

Provincial Interests, Provincial Loyalties, and Policymaking in Argentina:

The Case of the Argentine Sugar Industry

Abstract

Using both process tracing and statistical inferences this paper uses a deviant case study to examine the emergence of inter-temporal and inter-provincial cooperation among Argentine legislators. A growing consensus exists that subnational interests significantly influence Argentine legislators, effectively weakening national parties; however, the existence of weak national parties does not explain when and why cooperation exists among subnational representatives. The conflicts between the Argentine Congress and the Presidency over the protection of the sugar industry, resulting in two veto overrides, demonstrate when and why legislative politics centers on the provinces. Moreover, the logic of political survival and coalition formation that emerges explains how provincial legislators manage to cooperate to protect uncommon interests even though it is thought that Argentine legislators lack the incentives or instruments to engage in inter-temporal cooperation. This paper finds that territorial patterns of economic production and the need for political parties to maintain internal cohesion allow legislators loyal to the interests of their geographic constituency to build cross-provincial coalitions. These findings also add to the literature on how localized economic interests influence policy by showing that who politicians serve depends on three factors: political institutions, the policies at stake, and the interests of geographically specific constituencies.

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Although we know that the provincial level plays a key role in Argentine partisan politics, it is not clear how legislators from different provinces overcome the collective action problem associated with defending the interests of a few small provinces within Congress. Cooperation among Argentina's small provinces make sense when the benefits to each are clear, immediate and institutionalized (e.g. dividing federal coparticipation funds); however, given that Argentine politicians have few incentives or instruments to engage in inter-temporal policy agreements, our current understanding of Argentine politics cannot explain how Argentina's northwestern provinces of Jujuy, Salta and Tucumán have continuously defended the economic interests of their region. The conflict surrounding Argentina's sugar industry provides a clear example of when, how, and why provincial interests influence national policymaking. The sugar industry secured protection, even in the face of presidential opposition, because legislators' depend on the support they receive within their provinces, where sugar production has significant subnational importance; and, because economic heterogeneity across provinces allows legislators to form inter-provincial as well as inter-temporal coalitions in support of regionally important industries.

Though process tracing as well as statistical inference this paper uses a deviant case: engagement in an inter-temporal and inter-provincial policy agreement by legislators that resulted in the successful overrides of two presidential vetoes and one partially successful override attempt¹, to bring into focus the causal mechanisms that permit this type of cooperation as well as highlight the importance of economic geography within the Argentine political arena. This paper makes it clear that the economic characteristics of constituencies directly influence the willingness and ability of

politicians to serve localized interests. Hence, who politicians serve depends on three factors: political institutions, the policies at stake, and the interests of geographically specific constituencies. Although principally concerned with the representation of provincial interests within the Argentine Congress, this paper also adds to the literature on how localized economic interests influence everything from trade policy and budget formation to regulatory and redistributive policies.

What this paper does not attempt to do is just as important as what it does do. Case studies, with perhaps the exception of critical cases, have relatively low theory-confirming power and as a consequence, this paper does not seek to directly test any hypotheses. Rather, this paper seeks to perform an integral part of causal analysis: the identification and illustration of specific causal pathways (Achen 2002, George and Bennett 2004). By doing so, this case study helps confirm the internal validity of many statistically based studies of Argentine politics that place the provinces at the center of Argentine politics, after all hypothesis are in trouble if they are not consistent with the observed processes at the micro-level (George and Bennett 2004). At the same time, to paraphrase Gerring (2007), this paper allows us to peer into the black box of causality to identify the intermediate factors lying between political institutions and their purported effects (e.g. between the electoral system and “competing principals” and between subnational economic interests and veto overrides). Deviant cases are particularly useful in this sense because by studying what makes them deviant they help us uncover additional variables that play a key role in the causal process (Lijphart 1971), in this case, Argentina’s economic geography and the need of parties to maintain internal cohesion.

While debate still exists over the degree of party discipline within Argentina,

there is a growing consensus that subnational interests significantly influence national legislators. Increasingly scholars see the provincial level as the foundation of Argentine partisan politics (De Luca et al. 2002; Calvo 2000; Jones and Hwang 2005; Jones et al. 2002; Levitsky 2003; Leiras 2007). The lack of relevant primaries and closed party list elections forces legislators to depend on their governors and provincial party bosses for their political survival (Jones and Hwang 2005b). Even the president's ability to influence legislators in her own party depends on the subnational interests at stake and the support of provincial party bosses (Saiegh 2004).

Argentine legislators are really provincial party loyalists. They respond directly to the goals of provincial party bosses (Jones 2008; Jones and Hwang 2005). At the same time, provinces represent a key electoral reference that require legislators to orient their actions towards local voters (Micozzi 2009, 2013). This explains why provincial party delegations represent the main determinant of policy design (Calvo and Leiras 2012). However, the importance of provincial level parties within the policy process cannot explain inter-temporal and inter-provincial cooperation among legislators and provincial party bosses that resulted in two veto overrides. As Spiller and Tommasi (2007) point out, the lack of an institutionalized environment for policy exchange encourages short-term strategies among political actors

At the same time, the ability of presidents to offer fiscal benefits to provinces may provide national leaders with significant political leverage during times of economic growth, but leading to presidential-provincial cooperation and the appearance of weak federalism (Benton 2009). As Benton (2009) also points out that the ability of presidents to use fiscal transfers to elicit provincial cooperation does not mean that provinces always

conform to national policy priorities when significant subnational interests are at stake. However, the failure to elicit provincial cooperation (e.g. support a national policy agenda) via fiscal transfers does not explain active inter-provincial cooperation capable of over-coming presidential vetoes.²

Although legislators' interests may be well served by patronage, pork barrel politics, and clientelism (Jones and Hwang 2005), legislators must also concern themselves with the economic wellbeing of their province. Economic problems at the provincial level may erode the political power of the political bosses to whom legislators are responsible. At the same time, failure to protect local economic interests may also significantly harm the image of legislators in the eyes of voters as well as their governors and provincial businesses, who have significant influence over their political careers (Gibson 2005; Micozzi 2009, 2013). As a result, when highly salient subnational interests are at stake, legislators and the provincial party bosses to whom they respond ignore their national party affiliation and rally around their provincial flag.

