

Evading the Patronage Trap:
Organizational Capacity and Demand Making in Mexico*

Brian Palmer-Rubin

Ash Center for Democratic Governance and Innovation

Harvard Kennedy School

79 John F. Kennedy Street, Mailbox 74

Cambridge, MA 02138

Phone: 617-496-4363; Fax: 617-495-9159

brian_palmer-rubin@hks.harvard.edu

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Abstract

When do organizations represent the interests of broad population groups and when do they narrowly represent the interests of the organization members or leader? This article investigates how agricultural and small-business organizations in Mexico filter their members' interests into demands for programmatic or distributive policies. Contrary to class-based explanations, I show that *organizational capacity* shapes organizational demand-making strategies. Organizations that generate selective benefits internally are able to engage in programmatic policies that shape sectoral competitiveness while organizations that fail to solve membership challenges internally are vulnerable to *the patronage trap*, a self-reproducing cycle wherein they become specialized for distributive demand making and electoral mobilization on behalf of a party ally. I illustrate this pattern with four case studies. Analysis of an original survey of economic interest organizations in Mexico provides broader evidence that organizational capacity is a better predictor of policy demands than social class.

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1 Introduction

The Central Campesina Cardenista and RedCCAM are two large “dissident” peasant organizations in the Mexican state of Michoacán. At their founding, these two organizations shared similar core principles: opposition to the liberalization of agricultural policy, which they viewed as privileging large-scale farmers, and a rejection of the dominant party’s top-down control of rural organizing through its corporatist peasant confederation. Despite these initial similarities, these two organizations’ paths diverged markedly in the early 2000s, when Michoacán experienced party turnover for the first time since the Mexican Revolution. The Central Campesina Cardenista (CCC) largely abandoned its efforts to effect change in agricultural policy and became an electoral vehicle for the new ruling party—organizing campaign events, endorsing candidates in the media, and posting its own leaders for public office. In return, the CCC receives privileged access to state agricultural subsidies, which the leader allocates discretionarily to reward the most loyal members. In contrast, RedCCAM has eschewed party alignment—and the corresponding handouts—deploying its resources instead to push for state agricultural policies that favor small-scale grain farmers, such as crop insurance programs, investments in storage and shipping infrastructure, and accessible credit programs. Why does one organization focus its efforts on maximizing its share of short-term *distributive benefits* while the other seeks to influence *programmatic policies* that shape long-term sectoral competitiveness?

In this paper, I analyze organizations that represent two sizable non-elite economic sectors in Mexico—small-scale agriculture and small businesses—to explain variations in these organizations’ demand-making strategies. Within each of these sectors, there are some organizations that levy demands that respond to the interests of their sector—e.g. small-scale farmers or small commercial business owners—and others that strive instead to maximize distributive benefits for members. The key distinction I draw between these two classes of organizations is the *scope of interests* that they represent, from broad to narrow segments of the population.

As the vast literature on civil society and development claims, the contributions that organized interests can make to policymaking are numerous (Evans 1996; Fukuyama 2001; Mansuri and Rao 2012; Rodrik 2000; Woolcock and Narayan 2000; World Bank 2003). Organizations consult on policy to help tailor interventions to societal needs, disseminate information to generate societal buy-in, and monitor government spending and denounce corruption or waste through the media or protest. As observers of “actually existing civil societies” Fraser (1990) in the developing world can attest, however, organizational policy participation often goes awry, as groups abandon these goals in pursuit of clientelist handouts or to further the electoral careers of their leaders.¹ Clearly the existence of interest organizations is not sufficient to guarantee the representation of non-elite economic interests in policymaking. But so far we lack a theory to explain why organizations sometimes represent narrow organizational interests and other times represent broad sectoral interests.

¹Tellingly, recent scholarship on service-providing organizations includes several cases of campaign organizations that deliver benefits as a campaign strategy (Auerbach 2016; Cammett 2014; Thachil 2011).

Scholars of party-voter linkages address a similar puzzle, interrogating when voting behavior is driven by particularistic exchange or by programmatic alignment (Aldrich 1995; Dixit and Londregan 1996; Keefer 2007; Kitschelt 2000). To explain linkage outcomes, this literature typically offers supply-side explanations, such as bureaucratic professionalization, electoral institutions, or democratic immaturity. To the extent that scholars address the demand-side, they focus on *social class*, arguing that the poor are prone to clientelist vote buying because they enjoy a higher marginal utility from particularistic goods than do upper-income groups (Calvo and Murillo 2004, pp. 743-745; Dixit and Londregan 1996, p. 1144; Nichter 2008, p. 28; Stokes 2005, p. 315).² However, it is unclear that the same factors that drive individual citizens' policy demands work equally as well for collective actors—and class-based explanations fail to explain variation in demand-making strategies among organizations that represent the same social groups, as illustrated in the two vignettes above. Moving forward, I test this “class hypothesis” alongside my explanation based on organizational capacity. I also test the argument that demand making is driven by another supply-side factor—the type of party in office—by including measures of the ruling party and electoral competition on the state level. If organizational demands are shaped by electoral dynamics, we might expect to see more patronage-oriented organizations in states governed by the traditional machine party or where elections are not closely contested.

²For a review of studies relating poverty to clientelism, see Stokes et al. (2013, pp. 158-171). Survey evidence cited here shows that parties disproportionately *target* the poor with vote buying offers, but not that the poor are particularly receptive to clientelism. Holland and Palmer-Rubin (2015) show that social class is not a strong predictor of exposure to vote buying in Latin American countries and that, in fact, organizational membership is more predictive.

Predating these two recent areas of scholarship, the representative capacity of organized interests has been a concern of political scientists since debates between advocates of “majoritarian pluralism” (Dahl 1961; Truman 1951) and of “biased pluralism” (Lindblom 1977; Schattschneider 1960; Verba, Scholzman and Brady 1995) in the United States. The concern in this debate regarded whether the interest arena afforded representation in proportion with societal interests or privileged the elite. Here I do not look at elites, but instead address the representative capacity of organizations representing non-elite economic interests. To the extent that these organizations provide voice for non-elite economic groups, they play a key role in counteracting representational distortions in transitional democracies, which are known for being “hierarchical” (Schneider 2013) and “predatory” (Markus 2015). While the pluralism pessimists focus on national institutional characteristics, however, my comparison across interest organizations in Mexico permits me to identify the micro-level factors that make some organizations more representative than others.

The crux of my argument is to explain how these non-elite interest organizations opt between demands for programmatic policy or distributive patronage. I argue that *organizational capacity*—the ability to independently recruit, retain, and mobilize members—frees organizations from pressure to enter into dependent patronage-based linkages with state or party actors. Organizations with the resources to offer desirable services that function as selective benefits can evade such dependence, and are positioned to engage in forms of mobilization suited to influencing programmatic policies: institutionalized contact with bureaucrats and politicians and pressure tactics, such as protest and media campaigns. However, organizations that rely on resources extracted through dependent state linkages for recruit-

ment and mobilization are often limited to a narrow range of demand-making strategies, centered on electoral mobilization in exchange for targeted distributive benefits.

This mode of demand making is self-reproducing through an equilibrium state that I refer to as the *patronage trap*. The narrow pursuit of distributive demands breeds changes in organizational traits, causing the organization to specialize as an intermediary for state handouts. In the extreme case, an allied party requires that the organization limit its mobilization to the electoral realm, restricting the ability of the organization to engage in pressure politics. The organization leader becomes coopted by the party, assuming the role of clientelist broker. And as the organization attains a reputation as a source of state handouts, recruitment targets a self-selecting population eager to access such benefits.

If organizational capacity is the factor that sends organizations down the programmatic or distributive path, we may ask where this capacity comes from. Partially in line with the party linkage literature, I find that class is important. Crucially, however, other factors such as state supports and effective leadership can produce organizational capacity, even for organizations representing the poorest of citizens. While social class is an important factor that shapes organizational capacity, it is not determinative, and organizations representing lower-class populations often find ways to maintain ample and active memberships without relying on patronage ties.

I build this argument through process tracing using field research evidence—including semi-structured interviews and non-participant observation—of four interest organizations in Mexico: two business chambers and two peasant organizations, one in each sector that has fallen prey to the patronage trap and another that has evaded it. I then test this argument using data from an original nationwide survey of 125 state and local economic interest

organizations belonging to four national confederations. I chose these two sectors for three reasons: they provide a controlled institutional framework, as each sector includes numerous national confederations made up of mass-based state and local affiliates; they offer variation on social class between the lower-class peasants and middle-class small-business owners that make up the organizations; both types of organizations are frequently incorporated in subnational policymaking, both programmatic and distributive.

The Mexican context is informative because it presents conditions that are particularly threatening to interest organization autonomy. During the greater part of the twentieth century, Mexican politics were dominated by the Institutional Revolutionary Party (PRI), which controlled organizational activity through top-down corporatist ties with labor, business, the peasantry and other economic sectors (Collier 1992; Fox 1994; Kurtz 2004; Shadlen 2004). The past three decades have witnessed a transition to multi-party competition between the PRI, the right-wing National Action Party (PAN) and the left-wing Party of the Democratic Revolution (PRD). However, governments of all three parties continue to generate interest organization dependence through the discretionary allocation of distributive benefits (Díaz-Cayeros, Estévez and Magaloni 2016; Larreguy, Marshall and Querubin 2016). Furthermore, democratization, both in electoral and procedural dimensions, has spread unevenly across states (Berliner and Erlich 2015; Gibson 2013; Giraudy 2010; Lawson 2000). In this context, organizations face constant temptations to prioritize state handouts over programmatic voice. Those organizations that have resisted this pressure provide a lesson in best practices for sectoral representation.

The remainder of the paper consists of four sections. I first conceptualize interest organizations' policy demands based on the scope of interests that are represented. Then I lay

out the causal process, showing how organizational capacity shapes organizations' modes of state engagement and, ultimately, their demand-making strategies. I show how this process diverts organization into equilibrium states of distributive or programmatic demand making, paying particular attention to the patronage trap, a vicious cycle that perpetuates patronage politics at the cost of programmatic demand making. Third, I conduct case studies of four interest organizations, illustrating how organizational capacity, modes of state engagement, and demand making are mutually reinforcing. Finally, I present survey analyses, providing broader evidence that organizational capacity is associated with broader modes of state engagement and consequently, greater programmatic demand making.

