition. However, even controlling for state-federal alignment and this national transition, the effect of ideology remains.

The findings offer lessons for other federal systems, late authoritarian and emerging democratic regimes, as well as countries with relatively centralized and institutionalized party systems. In federal systems, the spatially bounded electoral and ideological sources of uneven judicial spending found here can offer insights into the origins of other territorially uneven institutional outcomes. This is perhaps most true in other large federal systems in the region that experienced temporally similar transitions to democracy, namely Argentina and Brazil, but these territorial processes are likely in federal systems as diverse as Russia, India, and the United States.

The lessons regarding electoral competition, divided government, and opposition effects are likely most generalizable to settings beyond Mexican politics. In contrast, some readers may object that Mexico’s dominant party history and current party system are exceptional, and therefore the ideology finding may not travel well to other contexts. However, regime type and party system characteristics should condition this generalizability, and in this regard, Mexico’s features are quite unexceptional. India and Russia come to mind again, but Japan, South Africa, South Korea, and Taiwan offer other provocative examples of both authoritarian and democratic regimes with histories of hegemonic parties, and there are more. Further, although Mexico’s trichotomous party system is indeed fairly centralized and institutionalized, the results remain suggestive of ways in which similar dynamics may be at work in other countries, even ones with very different party systems. For instance, the ideological base of authoritarianism in Mexico was in the center and the PRD and PAN rose as opposition parties on the left and right, respectively. In countries with a similar trajectory, we might anticipate a similar U-shaped relationship between ideology and judicial change. However, if the base of authoritarianism is located elsewhere (e.g., on the right in many military regimes), the findings help us anticipate that the right end of the curve would be the lowest point. Further, in systems where the party system is not as centralized (e.g., Brazil), we should be more cautious in coding the ideological location of parties and assuming that the left-to-right order of parties holds across territorial units. Lastly, given the prominence of the proregime-antiregime cleavage in Mexico,
the ideology finding is particularly striking. In this regard, Mexico is a difficult
test for ideology, and such robust findings suggest the results should travel well
to other settings where the pro/anti-regime cleavage is historically less salient.

Future research can extend the analysis to aspects of courts beyond judicial
spending and to other policy areas. For instance, does ideology have a U-shaped
relationship with other institutional outcomes? Also, in-depth, qualitative research
can shed light on the causal processes underlying the relationships between these
political factors and both judicial spending and other institutional outcomes.
Lastly, Mexico’s democracy is still new enough that only four states won by for-
mer opposition parties have subsequently experienced alternation again. As time
goes on, more states will experience different types of alternations among the
three main parties, providing new opportunities to test ideology and opposition
effects. Studies in other countries may provide further lessons in this regard, but
study of this phenomenon in Mexico will only come with time.

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