While provincial interests play a fundamental role in Argentine politics, they do not always influence national policymaking. Whether national or subnational principals dominate policy making, depends on the policy at stake (Franzese and Noruddin 2004). When policies under consideration do not have clearly differentiated geographic implications (e.g. education, taxes, macroeconomic policy, etc.) policy debates along party lines tend to dominate the legislative process. This explains why Jones et al. (2009) find a clear presence of a strong government versus opposition dimension within the Argentine Congress. Most policies discussed and voted on by legislatures do not have clearly differentiated geographic implications. On the other hand, when the policy

threatens subnationally important interests (e.g. sugar production)³ subnational interests play an important role in policymaking.

Much of the current literature on the provincial foundations of party politics in Argentina focuses on how the electoral system and other institutional factors split the loyalty of national representatives. National party fragmentation stems from the manner in which institutional factors divide the allegiances and accountability of representatives between national and subnational agents. Divergent interests among agents cause legislators to find themselves torn between “competing principals” (Carey 2007). Hence, loyalty to subnational or national principals by itself does not generate conflict between national and subnational interests. Moreover, for competing principals to emerge as a salient factor within national politics, it would seem that the interests of many provinces would have to be in conflict with those of national leaders. Studies of fiscal federalism in Argentina identify the province as the politically-relevant continuance when fiscal transfers are at stake (e.g. Wibbels 2005), but these conflicts include all or many of the provinces, not a small minority. Palanza and Sin (2013) find that the only clear indicator of whether the Argentine Congress will attempt to override a presidential veto is whether the legislation can be characterized as “landmark legislation”⁴, which the Sugar Law is not. The question then arises, why and how did the interests of a few small provinces manage to thwart the interests of three presidents?

Four conditions allowed legislators from Argentina’s northwestern provinces to secure protection for the sugar industry. First, the issue at stake was of significant importance to the northwestern provinces. Second, the issue transgressed party lines within these provinces. Third, the existence of other provinces with relatively specialized

economies or critical industries allowed legislators to build cross-provincial and inter-temporal coalitions to protect uncommon subnational interests. Fourth, the need to maintain inter-party cohesion allowed legislators from the northwest to enlist the support of copartisans from other non-“metropolitan” provinces as well as from Argentina’s large “metropolitan”⁵ provinces.

Based on over eighty interviews with politicians and industry representatives this paper shows how and why northwestern legislators secured protection for the sugar industry. Studying how and why legislators from some of Argentina’s smallest provinces were able to shape national policymaking provides a clear picture of the political environment that determines the interests and actions of individual legislators. By tracing the process that begins with local economic interests and ends with national policy outcomes, the case of the sugar industry maps the causal path that allows even small “peripheral” provinces to impact national politics. Moreover, by demonstrating how legislators managed to cooperate across time and across provinces to protect uncommon interests, the paper illustrates that factors beyond the institutional setting of Argentine politics play an important role determining inter-temporal and inter-provincial cooperation.

Ample literature exists on how political institutions influence the representation of constituent interests. Therefore, this paper will focus on illustrating the process that allows provincial representatives to protect subnational interests, despite the opposition of three presidentes and national partisan leaders. The remainder of the paper is divided into six sections. The first section shows the importance of the sugar industry to provincial interests and provincial representatives. An overview of the conflict between

the executive and legislative branches that resulted in the indefinite protection of the sugar industry then follows. The third section demonstrates the political logic that allows provincial interests to dominate the loyalty of legislators. The fourth and fifth sections illustrate how the interests of three small provinces were able to prevail over the policy agenda of three presidents. A brief conclusion then follows.

Sugar as an Important Provincial Interest

The Argentine central government and the northwestern provinces maintained relatively good relations on sugar related issues, until the end of 1991. In 1990, the governors of Jujuy, Salta, and Tucumán became concerned that the negotiations of the Economic Complementation Agreement No. 14 (AAP.CE 14) between Argentina and Brazil would include sugar. The governors took their concerns directly to President Menem's Foreign Minister, Domingo Cavallo. After numerous conversations, the governors convinced Minister Cavallo that the liberalization of sugar imports would be disastrous for the region. A clear understanding emerged that, until asymmetries could be addressed, Brazilian sugar would not be allowed to compete directly with domestic production (Cornejo; Domato). A position confirmed by President Menem (Zorreguieta; Nicholson) and by its eventual exclusion from the AAP.CE 14.

The willingness of the central government to seek a separate agreement for sugar within APP.CE 14 and, then, within the Southern Cone Common Market (Mercosur) stemmed from the government's own regulation of the industry. Until 1991, the Argentine government regulated all aspects of sugar production and prohibited the import of sugar. However, in November 1991, deregulation of the industry included the

liberalization of imports. Imports suddenly equaled nearly one fifth of Argentina's production capacity, generating a flurry of activity to secure the protection for the sugar industry. Imports threatened tens of thousands of jobs in provinces already characterized by high unemployment. Federico Nicholson, Executive Director of Ledesma S. A. and Director of the Regional Sugar Center of Northern Argentina, explained that it was under these conditions that provincial governments, industry representatives, and legislators pressured the Ministry of the Economy for protection (Nicholson). Their efforts quickly resulted in the establishment of a minimum price for imported sugar.

Lobbying by private interests did not induce the government's decision to protect sugar producers. National legislators and governors from sugar producing provinces intervened directly on behalf of the sugar industry. The president of the sugar industry's principal lobbying organization, Jorge Zorreguieta, admits that the influence of the industry depends on the support of legislators and governors from sugar producing provinces (Zorreguieta). Federico Nicholson stated that "even the representatives of an entity as large and as powerful as the Ledesma Group cannot access the President or ministers without the assistance and backing of politicians." At the same time, the threat of legislators disrupting the policy agenda of the President plays a key role in the political pressure applied by the provinces (Zorreguieta). Mobilized by provincial interests, small groups of legislators can often frustrate the passage of legislation supported by the President, giving weight to an industry's cause (Jeneffes; Lopez; Zorreguieta), this is a point we will return to later.