2 Conceptualizing Organizations' Policy Demands

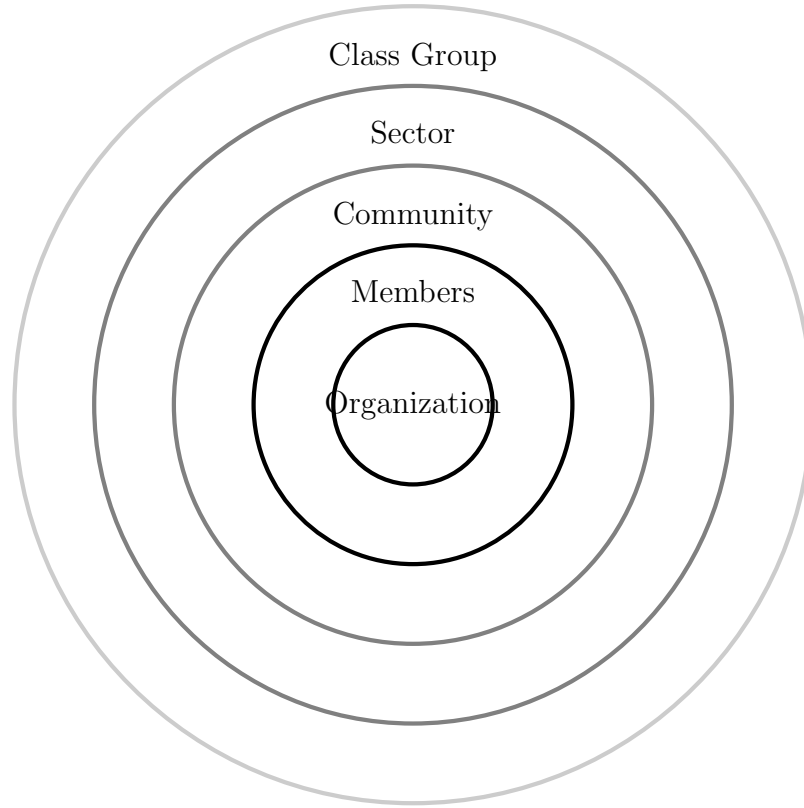
A central question in the study of interest representation regards whose interests are being represented. An organization may narrowly pursue the interests of its leader or members; or it may act on behalf of broader segments of the population, such as its economic sector or social class. Thus, the policy demands levied by organizations can be ranked according to the breadth of potential beneficiaries if the demands are satisfied. Following Schmitter (1974, p. 96), I refer to these as the "scope of interests" that the organization represents.

Literatures on labor unions and social movements have similarly addressed why these organizations at times pursue broad transformative goals and other times narrowly promote the interests of members, or even more narrowly, of leadership. Research on organized labor interrogates why some unions make demands on behalf of unionized workers (business unionism) and others on behalf of the working class or in pursuit of non-productionist demands

(social unionism) (Ahlquist and Levi 2013; Iversen 1999; Mares 2004). Social movement analysts have been concerned with the displacement of “transformative” goals for demands that further organizational survival—a fate that they attribute to oligarchy and bureaucratization (Katsiaficas 2006; Piven and Cloward 1979; Staggenborg 1988). Outside the realm of organizations, the distinction made in the party-voter linkage literature between programmatic and clientelistic ties turns on whether the voter supports a candidate in exchange for “selective material incentives” or in response to “packages of policies” whose consequences benefit the voter only indirectly (Kitschelt 2000, pp. 849–850).

Regarding economic interest organizations, a ranking of demands on the basis of the scope of beneficiaries begins with the interests of the organization itself, then expands to the organization’s members, the immediate community in which the organization operates, the sector, and the class group. In Figure 1, the innermost circles—shaded in black—represent the distributive arena, including demands for disaggregable material benefits that stand to benefit only the organization itself or its members. For example, distributive demands on behalf of a business chamber might include state funding for its headquarters or for member participation in training workshops. The next two circles represent programmatic demands for club goods, public goods, or regulatory policy that benefit populations that extend beyond the organization. Such populations may be quite limited, such as the community within which the organization operates, or quite large, such as all firms in a given sector. Programmatic demands by a business chamber might include that the local government crack down on informal commerce or invest in public transportation to improve customer access. The largest circle—in the lightest shade of grey—represents demands on behalf of the class group

Figure 1: Scope of Interests for Economic Interest Organizations



to which the organization pertains. Policies in this category have redistributive consequences that affect many members of society such as tax policy, land reform, or social entitlements.

Owing to the essential nature of organizational survival and recruitment, all non-elite organizations have an interest in pursuing demands in the innermost circles—representing the interests of the organization itself and of its members—as these policies generate benefits that can be used to fund organizational activities or incentivize members to join and participate. In fact, all organizations observed in this study actually do pursue such policies to some degree. However some organizations are limited to *distributive demands*, while others also devote significant resources to *programmatic demands*, whose scope of interests extends well beyond their membership base. Why are some organizations able and disposed to pursue programmatic demands?

3 The Patronage Trap: Organizational Capacity and Demand-Making Strategies

To address this question, I interrogate the internal logic of organizations. In contrast to elite interests, which wield power through their control of capital or political connections, non-elite organizations wield power in numbers. Organizational capacity—the ability to maintain a large and active membership—intensifies mobilization, both in electoral campaigns and protest. Such capacity furthers both the interests of the leader, whose stature increases with membership size, and the base, which derive benefits from the policy clout that a large membership affords. When an organization is able to recruit, retain, and mobilize members autonomously—typically by offering desirable services that incentivize participation—it may turn its attention to external goals, such as influencing programmatic policies. However, organizations that are unable to resolve members deficiencies autonomously are prone to prioritize demands for distributive handouts, which the leader can repurpose as selective benefits to incentivize member participation.

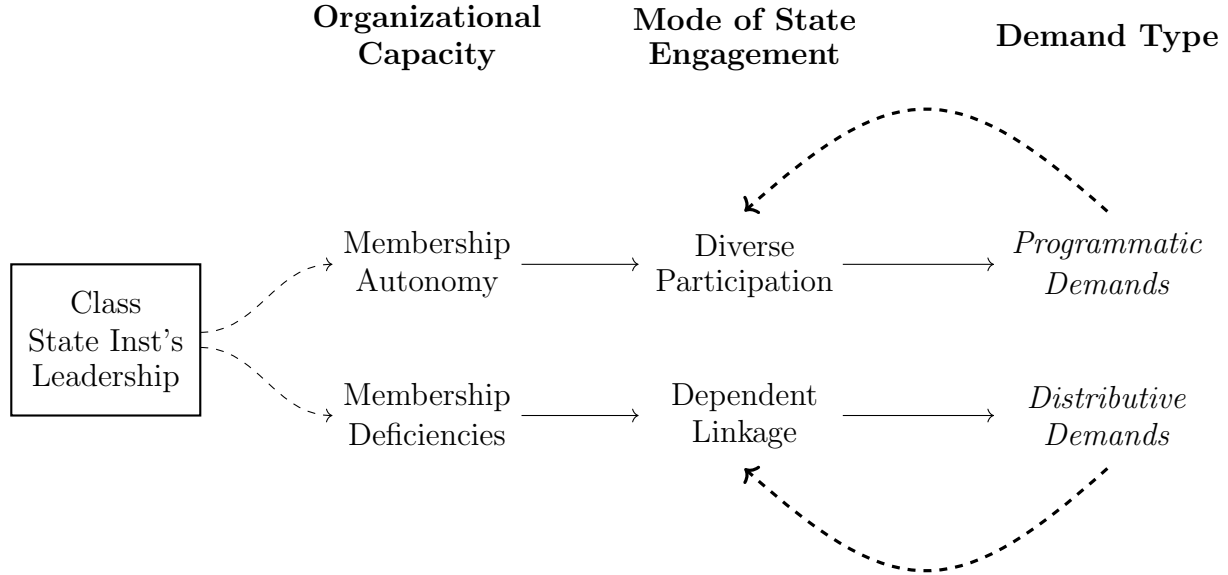
This is not to say that social class, a variable that has been deployed to explain *individuals'* programmatic and distributive demands, is irrelevant to *organizations'* demands. Class may establish resource and membership conditions that shape organizational capacity. Organizations that represent the poor are vulnerable to budget constraints and demobilization owing to their potential members' inability to contribute financially and disinclination to civic participation (Holzner 2010; Kurtz 2004; Verba, Schlozman and Brady 1995).³ The

³Boulding and Holzner (2015) find an inverse relationship between class and political participation, but argue that this is explained by higher rates of organizational membership by the poor.

poor may also be more likely to join an organization in pursuit of handouts than middle-class citizens, who may be drawn to the social networks or prestige that the organization offers. However, organizations are not simply passive aggregators of members' self interest, and may socialize members to pursue broader goals. Thus, in contrast to the implication in the party linkage literature that class determines demand type, I argue that class is but one of several factors that shape organizational capacity, which is the key factor that sets organizations on programmatic or distributive paths. Organizations representing lower-class populations can evade a distributive orientation and levy programmatic demands if they generate organizational capacity internally; and middle-class organizations that fail to do so may restrict their demands to the distributive realm.

Figure 2 lays out the causal model leading to organizations' demand types. As shown in the box on the left, the class of organization members is a potential determinant of organizational capacity. Compared with organizations that represent middle-class constituencies, membership challenges tend to be more acute among popular-sector organizations, whose members lack the time, connectedness, and human capital to engage in associations. However, factors other than class shape organizational capacity. State institutions that fund, promote, or otherwise support organizations can help overcome participatory disadvantages of the lower classes. Mandatory membership (e.g. the "closed shop" union) is a powerful example. Leadership also shapes organizational capacity; scholars have recently revived the idea that organizations are more successful at pursuing transformative goals when their leaders successfully establish norms of other-regarding and civic consciousness (Ahlquist and Levi 2013; Andrews et al. 2010; Han 2014). Leadership, however, is not exogenous to organizational capacity and I show in the following case studies that practices of autonomous

Figure 2: Model of Organizational Demands



state engagement and programmatic demand making may shape leadership structures more than vice versa.