The intervention of legislators on behalf of the sugar industry demonstrates the willingness of provincial representatives to protect sugar producers. However, it does not

explain why they perceived protecting the sugar industry as beneficial to their political career. Several possible explanations exist for their actions. First, the importance of sugar within the national economy attracted the attention of politicians seeking to protect the general welfare of the nation. Second, the size and wealth of producers granted them the resources needed to lobby and influence individual politicians. Third, the concentration of sugar production in a few provinces increased the ability and willingness of producers and workers to mobilize and, therefore, successfully lobby for protection. Finally, politicians sought protection for the industry because of its importance to the health of the economies where their constituents live and work.⁶

Of these four explanations, the latter best fits the experience of the sugar industry. The characteristics of the industry and the experiences of individuals involved in efforts to protect the industry clearly indicate that the dominant factor motivating provincial representatives was the industry's relative importance to voters and local politicians.

The small size of the sugar industry within the national economy makes a general welfare argument hard to maintain. In fact, Menem initially liberalized sugar imports, in 1991, in order to increase aggregate national welfare by decreasing the internal price of sugar (Nicholson; Zorreguieta). Despite having an important regional presence, the industry plays a nominal role in the national economy. Sugar production is principally located in the three northwestern provinces of Jujuy, Salta, and Tucumán, where it has traditionally been one of the most important sources of employment. In 1994, sugar was the largest industrial industry in Jujuy and Tucumán, representing 23% and 15% of local industrial production; in Salta, sugar was the third largest industry, representing 7% of industrial production.⁷ Although a cornerstone of the region's economies, it played an

insignificant role in Argentina's overall economy, representing only 0.2% of Argentina's total industrial production and less than 0.04% national employment.

Sugar producers understand that the relative importance of the industry within the northwestern provinces gives the industry its political clout. According to Jorge Zorreguieta, sugar "is one of the most important products for the provincial economies and, because of this, it has a great deal of influence over the provincial governments and the provinces' legislators and through them gains representation before the national government." Federico Nicholson admitted that the sugar industry employs more workers than many other Argentine industries, but he ascribes the importance of the industry to the fact that "it utilizes a great deal of the region's labor force" and not its participation as an employer in the national economy. For Nicholson, the industry's employment roles, outside of the context of the northwestern economies, have little to do with its political clout. Whenever the industry found itself in trouble, it could always count on its importance within specific provincial economies to mobilize political support at the national level.

For representatives of the industry, its geographic concentration only increased its ability to mobilize political support to the extent that its concentration influenced its importance within the economies of northwestern provinces. Geographic and political concentration did not significantly reduce the collective action costs faced by the industry. Jorge Zorreguieta noted that it is easy to organize producers across various provinces; it is just a matter of picking up the phone. The difficult aspect of securing policy changes is not organizing producers, but convincing politicians to support your industry and an industry's importance within the provinces significantly influences that

ability (Zorreguieta). César Paz, President of the *Centro Azucarero Regional de Tucumán* repeated this interpretation of the source of the industry's political clout; explaining that the industry's concentration makes it easier for the industry to mobilize the workers for protests and facilitates communication between the sugar producers, but even the best organized industry requires the political support that comes from its role within the local economy. Federico Nicholson also saw no direct relationship between the sugar industry's concentration and its ability to influence politicians (Nicholson).

Representatives of the sugar industry repeatedly used the plight of Argentina's banana producers to illustrate the difference between being politically concentrated and well organized, and being politically influential. In 1993, a trade agreement between Argentina and Ecuador liberalized the importation of Ecuadorian bananas and destroyed the Argentine industry. However, Argentina's producers, despite their high degree of geographic and political concentration, were unable to limit Ecuadorian imports. Production was almost entirely located in the eastern part of Salta, but its concentration was not enough for it to successfully influence regional politicians and, therefore, national policy (Jumberg). According to Roberto Ibarguren, Salta's former Secretary of International Relations and Trade, the degree to which interests within the province actually get represented "depends on the importance of the specific industry within the province" and bananas had relatively little importance. Former governor of Salta, Hernan Cornejo, repeated this observation, explaining that the importance of the industry to the provincial economy, that drives politicians to work on its behalf (Cornejo). Bananas were of minor economic importance to Salta's economy; hence, there was no reason to expect that banana producers would have received the same attention as other, more

important industries within Salta's economy (Ibarguren; Lopez).

For provincial politicians and national legislators an industry's political clout stems from its importance within the economies that it inhabits. By attracting the attention of provincial representatives, the subnational importance of the industry made the protection of the sugar industry a salient issue for provincial political bosses and legislators.

Laws, Vetoes, and Overrides: 1994 - 2002

The previous section explains the importance of the sugar industry to the northwestern provinces. It also provides initial insights into how and why sugar producers received protection. However, an overview of the conflict between the northwestern provinces and the central government over sugar imports is required to fully understand the impact that subnational interests can have on national policymaking.

After gaining protection for sugar producers within the AAP.CE 14, the next significant mobilization of northwestern representatives in defense of sugar began in 1994. According to the original negotiations of Mercosur, an industry specific regime for the liberalization of sugar imports was to be established by the end of 1994; however, vocal protests by Argentine sugar producers and northwestern legislators derailed negotiations. The supporters of the Argentine sugar industry claimed that the Brazilian ethanol program unfairly suppressed Brazilian sugar prices.

Faced with the possibility that the Foreign Ministry might exchange liberalized sugar imports for further Brazilian concessions on autos, auto-parts, or domestic appliances, legislators from Argentina's northwestern provinces, once again, began to

lobby government officials. A group of legislators met with the Foreign Ministry's Secretary of International Economic Relations, Jorge Campbell, to explain to him that "liberalization would not advance, that [they] would delay any liberalization . . . , because it would produce a social disaster in the region" (Álvarez García).⁸ Other representatives pressured the government through regular meetings with the Minister of the Economy and Production, Domingo Cavallo, and the Secretary of Agriculture, Felipe Solá.