Regardless of the source of membership challenges, the degree of organizational autonomy is determined by the way in which organizations respond. As Olson (1968) famously established, organizations can confront collective-action challenges by offering “selective benefits,” which provide members with individual incentive to participate. However, not all selective benefits are equivalent. Some organizations generate these benefits internally by offering services such as training programs, legal support, and networking opportunities that encourage members to join and participate in organization activities. Organizations that are able to do so can be described as having “membership autonomy” and are positioned to pursue broad modes of state engagement, combining lobbying, electoral campaigns, and pressure tactics. Organizations that suffer from membership deficiencies—the failure to generate selective benefits internally—often turn to partisan state actors, who provide access to dis-

tributive benefits that leaders allocate selectively in order to recruit members and incentivize participation. Such linkages come at the price of dependence, and a reorientation of state engagement to privilege electoral mobilization above other modes.

The arrows looping backwards represent the self-reinforcing nature of this process, which occurs through both leadership and membership mechanisms. The lower portion of Figure 2 depicts the *patronage trap*, in which organizations are “trapped” into an equilibrium state of distributive demand making. This is a trap because the narrow pursuit of distributive demands is self-reinforcing: once organizations limit their demands to distributive policies, the position of the leader and member-recruitment strategies become tailored to patronage politics, making the organization ill suited for programmatic demand making. First, exclusive party linkages foment oligarchic leadership in which leaders prioritize their own goals and the survival of the organization over the programmatic interests of the base, typically by assuming a brokerage role. Second, as the organization establishes a reputation as a magnet for government handouts, future recruitment is self selecting for handout-seeking members.

The upper portion of Figure 2 depicts a parallel equilibrium—a virtuous cycle of programmatic participation—that is perhaps less “sticky” than the patronage trap. This equilibrium is also self-reinforcing through both membership and leadership mechanisms. Through participation in programmatic demand making, organization members become socialized to broader policy issues and perceive broader population groups (e.g. the peasantry or small-business holders) as their “communities of fate” (Levi and Olson 2000). The organization’s reputation spurs future recruitment of civic-minded members. Furthermore, oligarchic leadership is less likely in programmatic organizations, as members develop democratic norms through cooperation in joint service provision and collective demand making and hold leaders

accountable to pursuing programmatic goals. This equilibrium is weaker than the patronage trap because organizations can relatively easily be derailed from programmatic politics, if a leader is coopted by a political party or a sudden withdrawal of resources reduces its capacity to generate benefits, sending it down the distributive path.

Two main empirical implications flow from the patronage trap model: (1) The ability to generate selective benefits using internal organizational resources, more than the class of members, explains the degree to which organizations engage in programmatic demand making. (2) This relationship is mediated by breadth of organizations' state engagement; organizational capacity strengthens programmatic demand making by allowing organizations to engage in non-electoral modes of political participation. The case studies and survey analysis to follow provide in line with these predictions.

4 Case Studies of Interest Organizations in Mexico

Brief case studies of four organizations—two in the small-scale agricultural sector and two in the small-business sector—illustrate the relationships between these variables. Evidence is drawn primarily from interviews with organization leaders and non-participant observation of organization activities, including routine organization meetings, campaign events, and interactions with state and party figures.⁴ I visited each organization at least five times between 2011 and 2013 as part of a broader 18-month field research undertaking that involved approximately 500 hours of qualitative data gathering. Case studies include one of each type of organization that has fallen prey to the patronage trap and another in the programmatic

⁴Anonymized transcripts of interviews will be made available on the author's website upon publication.

equilibrium. By fleshing out cases that defy class-based expectations—denoted in italics in Table 1—I illustrate how organizational capacity can override structural pressures.

Table 1: Organizational Case Studies

	Agriculture	Business
Distributive	CCC-Jalisco	<i>CANACINTRA-Morelia</i>
Programmatic	<i>RedCCAM</i>	CANACO-Guadalajara

4.1 Small-Scale Agricultural Organizations

The two rural organizations include one that has fallen prey to the patronage trap—the Cardenista Peasant Central of Jalisco (CCC-Jalisco)—and another in the programmatic equilibrium—the Network of Rural Commercializing Firms of Michoacán (RedCCAM). These were both founded as “dissident” peasant organizations in the late 1980s and early 1990s, made up of farmers who had broken off from the PRI’s rural corporatist structure in rejection of the turn to a market-based rural development model (de Grammont and Mackinlay, 2009; Mackinlay, 1996). Through the period of national party alternation (2000), both organizations maintained a programmatic orientation, as their parent confederations were leaders in *El Campo no Aguanta Más* (The Countryside Can’t Take it Anymore) a 2002 national protest movement pressing for greater state supports for small-scale farmers Bartra (2007). Over time, however, CCC-Jalisco followed a common path for peasant organizations: struggling to sustain mobilization, forming a patronage-based alliance with a political party, and narrowing its demands to the distributive realm. RedCCAM managed to remain on the

programmatic path as it sustained mobilization by offering services—such as training and participation in a cooperative—to maintain organizational capacity. This is a notable success case, given the abiding obstacles to collective action in the countryside, including a highly precarious membership base and the absence of state supports for organizing. In these two case studies, I describe the sources of organizational capacity and show how this difference shaped modes of state engagement, and ultimately, long-term demand-making trajectories.

CCC-Jalisco: A Patronage-Oriented Rural Organization

The CCC-Jalisco's policy demands are limited almost exclusively to maximizing distributive benefits for its members. The organization leader devotes his energies to *gestionar programas* (negotiating for government programs) such as subsidies for agricultural inputs, materials for a family to add a room to their house, or funding for a small business. This leader—Miguel Ángel Rodríguez, Secretary General of CCC—monopolizes the *gestión* process, as well as the discretion to determine which members receive state benefits mediated by the organization. This authority serves as his main tool to recruit and mobilize members, as he makes clear that active participation in organization activities—including electoral rallies for the affiliated party—will be rewarded with handouts. In interviews, Rodríguez mentions broader policy concerns on behalf of the rural poor, but these demands are unspecific—“greater redistribution” or “more spending in the countryside”—and the organization rarely mobilizes behind these demands.

Post-Movement Decline and Organizational Revival as Patronage Machine

CCC-Jalisco faced severe membership deficiencies following its participation in the El Campo no Aguanta Más movement. To revive the organization, Rodríguez adopted a re-

cruitment strategy based on promises of subsidies. The organization's ability to extract government handouts for its members spreads through word of mouth, leading potential members to approach the organization in hopes of acquiring such resources themselves. At a CCC rally, several interviewed members were unabashed in explaining that they were motivated to join and participate in the organization's activities by the promise of individual benefits, such as a new room for their house or free fertilizer from the state government. Referring to a government program that provides housing materials for the rural poor, one woman explained: "Well, El Profe told me that if I participate in rallies and (CCC) assemblies, he'll make sure that I receive support from Vivienda Rural" (interview, June 6, 2012). (Rodríguez is known as "El Profe" to the members of CCC, owing to his prior employment as a teacher.)

Rodríguez strategically allocates these resources to grow the membership and is proud of the exploding ranks of CCC, which have risen from approximately 500 to over 6,000 since he entered in 2008. However, this growth in membership has come at the cost of sacrificing organizational coherence. While it began strictly as a peasant association advocating for policies to improve the market position of small-scale farmers, the CCC has grown by incorporating semi-urban populations, many of whom are service-sector workers in the city of Guadalajara, microentrepreneurs, or wage laborers and thus are not united by a concern for rural development policy.

Electoral Mobilization Dominates State Engagement

The national leadership of the CCC has entered into an exclusive alliance with the PRD and electoral mobilization crowds out other modes of participation for CCC-Jalisco. The

CCC devotes significant resources to mobilizing electorally on behalf of PRD candidates. Rodríguez enthusiastically extols the ability of the CCC to turn out community members in campaign events and boasts that in several municipalities, his organization commands a greater following in electoral events than the rest of the party combined. At three campaign events in Tala, the CCC-Jalisco's base of operations, and neighboring municipalities participants displayed at least as many banners and t-shirts for the CCC as for the PRD. Rodríguez's son ran for mayor of Tala in 2012, and although he lost the primary election for the PRD candidacy (in an election that Rodríguez assures was riddled with fraud), the CCC organized daily rallies through the streets of the municipality in the month prior to the election to support the PRD candidate who had defeated him.

Rodríguez concedes that he induces members to support the PRD with offers of subsidies, but he views the dynamic through the lens of loyalty, rather than clientelist exchange. When asked if people who support the PRD are privileged in his allocation of subsidies, he replied: "If you want me to support you with housing or with a subsidy it seems dishonest that you would support the party that punishes us and then come to me to solve a problem. If you say 'I'm a PRIista,' go to the PRI and see if they solve your problem. If you go with the PAN, it's the same. Because that seems disloyal to me. At the end of the day, you're going to cast your vote. Why not cast it for somebody with whom your organization has an alliance?" (interview, June 6, 2012).

CCC's engagement with the state outside of its electoral participation is minimal. Interviewed representatives of the agricultural and economic development ministries in Jalisco said that they were reticent to get involved with the CCC or invite it to participate in consultative councils since it is so strongly associated with partisan tactics (on behalf of an

opposition party no less).⁵ The organization has engaged in a handful of protests over the past few years, but these have been quite short in duration—typically only lasting a single day—and oriented to pressure the government for subsidies. In short, the CCC has invested heavily in electoral participation in order to comply with the terms of a patronage-based linkage with the PRD, closing off opportunities for other forms of political engagement.

Reproduction of Dependent Linkage and Distributive Demands

CCC's partisan mode of political participation has limited its demand making to the distributive policy arena. While its PRD affiliation indirectly provides distributive benefits through national-level bargaining, the affiliation does not offer CCC access to state-level policymaking in Jalisco. The close affiliation with the PRD has forced CCC to prioritize electoral mobilization over other forms of political participation and closed off opportunities to engage with state politicians and bureaucrats who belong to the PAN or the PRI. Since the CCC has attained a reputation as a source of distributive goods, members are quite willing to participate in electoral events if they see it as a means to reap these rewards. However, there is little evidence that the organization helps members attain a consciousness of the structural problems that affect the Mexican countryside and potential government actions that could improve their economic well-being. As José Luis Miramontes, a consultant that works with CCC-Jalisco, laments, this patronage orientation is self-reinforcing; the CCC's non-discriminating recruitment strategy has created a heterogeneous and opportunistic membership base, composed of small-scale farmers, day laborers, and service-sector

⁵Interviews with Rogelio López Garay, Jalisco delegation of SAGARPA (October 16, 2011) and Jorge Urdapilleta, State Economic Development Council (October 28, 2011).

workers, who are unable to identify and uninterested in rallying around shared programmatic goals (interview, June 25, 2013).