In these meetings legislators from the northwest repeatedly stressed the social implications that Brazilian sugar imports would have for the region. In both Cavallo and Solá, the legislators found a receptive audience and soon gained assurances that the government would ensure that the industry's concerns were adequately addressed within the structure of Mercosur (Felner; Gómez; San Millan; Topa).

During the next few years, sugar producers knew that the government's policy on sugar paralleled the interests of the region. This situation changed dramatically in mid-1996, when Roque Fernández replaced Minister Cavallo, signaling a change in the government's policy agenda and sparking the first direct conflict between the executive and legislative branches over sugar imports. Rumors of a planned partial liberalization of the intra-regional sugar trade surfaced shortly after Roque Fernández took control of the ministry. By late 1996, it seemed abundantly clear that Brazilian sugar would be allowed free entry into the Argentine market (Díaz Lozano; Jumberg; Paz). Reacting to the government's impending decision to liberalize sugar imports Deputies Horacio Macedo (Jujuy) and Julio Díaz Lozano (Tucumán) wrote what would become known as the "Sugar Law," imposing tariffs on inexpensive Brazilian sugar.

Although two members of the governing party wrote the Sugar Law, the bill was

co-signed by ten other northwestern legislators from six different political parties.

According to both the authors, neither the writing of the law nor its support within the Congress had a partisan dimension. The legislators from the northwest simply sought to protect their economies.

Despite the fact that the President's party held a majority of seats in both chambers of Congress and that the law directly challenged the foreign and commercial policymaking authority of the Executive and conflicted with its policy agenda, the Chamber of Deputies on April 24, 1997 and passed without debate, the Senate approved the law (Law 24.822). President Menem subsequently vetoed the law in its entirety (Decree 471/1997). However, on August 8th, despite the direct intervention of Minister Roque Fernández and Foreign Minister Di Tella, the Chamber of Deputies unanimously overrode Menem's veto⁹ and the Senate, then, subsequently reaffirmed the law.

Although several northwestern deputies were absent from the vote to override Menem's veto, no evidence exists that party affiliation influenced their presence or absence from the vote. Of the 22 deputies from the region, 19 voted in favor of the override and three were absent (see Table 1).¹⁰ A chi-squared test and a Fisher's Exact Test for independence between party affiliation and absences from the vote provide no evidence of a relation between support for the law and party affiliation of northwestern deputies. This broad support for the Sugar Law across party lines as well as the fact that the original bill was co-signed by legislators from six different political parties provides strong evidence that this issue transgressed party lines.

Table 1
Override Voting by Northwestern Deputies

	Yea				Ney				Abstention				Absent			
	Partido Justicialista	Unión Cívica Radical	FREPASO	Otros	Partido Justicialista	Unión Cívica Radical	FREPASO	Otros	Partido Justicialista	Unión Cívica Radical	FREPASO	Otros	Partido Justicialista	Unión Cívica Radical	FREPASO	Otros
1997	Jujuy	2	2	2												
	Salta	3		3									1			
	Tucumán	3	2	1	1										1	1
	Total	8	4	1	6	-	-	-	-	-	-	-	-	1	0	1
2003	Jujuy	2	3	1												
	Salta	3	1	3												
	Tucumán	5	1	1	2											
	Total	10	5	1	6	-	-	-	-	-	-	-	-	-	-	-

Test for independence of voting across parties in 1997

$$\chi^2_{(-)} = 2.928 \quad \text{simulated p-value} = 0.4683$$

Fisher Exact Test p-value 0.4565

Sources: Exp. 0909-D-97-OD 1799, Actas de votaciones, H.C.D.N. and Exp. 1-S-03, Actas de votaciones, H.C.D.N.

The legislative-executive conflict over sugar re-erupted in 2000 when 17 deputies representing five different political blocs introduced legislation indefinitely extending the Sugar Law, which was set to expire at the end of the year. Both chambers of Congress quickly passed the legislation.

This extension placed President de la Rúa in an uncomfortable situation. Shortly after its approval, de la Rúa traveled to the first Summit of South American Presidents in Brazil. Facing strong pressure from both the Brazilian government, de la Rúa promised not to endorse the controversial law despite the risk of spawning a serious domestic conflict (Malamud 2005). Upon returning to Argentina, de la Rúa vetoed the law. However, in order to pacify northwestern legislators, before vetoing the law, he extended protection for five years (Resolution 743/2000). The idea was to maintain protection for domestic producers, while negotiations continued within the framework of Mercosur. President de la Rúa also hoped that his actions would prevent the escalation of retaliatory legislation between the congresses. The sugar industry accepted this compromise, hoping that the strength of their position in the legislature would induce an acceptable formal resolution to the conflict within the structure of Mercosur.

Once the negotiations with Brazil showed no promise of reaching a satisfactory conclusion, the Argentine Congress took-up the issue again. On November 28, 2002, the Congress passed Law No. 25,715 and extended the protection of the sugar industry indefinitely. Following his predecessors, President Duhalde vetoed the law; and, once again, northwestern legislators flexed their political muscle. Acting as a united front, regardless of party affiliation, they organized an almost unanimous override of President

Duhalde's veto in both chambers of Congress. According to Senator Penchetti de Sierra Morales, the pressure to support the sugar industry was so strong that "legislators who did not want to vote in favor of the law or override the veto due to pressure from President Duhalde simply left the floor of the Congress".¹¹ This strategic absenteeism was the same strategy employed by legislators facing pressure to support Menem's veto (Martinez; Muller).

As shown in Table 1, partisan differences played no role in defining whether deputies from the northwestern provinces supported the sugar industry. In 2003, all of the representatives from Jujuy, Salta and Tucúman, regardless of party affiliation, voted in favor of the override of Duhalde's veto.

The united activity of legislators from the northwest reveals that party affiliation played no role in their concern for the sugar industry. The initial mobilization in support of sugar producers came from politicians seeking to protect the economic interests of their province regardless of the position taken by their national party leadership or their political affiliation. Partisanship may play a significant role in shaping the debate around general policy issues, but politicians willingly acknowledge that the interests of their constituents take precedence and that these interests often cut across party lines.

The ability of the legislators from three of Argentina's smallest provinces to successfully protect a relatively unimportant industry within the national economy despite direct opposition from the executive branch highlights the need to understand the factors motivating legislators and the relationship between legislators, their national party, their provinces, and legislators from other provinces. The capacity of these legislators to pass and sustain the Sugar Law also raises two important questions about

the policymaking process in Argentina. First, what motivates legislators to protect industries of little national importance? Second, how did twenty-two deputies and nine senators achieve a two-thirds majority in both chambers of congress, when protecting sugar did not directly benefit the constituents of most members of Congress?

The answer to these questions is simple: above all else, legislators are loyal to provincial interests. Not only does this loyalty cause legislators to break with their national party, it allows for provincially based logrolling and the formation of coalitions tailored towards the protection of territorial interests. The exchange of support among legislators from different provinces with specialized economies, regardless of their party affiliation, allows provincial representatives to credibly threaten to disrupt the legislative agenda of national party leaders and insert provincial economic interests into national policymaking.

The Political Logic of Protecting Provincial Interests

Legislators, like other politicians, generally seek to stay in power and advance their political careers. Although they may not necessarily seek re-election, Argentine legislators must be sensitive to interests within the province they represent (Micozzi 2009, 2013). This sensitivity, in part, stems from being elected by a specific geographic constituency. Deputy Acenolaza explained that “when one is a deputy, you are a deputy for the province, you represent provincial interests and as a consequence, although you are part of a national political party, you have to attend to the interests of the province” (Acenolaza). Defending subnational interests also has a clear political logic for a politician seeking reelection; according to Senator Jeneffes, “the senator or deputy that

does not attend to the interests of his province and blindly pursues other interests or the policies of his [national] party will not have his mandate renewed...it is simply political reality that anyone elected by the popular vote defends economic interests of importance to their province.”

Even if a representative does not seek reelection, the standing of his party at all levels of government and, therefore, the likelihood of other career opportunities within politics depends on the relationship of the party with voters within specific geographic constituencies. Although voters may have a short-term memory, political opponents and party bosses rarely do, which means that supporting policies to the detriment of voters within their “home” province should significantly reduce the possibility of winning a future election or securing a position within the provincial government. The relative stability of provincial political bosses also reduces the potential benefits of exchanges between the legislators and national officials, since it is unlikely that provincial bosses, who often control access to the ballot box, would support the candidacy of a politician that “sold-out” her province. A legislator might be willing to ignore the important interests within their province in exchange for a position within the executive branch, but this strategy is neither available nor viable over the long-run for most legislators.

Ignoring the needs of sugar producers would have been politically costly for most northwestern politicians. In Jujuy, the maintenance of sugar production remains a critical political issue at all levels of government because of its employment roles. The political influence of sugar stems from local party leaders, local politicians, the provincial government, and individual voters who clearly know the importance of sugar production within the provincial economy and for themselves (Felner; Paz; Tobchi). According to

Senator Lopez Aires, legislators from the northwest defend the industry because of the political implications within their provinces. For these representatives, protecting their province's economy protects their own political survival. Defending sugar producers was not a partisan issue; it was a provincial issue that united all politicians "because all politicians depend on the goodwill of their province" (Jumberg). Accordingly, no northwestern representative, regardless of their political affiliation, could have returned from Buenos Aires to tell voters that they simply allowed the central government to sacrifice the interests of their province (Álvarez García). Whether or not a politician believed that protectionism was justified was irrelevant; if protection were eliminated, those politicians that failed to defend the industry could not have survived the political repercussions (Lopez).

The implications of a failure to protect an industry go beyond lost production and jobs. The willingness of legislators to permit the destruction of an industry in order to advance national partisan interests would raise the question of whether those politicians would willingly sacrifice other local interests in the name of the "public good," partisan politics, or the national agenda of the President (Lopez; Paz). For local business interests and voters, actions speak louder than words and it is unlikely that they would continue to support politicians or a political party that willingly and openly sacrifices the wellbeing of a local industry for some broader policy agenda (Tobchi). If politicians and their parties willingly sacrifice a relatively important industry like sugar because of partisan politics, all industries and voters would have to assume that their interests would be left unprotected, and that is a "recipe for electoral defeat" for legislators and their parties (Lopez). According to Deputy Álvarez García, political survival depends on taking care

of local interests; he explains that “when the interests of your province are at jeopardy you cannot ignore them in order to follow the policies of your party; the roots of your career are in the province. This is not the case for [just] Radicals or Peronists,¹² it is the truth for any legislator.”

The tendency of Argentine legislators from the same party to vote together should not be mistaken for a lack of concern for subnational interests. Legislators generally agree with the policies advanced by their party, otherwise they would seek out another party. Voting with the party usually does not cause them to deviate significantly from the policies that they would have advanced independently. This is because most legislation lacks the clearly differentiated implications for geographic constituencies that liberalizing sugar imports would have had and place no strain between national and subnational interests. Policies associated with money supply, education, telecommunications, labor laws, etc. rarely affect different geographic constituencies in significantly different ways. For this reason, subnational interests may not seem to dominate a legislators’ policy position. However, monolithic unity has never existed within any of Argentina’s political parties, especially when dealing with regional or provincial issues (Álvarez García; Díaz Lozano; Lopez). When policies significantly impact a province, the impact extends itself into the Congress, “where legislators represent the interest of the province...regardless of their party affiliation. [W]hen there are differences between the policies of the national government and the interest of the province, the deputies intervene and manifest the priorities of the provinces in the national congress, because of this, provincial economies have a reflection in the Chamber of Deputies and in the Senate” (Arcienaga).