The path from party dependence to distributive demands is also paved and reproduced through leadership oligarchization and cooptation. Rodríguez acts more as a party broker than as a representative of lower-class rural interests. Important decisions regarding whether and how to participate in electoral politics and the types of policy goals to pursue are either unilaterally made by Rodríguez or imposed on CCC-Jalisco from the national confederation leadership. While the organization has an intricate leadership structure composed of municipal and regional committees, these bodies engage minimally in deliberation and are unable to hold Rodríguez accountable to long-term goals. Rather, they compete among themselves in recruitment and electoral mobilization, with the knowledge that the most successful committees receive the greatest shares of subsidies. Given that Rodríguez's status among his members, CCC national leadership, and the party patron derives from his ability to control these benefits, he has little incentive to pursue programmatic goals.

RedCCAM: A Programmatic Rural Organization

RedCCAM is a rare example of a programmatic agricultural organization. This organization represents small- and medium-sized grain farmers and acts both as a cooperative for commercializing these products as well as an advocate for the interests of its sector in the state of Michoacán. RedCCAM is certainly not disinterested in accessing distributive programs; in fact one of the main services that it offers to members is designing projects brokering subsidy applications. However, the organization also levies demands for programmatic policies, including state investments in rural infrastructure, state provision of broad-based

crop insurance, and transparency in agricultural subsidies. This ability to counteract the sectoral tendency of patronage politics is explained through the innovative cooperative model adopted by organization leadership at RedCCAM's founding.

An Innovative Service-Oriented Model Sustains Organizational Capacity

RedCCAM sustains member recruitment and mobilization by offering valuable services that function as selective benefits and by socializing its members to the broader goals of the peasantry. Recruitment for RedCCAM consists of integrating pre-existing base-level associations of grain producers into the state-level organization. Such organizations typically operate in one or a few municipalities, with anywhere from a dozen to 500 members⁶. At the time of research, 17 base-level associations belong to RedCCAM, totaling approximately 2,000 members. When RedCCAM was founded in 2004, it was made up of ten organizations. According to Omar Lando Estañol, General Director of RedCCAM, five of these organizations were expelled within the first five years because they lacked commitment to the social mission of development of an autonomous grain cooperative and were more interested in extracting subsidies and promoting the political careers of their leaders: “Those five (organizations) were asked to resign because they were uninterested in the productive activities that we were carrying out in the network. They were more interested in their own personal interests—economic and political.”

RedCCAM's recruitment strategy is geared to slow growth, carefully adding members that are committed to the goals of the organization, as opposed to a single-minded push to grow the ranks. Recruitment typically operates through word-of-mouth; leaders of local

⁶Interview with Omar Lando Estañol; December 9, 2011

organizations of grain farmers approach RedCCAM if they are interested in taking part in the network's cooperative and other productive activities.⁷ These organizations are drawn to RedCCAM because of the services that it offers: management of a grain cooperative, which offers higher and more certain prices for products; and support from a staff of technical experts who design productive projects and train members on production techniques. Potential members must present a case to the executive committee—made up of representatives of all organizations—that they are prepared to participate in the cooperative and committed to its long-term goals. The assembly votes on all membership decisions and new members join for a one-year trial period.

Commitment to Nonpartisanship Permits Broad State Engagement

RedCCAM carefully guards its partisan neutrality. This makes the organization quite unique given the highly partisan nature of rural development spending in Michoacán, a traditional hotbed of peasant organizing and rural corporatism. The PRI-affiliated Confederación Nacional Campesina (CNC) has an important presence in the state and there also exist dozens of “dissident” rural organizations that formed in opposition to the PRI regime beginning in the 1970s. The majority of these “dissident” organizations forged linkages with the PRD, which yielded benefits in the distributive arena during the PRD's two gubernatorial terms. Leonel Godoy, Michoacán's second PRD governor (2006-2011) instituted a practice known to PRD-affiliated organizations as the “carrousel,” where leaders of these groups were granted yearly meetings with the Rural Development Secretary to present their

⁷Author observation of RedCCAM meetings, December 2011-January 2012, July 2013.

projects and request state funding.⁸ Like dozens of other organizations in the state, RedCCAM participated in the carousel during Godoy's administration, however they refused to provide campaign support to the governor. As a result its meetings with agricultural ministry personnel operated according to official procedures and its requests for subsidies were not given rubber-stamp approval as were those of the governor's allies.

RedCCAM's participation in campaign activities resembles the norm for business chambers more than peasant organizations. In the lead up state and local elections, RedCCAM invites all candidates to speak to its members.⁹ Candidates who accept are given the opportunity to sign a document signaling their agreement with a list of RedCCAM's goals for rural development policy in Michoacán. Also similarly to business chambers, this organization's non-partisanship does not inhibit its members from pursuing elected office independently: according to Lando, at least five leaders of base-level organizations have run for municipal office since 2004 and have run with each of the three major parties.

Reproduction of Diverse Participation and Programmatic Demands

Nonpartisanship affords RedCCAM the freedom to devote itself to productive rather than electoral issues. Where other organizations devote time and resources to participating in campaign events, RedCCAM's activities are devoted to issues of organization building, productive projects, and advocacy. When the PRI reclaimed the governorship in Michoacán in 2012—after two terms under the PRD—RedCCAM approached the newly elected admin-

⁸Interviews with Primitivo Ávalos, Coordinator of El Surco-Michoacán, November 8, 2012; Valerio Celaya, Adviser for Productive Projects for UGOCM-Jacinto López-Michoacán, August 16, 2012; Vicente Estrada Torres, Secretary of Political Operations for CNC-Michoacán, January 26, 2012; Carlos González, Secretary-General of CCC-Michoacán, December 14, 2011.

⁹Interview with Omar Lando Estañol; December 9, 2011.

istration to collaborate on projects with long-term consequences for rural development. For example, RedCCAM representatives have negotiated with the PRI administration to press for improvements to the state's system of crop insurance for small-scale grain farmers and has met with the governor and rural development ministry personnel to voice their demands regarding the state rural development budget.¹⁰ Previously PRD-affiliated organizations in the state were only granted similar access to these policymaking arenas if they switched alliances to the PRI.

Such engagement in programmatic demand making reinforces organizational autonomy through both leadership and membership channels. RedCCAM's internal governance promotes broad participation—a new president is elected from among its constituent organizations every three years. Leaders are chosen on the basis of their commitment to the ideals of the organization and their vision for future projects.¹¹ Benefits from organization services generate member commitment even in periods when the state government is not forthcoming with subsidies. If these members are initially motivated by particular interests, over time they become socialized to take a concern in the fate of rural development in the state.

4.2 Small-Business Chambers

The two business organizations also include one distributive-oriented organization—the Morelia Chamber of Industry (CANACINTRA-Morelia)—and one programmatic-oriented organization—the Guadalajara Chamber of Commerce (CANACO-Guadalajara). However, in the small-business sector, some degree of programmatic engagement is the norm, due

¹⁰Author observation of RedCCAM meetings with representatives of state Rural Development Ministry, July 2013.

¹¹Interview, José Antonio Valdez Alcanta, July 4, 2013.

both to relatively high degree of human capital of members and state institutions that provide for a minimal degree of organizational capacity. Thus, CANACINTRA-Morelia—the distributive oriented business organization—is the exceptional case. These chambers are both local affiliates of national business confederations formed in 1917 by the post-Revolutionary Mexican state (Luna 1995, pp. 78-79; Schneider 2004, pp. 60-66). While corporatist benefits helped secure organizational capacity for chambers for decades, these supports subsided during the transition. Most damaging was the 1997 removal of the mandatory chamber membership requirement for firms. Today, the main benefit that the federal government offers chambers is the exclusive right to register firms in the Mexican Business Information System, a database of firms that Mexican businesses are required to sign up for, at a nominal yearly charge, half of which accrues to the chamber. In contrast to CANACO-Guadalajara, which emerged as a programmatic leader and service-delivery organization in the 1990s, CANACINTRA-Morelia failed to develop the capacity to offer selective benefits internally, and thus has fallen into the a version of the patronage trap where it narrows its state engagement to participation in the corporatist SIEM to keep the organization afloat.

CANACO-Guadalajara: A Programmatic Business Organization

CANACO-Guadalajara engages meaningfully in programmatic demand making. Interviewed organization representatives frequently mentioned policy goals for the chamber that are not directly related to the distributive realm, such as greater state investment in industrial parks, an industrial policy geared toward attracting foreign investment, and legislation to strengthen municipal and state governments' hands in regulating informal-sector firms. At the same time, this chamber is quite active in the distributive sphere and intermediates both

state and federal programs that support small-business capital investment and participation in training programs as well as conventions organized by the chamber.

Valuable Services Secure Organizational Capacity in the Absence of State Supports

CANACO-Guadalajara was able to sustain ample organizational capacity in the wake of the withdrawal of the mandatory membership requirement for chambers through offering services and maintaining a prestigious reputation. Recruitment for CANACO-Guadalajara capitalizes more on services and networking opportunities than the organization's role as an intermediary for distributive programs. Thus, small- and medium-sized business owners in Guadalajara have ample reason to join the chamber beyond the promise of state benefits. Membership offers discounts for training programs and consulting, the opportunity to participate in networking events and meetings with politicians, and the use of the chamber's facilities.¹² The chamber also helps business owners access state and federal small-business subsidies through its Centro México Emprende consulting center. The programs offered by this center do not require membership in the chamber, although certain benefits come with a discount for members.¹³

Diverse Participation Maximizes Programmatic Leverage

CANACO-Guadalajara's stable membership base enhances its ability to engage state and party actors in a wide variety of forums. The chamber's president and vice presidents have frequent contact with high-level politicians, including close advisers of the governor

¹²Interview, Ana Isabel Solís, Manager of Strategic Analysis, CANACO-Guadalajara, October 31, 2011.