On issues of provincial importance, provincial interests successfully compete for

the loyalty of legislators. When a conflict exists between the policies proposed by a legislator's national party and the specific interest of his province, the guidance of provincial political parties and local economic interests determine their position. Horacio Piyo, former Assistant to the President of the Bloque Justicialista in the Chamber of Deputies, clearly explained the importance of provincial interests in the activity of legislators: "If there is conflict surrounding the proposed policy, each deputy will consult their party. This is to say, each deputy, even if they are part of the ruling party, responds to their *provincial party*. ... More than anything, I believe the deputies must find a way to justify their actions in the Congress to their province, in order to demonstrate that they are complying with the public interest as well as the interest of the party, of their *provincial party*. ...[E]ach legislator and each *local party* must defend, enrich, and serve the interests of their constituents. The national party cannot survive, does not exist without the provincial party" [italics added] (Piyo).

It has long been known that parties may be highly unified along one set of issues and fragmented along another (Poole and Rosenthal 1985). This does not mean that a "national party" does not exist. Nor does it mean that Argentine parties lack cohesiveness and discipline. Rather, it simply means that legislators often have to take care of their territorial interests. For most representatives' local interests supersede the agenda of the national party (Álvarez García; Felner; Lopez; San Millan). According to Senator Arias Lopez, "when the issue is important for the provinces that we represent, generally we set aside our party affiliations in order to work together as a single political force and defend the interests of our province. This is exactly what we did in the case of sugar, each time we have had to fight to protect sugar production." Although provincial

interests may not always call upon the loyalty of their representatives, when competition exists between the interests of national party leaders and provincial interests, provincial interests tend to win. Even Deputy Pasquani de Acosta who believes that “Argentina is characterized by an absolute centralism within the government and within the parties,” admits that legislators act as a unified provincial block to protect provincial interests (Pasquani de Acosta).

The internal decision-making process and culture of the political parties also helps explain the ability of subnational interests to break with their party’s national leadership. One of the reasons that so little debate takes place on the floor of the Argentine congress is that party caucuses debate laws while still in committee. Internal debates often take place a month, two months, or even a year before a bill arrives on the floor of Congress. This means that the major debates have already been terminated and positions taken before votes occur on the plenary floor (Acenolaza; Díaz Lozano; Lopez; Piyo). Within the caucus representatives make their positions known and the parties understand that legislators must always take into account the interests of their province before agreeing to support their party’s national agenda (Piyo; Martinez Zuccardi; Lix Klett; Felner; San Millan). A general acceptance exists that “the first responsibility of a legislator is to defend the interests of their province and not policies proposed by the [national] party ... when policies are more general in nature, legislators are expected to conform to the results of the discussion that took place within the [national] party...but they are otherwise free to defend the interests of their province” (Díaz Lozano). Legislators set aside partisan politics when faced with provincial issues (Acenolaza; Cornejo; Gómez; Martinez Zuccardi; San Millan).

Important provincial interests turn national parties into coalitions of provincial parties flying the same flag, but not necessarily acting together. As the interests of representatives from provinces with specialized economies diverge from those representing Argentina's larger provinces the degree of national party cohesion falls. This allows an inter-party coalition to form and challenge the Executive as well as the political clout of Argentina's larger provinces.

Coalition Building Across Provinces

What is important to one group of legislators does not have to be important to another or to the nation as a whole. The legislators from the northwest understand that the sugar industry lacks national importance, which brings us to the question: how could a small group of deputies and senators impose their will on three presidents when protecting sugar did not directly benefit the vast majority of national representatives?

Legislators from the northwest mobilized the political support necessary to protect the sugar industry, including the override of two presidential vetoes, because they had the cooperation of representatives of other provinces with specialized economies. Although Argentina may generally lack the institutional structures to encourage inter-temporal policy agreements among legislators, the protection of important subnational interests, especially key industries for subnational economies, generates clear incentives for provincial delegations to construct inter-temporal agreements to defend uncommon subnational interests. Provincial delegations defend each other's interest because most of Argentina's provinces have high levels of economic specialization (Courel; Lix Klett; Lopez; Martinez Zuccardi). Without cooperation all regional economies would become

subjugated to the interests of the larger and more economically diverse metropolitan economies that dominate the Chamber of Deputies. Representatives of non-sugar producing provinces supported the northwestern provinces because the defense of their interests has always and will always depend on the support of northwestern legislators (Álvarez García; Díaz Lozano; Jeneffes; Lix Klett; Lopez; Martinez Zuccardi; Topa). Other legislators know the importance of sugar to the northwestern economies, just as they know the importance of viticulture and mining to Mendoza, San Juan, and Salta, or of energy policies to the Patagonian provinces. They also know that “if they abandon a region, the consequence would be that others would abandon theirs” (Lix Klett). This generates an *quid pro quo* between legislators of different province, regardless of when they were elected, in defense of the provincial interests (Lix Klett; Lopez; Jumberg).

According to Deputy Raul Topa, when dealing with issues important to provincial economies, cooperation among legislators is almost never limited to those with the same specific interests. Legislators from one province back the interests of others, because the defense of their own economy requires the support of others; “if it were not for this cooperation, they would always be discriminated against by the larger economies within the Chamber of Deputies” (Topa). Senator Jeneffes repeated this view, stating that “all of the regional economies unite to defend each other’s production. The representatives of the northwest defend the regional products of Mendoza and San Juan, because they know that Mendoza and San Juan will protect the regional economy of their province. ... This cooperation is not new; it has always existed in Argentina” (Jeneffes). For this reason a great deal of informal inter-provincial communication has traditionally existed in the Congress in order to ensure that legislators from the smaller provinces were kept aware of

each other's interests and the activities of the central government (Álvarez García; Felner; Gómez; Lix Klett; San Millan).

The ability of legislators from diverse provinces to enter into an inter-temporal pact to defend subnational interests also makes sense given the importance of provincial party machines within congress. Jones and Hwang (2005) argue that the success of the majority party in the Argentine Congress depends on the delegation of power to the party leadership by provincial party machines, but that it is the provincial-level party bosses that maintain control over legislators. This means that inter-temporal cooperation among provinces does not depend strictly on the time horizons of individual legislators, but rather on the time horizons of relatively durable provincial party machines, which have clear incentives to defend provincial interests across time.