¹³Interview, Erick Herrera Ramirez, Consultant, Centro México Emprende, CANACO-Guadalajara, October 31, 2011.

and members of his cabinet.¹⁴ Chamber representatives also participate in several state and municipal government sponsored consultative councils, including those concerning economic development, education, and government acquisitions. México Emprende staff members are in constant communication with state and federal development ministries. When I asked a consultant for a recommendation of people to interview in these ministries, he offered the names and telephone numbers of high-level bureaucrats by memory and reported that he is communication with their offices on a nearly daily basis.

Interviewed representatives of CANACO cited two reasons that politicians and bureaucrats pay such heed to the chamber: first, owing to its prestige and position as the primary representative of commercial business in Jalisco and second, because of its steadfast non-partisanship. Three separate officials in CANACO offered the same justification for their non-partisanship: the chamber wants to be on a friendly basis with government actors of all parties, so they cannot give the impression that they favor one over another. Interviewed leaders of electoral campaigns for the three largest political parties in Jalisco concurred that the strength of CANACO-Guadalajara depends on its partisan neutrality. The PRI's Secretary of Organization in Jalisco described CANACO-Guadalajara and other business organizations in the state thusly: "The business groups are non-partisan, they play with everybody. (CANACO-Guadalajara) plays with the PAN, they play with the PRI, they play with the PRD. They want to be in the good graces of whoever is governor or whoever is governing."¹⁵

¹⁴Interview, Jorge Barrón, Coordinador de Asuntos Públicos y Políticos, CANACO-Guadalajara, June 21, 2013.

¹⁵Interview, Rafael Soltero Raza, Secretary of Organization, PRI-Jalisco, June 29, 2012.

That said, the chamber is quite involved in electoral politics, hosting events where politicians of all parties present platforms and interact with the CANACO's executive committee. In the 2012 election, the chamber held meetings with all five candidates for governor and mayoral candidates in three municipalities in the Guadalajara region from the three largest parties. In addition to allowing these members to present their platforms, the chamber presented a document of "proposals and promises," to all candidates, which they were asked to sign as a pledge that they would pursue such policies that the chamber deemed important for the state, including regulating the informal sector, addressing security in the state, and avoiding indebtedness of the state government.

Reproduction of Diverse Participation and Programmatic Demands

Its political autonomy allows CANACO-Guadalajara to pursue programmatic demands through both inside strategies, such as direction communication with elected officials and lobbying for legislation; and outside strategies, including weekly press conferences and press releases, where the president communicates the chamber's positions on legislation and budgetary matters and denounces government corruption. Presidents are replaced every four to six years—as dictated by confederation bylaws—and those who are elected are chosen on the basis of the programmatic commitments that they communicate to members and their connections to politicians and state officials.¹⁶ Democratic leadership selection motivates presidents to faithfully pursue the interests of the organization and the commercial-business sector and do not fall prey to oligarchic tendencies. The chamber generates many selective benefits independently, and business owners in Jalisco are eager to join to gain access to the

¹⁶Interview, Jorge Barrón.

chamber's services and professional network. Once members join, they become socialized to the chamber's modus operandi of non-partisanship, internal democracy, and concern for the well being of their sector.

CANACINTRA-Morelia: A Distributive-Oriented Business Organization

The Morelia Chamber of Industry (CANACINTRA-Morelia) is an example of a centrally distributive-oriented business organization. The chamber has only superficial participation in local economic policy, instead devoting its efforts to maximizing its returns from SIEM and applying to subsidy programs managed by the state and federal governments. In contrast to peasant organizations such as the CCC, however, this delegation is formally non-partisan, in line with Law of Chambers and chamber bylaws. However, CANACINTRA-Morelia is dependent on state distributive benefits and corporatist support to recruit and retain members and pursues these benefits to the exclusion of programmatic goals. This organization's narrow pursuit of state handouts is atypical for a business chamber, and is explained by challenges in organizational capacity that generated in the decline of the industrial sector in Michoacán and the removal of state corporatist supports.

Reliance on State Support for Member Recruitment

Since the revocation of mandatory chamber membership and the decline of the manufacturing industry in the state of Michoacán (of which Morelia is the capital), this organization has seen its membership decline precipitously, with roughly 1,600 members at the time of the interview.¹⁷ Today, the chamber depends on the SIEM both for financial resources and

¹⁷Interview, Delia Cárdenas Pedraza, General Manager, CANACINTRA-Morelia, January 26, 2012.

for membership. The main source of financing for the delegation is the commission that they receive for signing firms up to the SIEM. But at least as important is the opportunity that the SIEM process gives the chamber to pitch CANACINTRA to prospective members. The manager of the Morelia CANACINTRA described the process: “The first people that have contact with business owners are the SIEM staff, those who go out in the streets and go door to door. That’s the first contact that a businessperson has with the people from CANACINTRA. They go with their uniforms, with their credentials, they explain to them what the SIEM is and what the chamber is. That’s where we get an influx of members.”

Superficial State Engagement

Compared with CANACO-Guadalajara, CANACINTRA-Morelia has quite little contact with the state government or political processes. Contact with politicians and higher level cabinet members is isolated largely to the activity of the president, who has irregular informal conversations with the governor and mayor and participates in only three consultative councils of the state government and in a superficial mode. Representatives of CANACINTRA were only able to mention one programmatic policy goal pursued with the state government, a law that would have required that the state government allocate one percent of its budget to research and development, funds that would potentially be mediated through chambers.¹⁸

CANACINTRA-Morelia maintains a distance from electoral politics. Chamber leaders do not make a practice of meeting with mayoral and gubernatorial candidates during electoral campaigns, organizing debates, or presenting candidates with proposals. Only once the newly elected governor, Fausto Vallejo, came into office in 2012, CANACINTRA-Morelia

¹⁸See: <https://www.quadratin.com.mx/educativas/Contara-Michoacan-con-nueva-Ley-de-Ciencia-Tecnologia-e-Innovacion/>

would “invite him to get to know the facilities, to see how we are working, our plans, and how he can help us with the federal government.” Centrally concerned with accessing federal support, from SIEM, Fondo PyME, and other programs, CANACINTRA looks to the governor in terms of helping access these programs, more than as a political actor with whom to lobby for state policies for the industrial sector.

Reproduction of State Dependence and Distributive Demand-Making

Unable to sustain an ample membership base without this support, CANACINTRA devotes much of its resources to the process of recruiting business through the SIEM and intermediating federal programs that provide financial benefits for the organization and its members. Close to half of the delegation’s employees are young men and women who drive to businesses in the region on motorcycle, signing the businesses up for the SIEM, and receiving a commission for each firm enrolled. Having tailored its personnel and its recruitment strategy to access federal government programs, CANACINTRA-Morelia is unequipped to play a role in programmatic demand making. While interviewed personnel could cite programmatic goals—greater state investment in research and technology, improvements in education—the chamber delegation took little effort to further these goals in its state. Rather, they explain that they rely on the federal CANACINTRA chamber and the CCE to draft and promote policy proposals.

As with patronage-oriented peasant organizations, CANACINTRA-Morelia has specialized in *gestión* and since it has established this reputation, firms join with the expectation of receiving these benefits. Staff at the Centro México Emprende help members apply for loans and subsidies through Fondo PyME and to participate in training programs and networking

events that are highly subsidized by the federal government and bring commissions to the chamber. For instance, members are often encouraged to participate in an online Harvard business administration course. This month-long course has an “official cost” of 5,500 pesos (about US\$400), but CANACINTRA members only have to pay 500 pesos, which accrues to the chamber.

5 Survey of Mexican Economic Interest Organizations

In this section, I report findings from an original survey of state-level agricultural and small-business organizations in Mexico. I deploy these data to show that organizational capacity is least as important a correlate of the organization’s scope of interests as its class position, the dominant explanation for programmatic and patronage demands in the literature. Causal mediation analysis presented in Appendix D provides evidence consistent with the argument that organizational capacity shapes demand making through the mechanism of modes of state engagement.

The data analyzed here contain responses from 85 business organizations and 35 agricultural organizations. The survey was carried out between September and December 2012 and applied to elected presidents or hired directors of organizations belonging to the two largest confederations of business chambers—CONCANACO (Chambers of Commerce) and CANACINTRA (Chambers of Industry)—and two prominent confederations of “dissident” agricultural organizations—CCC, and ANEC.¹⁹

¹⁹The survey for business organizations was implemented online; potential participants were emailed a link to an online survey that I designed using Qualtrics. Agricultural organizations were surveyed using a printed questionnaire that was distributed to leaders of these

Survey data offer two measures of class: first, the distinction between the lower-class agricultural sector and the middle-class small-business sector; and second, organizations' class composition, which I operationalize as the percent of each organization that belongs to the "micro" classification for its respective sector. The indicators of organizational capacity analyzed are member services and resource flows, two traits of organizations that are determinative of their ability to survive and sustain an active membership.²⁰

Member Services: A first indicator of organizational capacity is the sum of the number of services that organizations offer to their members. Organizations typically must offer selective benefits in order to recruit, retain, and mobilize members. Such selective benefits often take the form of services that are exclusive to members, such as training, networking opportunities, or access to finance. Thus, organizations that offer numerous desirable services to members are likely to enjoy membership autonomy. However, organizations that fail to offer such services are prone to turn to political parties, which provide the organizational leader with distributive goods that she can use as selective benefits. The Member Services variable is measured as a count of the number of services offered to members, from a list of five categories.

Resource Flows: A second indicator of membership conditions is an organization's resource autonomy. In order to conduct activities or provide services that appeal to members, organizations require financial resources. Organizations may acquire these necessary financial resources from several sources, including member dues, fees charged for providing services, organizations that attended periodic national meetings. Survey instruments, data, and R code used in analysis will be made available on the author's webpage upon publication.

²⁰See Appendix A for summary statistics of these variables as well as other organizational traits that were measured in the survey.

state subsidies, or from selling goods and services to the general public. While it is difficult to establish an objective amount of funding that is sufficient for an organization, the diversity of an organization's funding sources is an observable trait that reflects an organization's financial autonomy. An organization that counts on several different sources of funding is less vulnerable to the withdrawal of any one funding source. This variable is measured as a count of the number of sources of financial resources, from a list of five categories.