If inter-temporal cooperation exists among legislators from small provinces, then we would expect deputies from the other non-metropolitan provinces to be more likely to have voted in favor of the Sugar Law than deputies from the metropolitan provinces, independent of their party affiliation. This is the case; Table 2a presents the results of two simple logit models of votes to override Menem's and Duhalde's vetoes.¹³ The first model uses only regional dummy variables to estimate differences in the likelihood of voting in favor of the overrides, while the second model also takes into account party affiliation. Given the difficulty of directly interpreting logit models, the estimated probability of voting in favor of the veto override based the legislator's region and party affiliation are presented in Table 2b. As expected, in all cases, deputies from Jujuy, Salta and Tucumán were far more likely to vote in favor of the overrides. Deputies from non-metropolitan provinces other than Jujuy, Salta and Tucumán were, on average, 15.1%

more likely than their metropolitan counterparts to support the overrides. These results also hold when the party affiliation is taken into account; members of the PJ, UCR and those of other parties representing other non-metropolitan provinces were, on average, 11.2%, 12.1% and 14.7% more likely to vote in favor of the overrides than their metropolitan counterparts. Of course, a simple regression model with regional dummy variables cannot fully capture the causal process behind the voting patterns of legislators from different provinces; however, the results clearly fit the expectation of support among non-metropolitan legislators.

Table 2a

Logit Models of “Yea”[†] Votes for 1997 and 2003 Veto Overrides
(pooled data)

	Model 1	Model 2
Jujuy, Salta, or Tucumán	2.17 (0.611)	2.27 (0.617)
Other non-metropolitan provinces	0.70 (0.206)	0.59 (0.211)
Metropolitan provinces	0.44 (0.126)	-0.16 (0.211)
Member of PJ		0.94 (0.239)
Member of UCR		0.77 (0.270)
Null Deviance	630.99	630.99
Residual Deviance	602.93	586.61
AIC	608.93	596.61
logLikelihood	-301.47	-298.30
n	514	514
Model 2 vs. Model 1		
	$\chi^2_{(2)} 6.32$	p-value = 0.042

Standard errors in parentheses.

[†] “Yea” versus all other non-positive actions (Ney, Abstain, or Absent).

Table 2b

Estimated Probability of Supporting of Veto Override by Region
(1997 and 2003)

	Without conditioning on Party Affiliation (Model 1)	Conditioning on Party Affiliation (Model 2)		
		PJ	UCR	Other Parties
Salta, Jujuy & Tucumán	93.2% (80.8%-97.8%)	95.5% (86.3%-98.6%)	94.7% (83.8%-98.4%)	89.2% (71.3%-96.5%)
Other non- Metropolitan Provinces	75.9% (69.5%-81.2%)	79.9% (73.0%-85.4%)	77.1% (68.1%-84.2%)	60.8% (49.3%-71.1%)
Metropolitan Provinces	60.8% (54.8%-66.6%)	68.7% (60.9%-75.7%)	65.0% (54.9%-73.8%)	46.1% (36.8-55.7%)

Simulated 95% confidence intervals in parentheses.

All estimated probabilities are significantly different from all other column values at the 5% level, based on a t-test of simulated values.

Cooperation among legislators from Argentina's small province makes sense. After all, logrolling is a standard means by which individuals or small groups can advance their interests. However, even if the northwestern provinces secured the support of every non-metropolitan legislator, they would only have the support of a minority of the House of Deputies, far from the two-thirds majority needed to override a presidential veto. Unless national partisan leaders lack any means of controlling their party members in the legislature, Menem and Duhalde should have been able to muster enough support within their own party to block the override of their vetoes and de la Rúa should not have had to extend the Sugar Law before vetoing its extension. Hence, the question of how a

small group of legislators mustered sufficient support to override presidential vetoes still remains.

Overcoming Metropolitan Opposition

The ability of legislators from the northwest to organize a coalition based on protecting the subnational economic interests of Argentina's non-metropolitan provinces cannot fully explain why the sugar industry received protection. Over one-third of Argentina's deputies represent the province and the city of Buenos Aires and another significant portion of deputies represent the relatively industrialized provinces of Cordoba and Santa Fe. Given the weight of these provinces in the Chamber of Deputies, overriding a presidential veto requires the implicit, if not explicit, support of representatives from Argentina's larger provinces and the capital.

For non-Peronist legislators supporting the sugar industry and overriding President Menem's and President Duhalde's vetoes may have had clear political advantages. The economic costs of protecting sugar for their constituents were very low and highly dispersed. Voting for the override would have had little direct electoral impact. However, supporting the veto override gave members of the UCR (and other parties) the opportunity to support their party members from other provinces on an issue of significant importance to them, without significant cost to their broader policy objectives. This allowed Radical legislators from the larger provinces to strengthen their relationship with party members from the northwest (Baylac; Moreau; García Arecha; Neri; Vazquez). Especially for members of the opposition, this type of cross-provincial cooperation is critical if they wish to influence national policy debates (Baylac; Courel).

After Menem's and President Duhalde's vetoes, Peronist legislators from Argentina's metropolitan provinces had to decide whether to support the efforts of their counterparts from the northwest. Faced with a united non-partisan coalition of legislators from the smaller provinces, cooperation with their northwestern counterparts also made strategic sense for metropolitan Peronist legislators. Supporting the override provided the perfect opportunity for logrolling and protecting the unity of their party coalition. Although it is unlikely that any metropolitan legislator would openly admit it, logrolling clear took place. The former president of the Chamber of Deputies, Deputy Alberto Pierri explained the relationship between legislators from different regions as follows: "Being a member of the Partido Justicialista means supporting each other, cooperation is key to our success. The party cannot make a member vote against his conscience, but you are expected to make sacrifices, just as they should for you. That is how legislation is passed. When Deputy Felner came to us with his concerns about the [sugar] industry, we had to take his concerns seriously ...party solidarity depends on each member being treated fairly...He depended on us and we depended on him" (Pierri). Although no *quid-pro-quo* is explicitly identified, it is clear from the statement above that some form of logrolling took place, as it is not politically efficient for representatives to support legislation that is not in their interest without gaining something in return.