I created five indices to capture different forms of policy participation and demand making for surveyed organizations. These indices fall into two categories. The first three indices correspond to different modes of political participation: *institutional*—contacting bureaucrats or elected officials; *electoral*—contacting political parties or participating in campaigns; and *extra-institutional*—organizing protests or media campaigns. The next two indices correspond to types of demands that organizations levy: *distributive*—demands that regard subsidies and other distributive programs, and *programmatic*—demands that regard infrastructure investments and regulatory policy. Organizations that limit their demands to the distributive arena represent a narrow scope of interests, while organizations that incorporate programmatic demands represent a broader scope of interests. The component measures from the survey for these indices are laid out in Table 2. (Histograms of these indices are presented in Appendix B.) By including multiple measures, these indices provide a fuller representation of the different modes of policy participation and demand making than any single indicator would. However, the findings that follow are robust to a variety of specifications that isolate individual component measures within the indices and results using disaggregated measures for key findings are shown in Appendix C.

Table 2: Indices of Modes of Participation and Demand Making

Index	Measures Used
Institutional Participation (0-6)	(# of elected politicians contacted in last year) + (# of ministries contacted in the last year)
Electoral Participation (0-6)	<i>Business</i> : (# of political parties contacted in last year) + (# of member candidates for elected office in last 3 years) <i>Agriculture</i> : (ordinal frequency of party contact) + (dummy: formal party affiliation) + (dummy: member candidate for elected office in last 3 years) + (dummy: organization campaign benefits to members)
Extra-Institutional Participation (0-6)	<i>Business</i> : (ordinal frequency of media campaigns in last 5 years—max 5) + (dummy: protest in last 5 years) <i>Agriculture</i> : (ordinal frequency of media campaigns in last 5 years) + (ordinal frequency of protest in last 5 years)
Programmatic Demands (0-3)	(dummy: contacted ministry for programmatic issue in past year) + (dummy: contacted politician for programmatic issue in past year) + (dummy: protest or media campaign for programmatic issue in past year)
Distributive Demands (0-3)	(dummy: contacted ministry for distributive issue in past year) + (dummy: contacted politician for distributive issue in past year) + (dummy: protest or media campaign with distributive demands in past year)

Note: Unless denoted as dummy or specified, all component measures were standardized to scales running from zero to three. Electoral participation and extra-institutional participation indices vary between the two sectors to account for the fact that business organizations are barred from formal electoral endorsements and tend to concentrate extra-institutional demand-making in media campaigns.

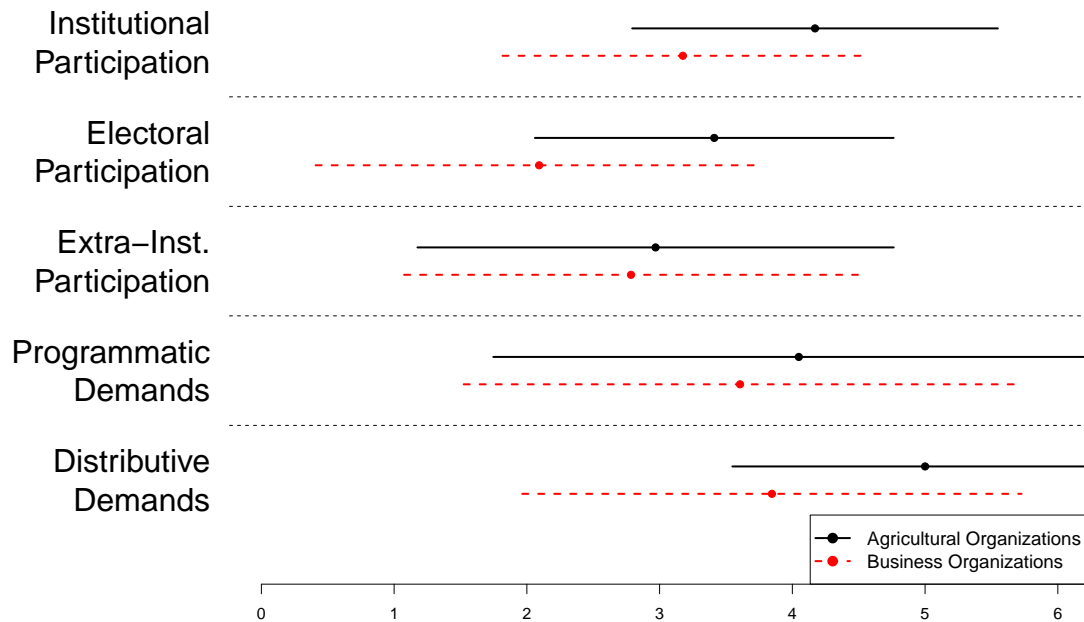
The central outcome of this study is reflected in the programmatic demands index and distributive demands index. If an organization finds itself in the patronage trap, we expect it have a high score on the distributive demands index—reflecting frequent participation in demand making for government handouts—and a low score on the programmatic demands index. An organization that has evaded the patronage trap is likely to have a higher score on the programmatic demands index, which may or may not be accompanied by frequent distributive demand making. Regarding state engagement, I expect an organization in the

patronage trap to have a high level of electoral participation and low levels of institutional and extra-institutional participation, as such an organization is forced to forgo direct contact with politicians, protest, and media campaigns in favor of campaign mobilization. Finally, if my theory is correct, programmatic demands should be associated with non-electoral forms of participation—the institutional and extra-institutional participation indices—as I have argued that organizational capacity leads to programmatic demand making by enabling broader forms of state engagement.

Figure 3 shows the average scores and standard deviations of organizations surveyed in the agricultural and small-business sectors for each of these indices. Mean scores for agricultural organizations are higher than those for small-business organization across all indices, but the high degree of dispersion demonstrates that within-sector variation is more substantial than across-sector variation, most notably in the programmatic-demands index. The largest cross-sectoral differences occur for the electoral participation and distributive demand-making indices, where the mean difference is greater than one point on the six-point indices. Notably, electoral participation and distributive demand making are most closely associated with party dependence, suggesting that rural organizations are more vulnerable to the patronage trap than small-business organizations.

I proceed by conducting multivariate regression analyses, focusing on the relationships between the above-described indices and three organizational traits: class composition, resource flows, and member services. Multivariate models also include organization membership size as a control, a dummy variable to differentiate between agricultural and business organizations, and indicators of state-level electoral competition—ruling party and vote margin in the most recent gubernatorial election.

Figure 3: Cross-Sector Comparison of Participation and Demand-Making Indices



Note: $N = 98$. Programmatic and Distributive Demands indices were standardized to a six-point scale for ease of display.

The findings in Table 3 support the assertion that organization capacity lends itself to broader forms of political participation and programmatic demand making. Recall that institutional participation (direct contact with politicians and bureaucrats) and extra-institutional participation (protest or media campaigns) are the forms of participation that my model predicts are conducive to programmatic demand making. The variables associated with organizational capacity—Resource Flows and Member Services—are positively associated with these two forms of participation, albeit in some cases just short of statistical significance. More to the point, both of these indicators of organizational capacity are also positively associated with programmatic demand making. Taken together these findings are consistent

Table 3: Multivariate Models of Organizational Participation and Demand Making

	Institutional Participation	Electoral Participation	Extra-Inst. Participation	Programmatic Demands	Distributive Demands
Resource Flows	0.28** (0.13)	0.13 (0.15)	0.36** (0.16)	0.54*** (0.18)	0.23 (0.16)
Member Services	0.29** (0.13)	0.16 (0.17)	0.26 (0.18)	0.51** (0.20)	0.16 (0.18)
% Micro Members	-0.52 (0.48)	-0.05 (0.63)	0.15 (0.66)	0.16 (0.78)	0.09 (0.69)
Business Sector	-0.46 (0.33)	-1.01** (0.44)	0.13 (0.45)	0.06 (0.51)	-1.02** (0.46)
No. of Members	0.00** (0.00)	0.00* (0.00)	0.00* (0.00)	0.00 (0.00)	0.00 (0.00)
Ruling Party (PRI)	-0.29 (0.30)	-0.28 (0.37)	-0.36 (0.39)	-0.39 (0.46)	0.31 (0.41)
Ruling Party (PRD)	-0.07 (0.46)	-0.26 (0.59)	-0.76 (0.65)	-0.24 (0.68)	-0.27 (0.62)
Vote Margin	2.65** (1.12)	2.13 (1.42)	0.87 (1.46)	2.92* (1.71)	0.16 (1.51)
(Intercept)	2.41*** (0.67)	2.24** (0.97)	0.97 (0.95)	0.41 (1.14)	3.57*** (0.99)
R ²	0.25	0.20	0.15	0.20	0.15
Adj. R ²	0.21	0.13	0.08	0.13	0.07
Num. obs.	101	99	98	107	103

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

with the argument that the ability of organizations to achieve collective action by generating their own selective benefits for members frees them to engage in policymaking processes that extend beyond patronage exchanges in the electoral arena.²¹

Notably, indicators of organizational capacity do not have statistically significant relationships with electoral participation or distributive demand making, the variables associated with patronage-based linkages with political parties. This suggests that membership auton-

²¹See Appendix C for sensitivity analysis of the Institutional Participation and Programmatic Demands models using component measures of these indices. These findings are largely consistent with results using the indices—all associations between Resource Flows and Member Services and these measures are positive, mostly retaining statistical significance.

omy does not cause organizations to withdraw from electoral politics or distributive demand making as much as it enables them to engage in broader forms of political participation and programmatic demand making. Findings for class and sector are more attenuated; however, they suggest that small-business organizations are less vulnerable to the patronage trap than agricultural organizations as these organizations engage to a lesser degree in electoral politics and distributive demand-making than agricultural organizations.

Models also include measures of state-level electoral competition, including an indicator of the Ruling Party and Vote Margin in the most recent gubernatorial election, a measure of electoral competition. There appear to be no significant effects of different levels of ruling party on participation or demand-making indices. Intriguingly, Vote Margins are positively associated with Institutional Participation and Programmatic Demand-Making, suggesting that higher degrees of electoral competition actually decrease the incidence of programmatic demand-making by interest organizations, as well as their likelihood of engaging in institutional participation strategies.

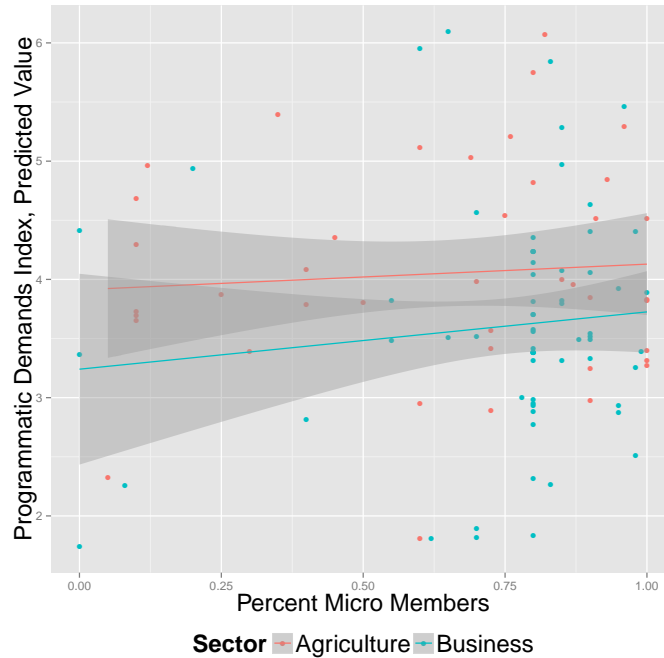
The measure of organizations' class composition—Percent Micro Members—is negatively associated with institutional participation. Organizations with lower-class memberships appear to be disadvantaged in the forms of state engagement that involve direct contact with political elites. Finally, even after controlling for organizational traits, we observe that organizations in the middle-class small-business sector are more active than lower-class agricultural organizations in extra-institutional participation and programmatic demand making. For these organizations, extra-institutional participation overwhelmingly takes the form of media campaigns to pressure the state or influence policy outcomes.

The graphs in Figures 4,5, and 6 plot each of the three organizational traits against predicted values for the programmatic demand-making index, derived from the fourth regression model displayed in Table 3. These graphs are visual representations of the relationships between each trait and programmatic demand making for each of the two sectors, controlling for the other variables included in the model. As displayed in Figure 5, organizations' class composition appears to have no significant relationship with programmatic demand making. The line is flat for agricultural organizations and while there is a positive slope for small-business organizations, the relationship is not significant—as there are only a handful of cases in the lower-left quadrant. This finding suggests that the common argument in the party-linkage literature that lower classes are more likely to favor patronage (i.e. distributive benefits) over programmatic benefits does not extend to economic interest organizations in Mexico.

In contrast, Figures 5 and 6 provide compelling evidence that organizations in both sectors with more diverse resource flows and those that offer a broader array of member services are more likely to make programmatic policy demands. Findings are remarkably consistent across the two sectors—agricultural organizations that have diverse resource flows and that offer multiple member services participate just as much in programmatic demand making as small-business organizations with similar organizational traits. Causal mediation analysis, presented in Appendix D, provides evidence consistent with the argument that organizational capacity shapes demand-making by providing opportunities for organizations to engage the state in more diverse ways.

We must interpret these models with caution, as multivariate regression on cross-sectional data is not sufficient to prove causal relationships, much less to identify causal mechanisms.

Figure 4: Class Composition and Programmatic Demand Making, Predicted Values



Note: $N = 107$. Predicted values on the y-axis are drawn from Model 4 in Table 3. Shaded bands display 95 percent confidence intervals.

However, these results support the patronage trap model and hypotheses generated in case studies above. The ability of organizations to solve membership challenges internally is a more consistent explanation for patterns of state engagement and demand making than the class of the organization's members.

6 Conclusion

In this paper, I ask why economic interest organizations sometimes make demands on behalf their sectors and other times focus their efforts on extracting patronage benefits that only accrue to the organization and its members. Similar questions, having to do with a social actor's scope of interests, have been asked in the context of party-voters linkages, labor

Figure 5: Resource Flows and Programmatic Demand Making, Predicted Values

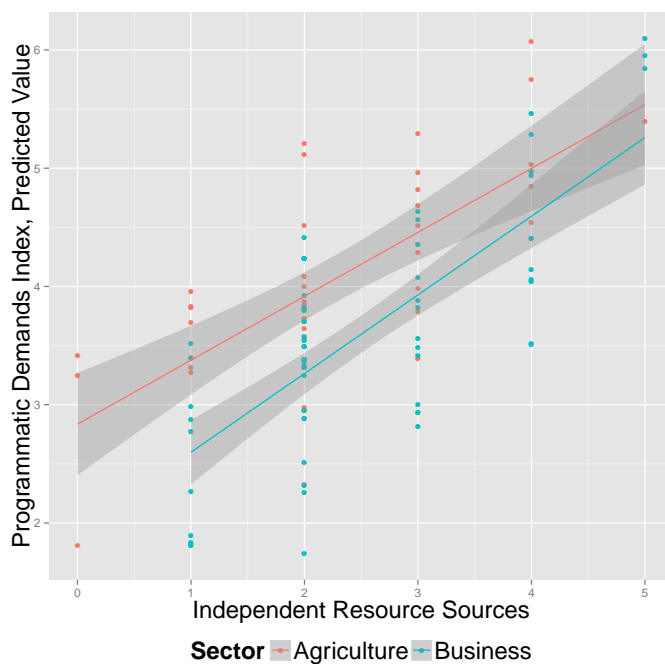
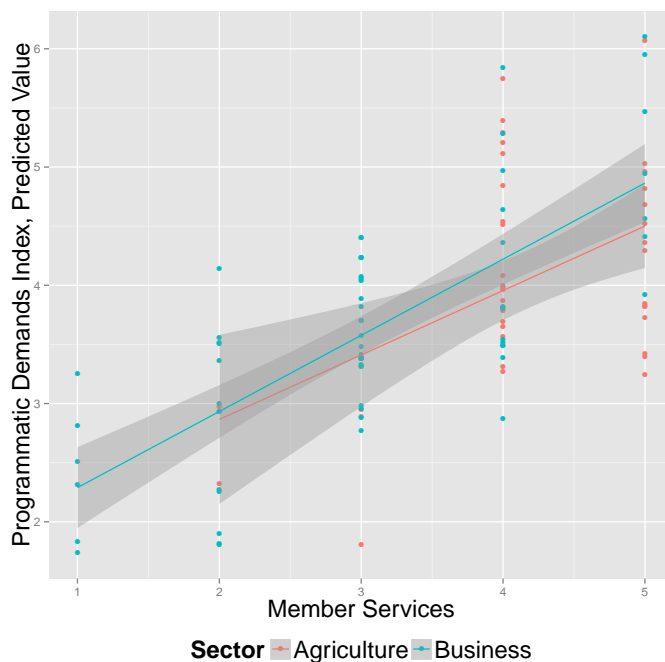


Figure 6: Member Services and Programmatic Demand Making, Predicted Values



Note: $N = 107$. Predicted values on the y-axis are drawn from Model 4 in Table 3. Shaded bands display 95 percent confidence intervals.

unions, and social movements. However, until now, we have lacked a theory to explain the types of demands levied by interest organizations.

I construct such a theory, providing a new explanation for observed differences in organizational demand-making based on the strategies that organizations pursue to achieve collective action. In the patronage trap equilibrium, membership deficiencies cause organizations to enter into patronage-based linkages with political parties, which lock organizations into a self-reproducing cycle in which they prioritize government handouts over sectoral policy influence. I then illustrated this model and the parallel virtuous cycle of programmatic participation with case studies of two small-scale agricultural organizations and two business chambers in Mexico. Finally, I fostered evidence from an original survey of economic interest organizations in Mexico, showing that resource flows and member benefits—indicators of organizations' ability to resolve membership challenges autonomously—are associated with broader participation strategies and programmatic demand making.

Social class, the prominent explanation for distributive and programmatic demands in the party-voter linkage literature, only tells part of the story when it comes to interest organizations. On the one hand, lower-class interest organizations are certainly more vulnerable to patronage pressures than middle-class organizations, both because these organizations suffer from resource and membership deficiencies and because their members demand government handouts. However, I have shown that we must turn our attention to the internal traits of organizations themselves to understand how organizations representing the lower classes can resist pressures to abandon programmatic interests in favor of patronage ties.

Future research may evaluate how the relationship between organizational capacity and demand making travels to other types of organizations and to contexts other than Mexico.

The dynamics of the causal process outlined in the present analysis suggest that organizational capacity is a binding constraint for *mass-membership* organizations that at some point have been involved in *programmatic demand-making*, thus excluding either elite interests for whom membership is less of a concern or special-interest organizations that have no pretense of representing broad sectoral interests. With these limitations in mind, many cases qualify; scholars have found that service provision for group maintenance is a precondition for effective mobilization in cases as broad as violent insurgencies (Weinstein 2006) to unemployed workers' movements (Garay 2007).

Extensions may also assessing generalizability outside of Mexico, a country that is notable for its strong political parties and history of corporatist interest representation. Undoubtedly, the problem of state dependence for non-elite organizations is not unique to Mexico. Wherever states control discretionary resources that can be used to generate dependence from organizations, I would expect the patronage trap to be a looming risk. However, as Holland and Palmer-Rubin (2015) show in a broader analysis of organizational clientelism in Latin America, countries with weak parties or volatile party systems are less conducive to organization-mediated patronage politics. Thus, I would expect to find the patronage trap taking hold in democracies where scholars have described strong parties engaging in patronage politics, such as Brazil, India, or Zambia (Baldwin 2013; Gay 2006; Thachil 2011).

Finally, while my goal here was to understand how organizations filter their members interests into policy demands, a separate analysis is required to address the natural follow-up question: *How are these demands translated into influence in the policymaking process?* To address this question, scholars must extend beyond the organization itself to analyze the political context within which it operates. Regardless of the way in which the organization

positions itself, state actors have their own preferences regarding the types of policy processes to which they are willing to grant interest organizations access and the specific groups that they prefer to incorporate, preferences likely shaped by the electoral motives of ruling politicians. However, if organizations are not capable of or interested in pursuing demands for programmatic policies that stand to benefit their sectors, the question of whether politicians prefer to construct linkages on the basis of programmatic appeals or clientelistic bargains is moot.

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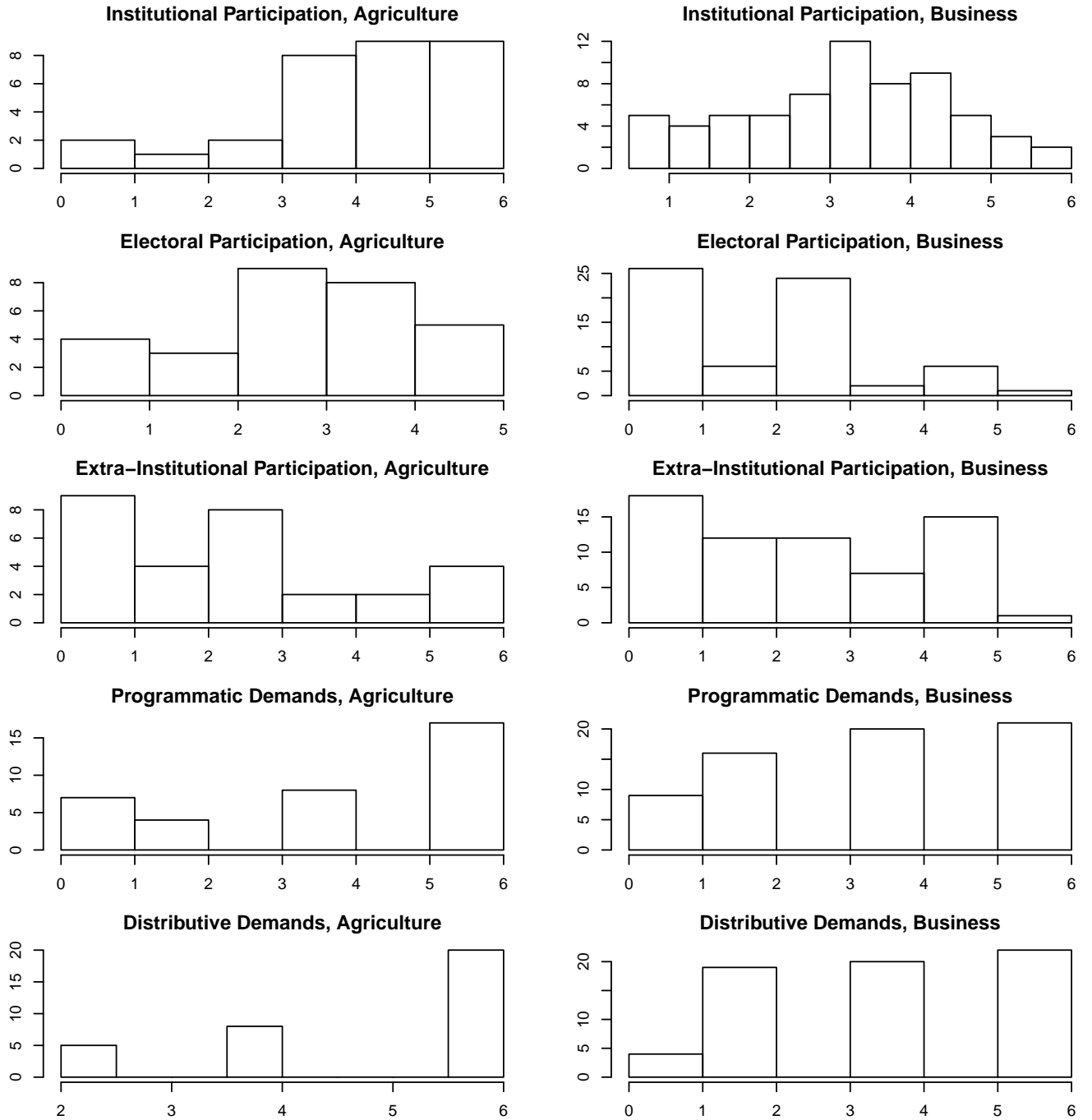
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Online Appendix

Appendix A: Summary Statistics of Organizational Traits

Variable	Measures Used	Agricultural Org's			Business Org's		
		Min	Mean	Max	Min	Mean	Max
<i>Independent Variables</i>							
Class Composition	% of members that belong to the micro classification (business: <10 employees; agriculture: <10 hectares)	5.0%	62.2%	100%	0%	80.0%	100%
Resource Flows	Diversity of funding; count of: (1) membership fees; (2) donations from the confederation; (3) commission for subsidies; (4) payments for services; (5) other lucrative activity	0	2.0	5	0	1.9	5
Member Services	Number of services offered to members; count of: (1) consulting or project design; (2) access to credit; (3) helping access government programs; (4) providing information about market conditions or politics; (5) other service	2	4.2	5	1	2.9	5
<i>Controls, Other Variables</i>							
No. Members	No. of registered members	100	25,290	350,000	62	809	9,000
Member Fee %	% of members that pay membership fees	1.0%	31.8%	80%	0%	51.6%	100%
No. Employees	No. of full-time employees that receive a salary	0	7.6	45	0	10.1	230
Org. Contact	No. of times contacted org's in the same sector in past year	0	24.3	100	0	22.3	120
Meetings	No. of full-membership meetings held in the last 3 years	0	13.6	120	0	9.1	72
Attendance	% of members attended most recent meeting	2.7%	53.6%	100%	1.0%	36.2%	100%
Pres. Tenure	No. of years that the current president has been in office	0	3.3	13	0	3.1	6
Pres. Limit	Dummy: term-limit for president	0	.6	1	1	1	1

Appendix B: Histograms, Participation and Demands Indices



Appendix C: Sensitivity Analysis for Index Components

	Institutional Part. Index		Programmatic Demands Index		
	No. Ministries Contacted	No. Politicians Contacted	Contacted Ministry (Programmatic)	Contacted Politician (Programmatic)	Extra-Inst Part. (Programmatic)
Resource Flows	0.09 (0.10)	0.33** (0.14)	0.63** (0.27)	0.41* (0.25)	0.39* (0.21)
Member Services	0.31*** (0.11)	0.21 (0.15)	0.84*** (0.28)	0.51** (0.26)	0.16 (0.21)
% Micro members	-0.73* (0.43)	-0.26 (0.57)	-0.47 (1.05)	0.45 (0.97)	0.50 (0.86)
Business Sector	-0.86** (0.33)	0.85* (0.45)	0.58 (0.77)	1.31* (0.74)	-0.56 (0.65)
No. of Members	0.00** (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Ruling Party (PRD)	-0.29 (0.39)	-0.12 (0.51)	0.33 (0.88)	0.34 (0.83)	-0.55 (0.73)
Ruling Party (PRI)	-0.05 (0.25)	-0.57* (0.33)	-1.23** (0.59)	-0.38 (0.57)	-0.15 (0.49)
Vote Margin	1.63* (0.97)	2.15* (1.26)	5.52** (2.47)	5.09** (2.58)	2.23 (1.95)
(Intercept)	1.70*** (0.61)	1.48* (0.84)	-3.87** (1.59)	-3.51** (1.48)	-1.53 (1.25)
Type of Model	OLS	OLS	logit	logit	logit
R ²	0.49	0.17			
Adj. R ²	0.44	0.10			
RMSE	1.05	1.41			
AIC			118.12	119.22	146.10
Num. obs.	99	98	99	102	102

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Appendix D: Causal-Mediation Analysis

Recall that the patronage trap model suggests that membership conditions determine organizations' demand type through the mechanism of *modes of state engagement*. Here I test this causal process. Baron and Kenny (1986) lay out four conditions for evaluating intervening-variable models: (1) the initial independent variables (Resource Flows and Member Services) must be correlated with the outcome (Programmatic Demands), (2) the initial variables must be correlated with the mediator (Institutional and Extra-Institutional Participation Indices), (3) the mediator must be correlated with the outcome variable, and (4) the association of the independent variables with the outcome while controlling for the mediator should be statistically smaller than in a model without the mediator.

Conditions one and two are satisfied in Table 3. Models in Table ?? establish conditions three and four. The first model here repeats the model predicting programmatic demand making from the Table 3. Models 2-5 establish statistical significance between each of the three participation indices and the Programmatic Demands Index, considered independently in Models 2-4 and then all together in Model 5. The Institutional Participation and Extra-Institutional Participation indices are associated with programmatic demands, evidence that organizations that engage more in these non-electoral forms of participation are in better position to make programmatic demands than those that limit their political participation to the electoral arena. Condition four is also satisfied in these models. When the institutional and/or extra-institutional demands indices are included, the coefficients for the traits associated with membership conditions decline compared with the base model, suggesting that the effect of resource flows and member services on programmatic demand making operates

through the mechanism of enabling organizations to engage in broader forms of political participation.

Causal-Mediation Analysis for Modes of State Engagement

	Model 1	Model 2	Model 3	Model 4	Model 5
Institutional Participation		0.81*** (0.14)			0.61*** (0.18)
Electoral Participation			0.30** (0.13)		0.02 (0.12)
Extra-Inst. Participation				0.53*** (0.11)	0.28** (0.13)
Resource Flows	0.54*** (0.18)	0.21 (0.17)	0.44** (0.18)	0.24 (0.17)	0.21 (0.17)
Member Services	0.51** (0.20)	0.26 (0.18)	0.47** (0.21)	0.42** (0.19)	0.28 (0.19)
% Micro Members	0.16 (0.78)	0.75 (0.65)	0.03 (0.77)	0.01 (0.70)	0.51 (0.69)
Business Sector	0.06 (0.51)	0.17 (0.44)	0.28 (0.55)	0.12 (0.47)	0.40 (0.51)
No. of Members	0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Ruling Party (PRI)	-0.39 (0.46)	-0.25 (0.39)	-0.54 (0.45)	-0.22 (0.42)	-0.18 (0.40)
Ruling Party (PRD)	-0.24 (0.68)	0.28 (0.60)	0.09 (0.72)	1.05 (0.69)	0.46 (0.69)
Vote Margin	2.92* (1.71)	1.79 (1.50)	3.34* (1.74)	3.60** (1.54)	2.31 (1.56)
(Intercept)	0.41 (1.14)	-1.07 (1.01)	0.07 (1.21)	-0.23 (1.01)	-1.47 (1.16)
R ²	0.20	0.43	0.26	0.39	0.47
Adj. R ²	0.13	0.38	0.19	0.33	0.40
Num. obs.	107	101	99	98	91

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$