It is also interesting to note that Deputy Pierri attributes legislative success with supporting other members of his party and not with supporting a party platform or adherence to the goal of the party's national leadership. This assessment of cooperation between PJ legislators across districts, fits well with the observation that the party blocs of the PJ and UCR acted as coordinating devices, facilitating exchanges among party

members and generating support for the initiatives of fellow members across provinces (Calvo and Leiras 2012).¹⁴ The slight majority held by the PJ during Menem's second term and the fact that the party only held a plurality of seats in 2003 increased the need for coordination among Peronist legislators. Especially in situations where a party only controls a plurality of seats, small groups of legislators can effectively hold broader legislative agendas hostage (Calvo 2011). Hence, in order to advance its broader legislative agenda, the interests of northwestern legislators had to be satisfied.

This cooperation can also be seen in the greater propensity of PJ and of the UCR deputies to vote in favor of the override, compared with deputies of other parties in their regions. To measure the differences in the propensity of legislators from different parties in different regions to support the veto overrides a third logit model has been estimated using dummy variables to identify non-northwestern legislators by party and region (see Table 3a). As can be seen in Table 3b, members of the PJ and UCR from the metropolitan provinces were, on average, 19.4% and 16.1% more likely to support the overrides than members of other parties from the same provinces, while members of the PJ and UCR from Argentina's other non-metropolitan provinces were, on average, 24.1% and 19.5% more likely to support the overrides.¹⁵

Table 3a
Logit Models of “Yea”[†] Votes for 1997 and 2003 Veto Overrides
Conditioning on Partisanship by Region
(pooled data)

	Model 3	
Jujuy, Salta, Tucumán	2.62	(0.598)
Other non-metropolitan provinces	-2.33	(0.689)
Metropolitan provinces	-2.69	(0.638)
Other non-metropolitan provinces		
Member PJ	1.18	(0.419)
Member UCR	0.90	(0.459)
Metropolitan provinces		
Member PJ	0.81	(0.297)
Member UCR	0.68	(0.342)
Null Deviance	630.99	
Residual Deviance	587.17	
AIC	601.17	
logLikelihood	-293.6	
N	514	

Table 3b
Probability of Voting in Support of Veto Override by Region and by Party Affiliation
(1997 and 2003)

Salta, Jujuy and Tucumán (all parties)		Other non- Metropolitan Provinces	Metropolitan Provinces
	UCR	76.7% (64.4% - 85.6%)	64.6% [§] (52.9% - 75.2%)
93.2% (80.8% - 97.8%)	PJ	81.3% (72.9% - 87.4%)	67.5% [§] (58.5% - 75.4%)
	Other Parties	57.2% (40.6% - 72.3%)	48.1% (37.5% - 58.9%)

Simulated 95% confidence intervals in parentheses.

[§]All other estimated probabilities are significantly different from each other at the 5% level, based on a t-test of simulated values.

These findings fit well with the expectations outlined in the introduction. Not only were deputies from non-metropolitan provinces more likely to support the overrides, deputies from the main national parties had a greater propensity to support the override due to their need to coordinate with northwestern legislators and maintain party cohesion. The results also clearly indicate that partisan interests cannot fully explain why non-northwestern deputies supported the sugar industry, though party affiliation seemed to influence how deputies voted, members of the same party had different rates of support across regions. In stead of thinking of the PJ or UCR as single parties, the results suggest, that at a minimum, we can group members of each party into two groups: those from other non-metropolitan provinces and those from metropolitan provinces.

It makes sense that members of Argentina's traditional parties would be more likely to support the overrides given that their party infrastructures facilitate the agreements necessary to overcome the collective action problems associated with exchanges between members across districts. It also makes sense, given their need to protect key industries within their provinces, that legislators and party bosses from non-metropolitan provinces would be more likely than their metropolitan counterparts to support the overrides. However, it is surprising that members of the UCR, as members of the opposition, did not have a higher tendency to support the overrides than members of the PJ. This may stem from the relative under representation of the UCR in the northwestern provinces, limiting the possibilities and benefits of inter-party cross provincial coalition building for members of the UCR. It may also stem from the fact that after 2001, members of the UCR were less likely to build these types of cross-provincial coalitions (Calvo and Leiras 2012).

The desire to maintain party unity played a key role in generating support for the sugar industry among members of the PJ. The leadership of the PJ was clearly concerned about the potential damage to inter-party cooperation that obstructing the overrides could have caused (Camaño). If the party had allowed the sugar industry to fail, it risked not only alienating party members from the northwest, but also alienating voters in these contested provinces (Abasto; Brown). We also need to remember that small groups of legislators can often frustrate the passage of legislation (Baylac; Lopez). For these reasons, party leaders implicitly signaled indifference on the issue, allowing party members to support or not oppose the override, in order to solidify party unity on more contentious issues (Vazquez). This does not mean that national party officials supported the overrides; rather, once it became clear that the overrides had significant support among party members, national party officials accepted the outcome (Lopez; Martinez; Menem; Muller). Former Deputy Carlo Omar Menem indicated that he and other Peronist deputies supported the override of his uncle's veto in order to maintain peace within the party (Menem) and keep a small group of legislators from holding hostage other important legislation in order to secure protection for sugar producers (Arias; Jeneffes).

Especially in the late 1990s and early 2000s, leaders needed peace within their parties to advance their policy agendas. During the legislative periods under investigation, the governing coalition only maintained a slight majority in the Chamber of Deputies in 1997. Otherwise, the governing coalition only had a plurality of seats. This gave legislators from the northwestern provinces significant leverage over their national party leadership and their presidents. For Menem, the northwestern members of the PJ

represented 7% (16%) of this party's seats in the House of Deputies (Senate). Even though the Bloque Justicialista held a majority of seats in both chamber of Congress in 1997, the northwestern members of the PJ, with or without the support of other legislators, were in a position to frustrate Menem's legislative agenda by simply withdrawing their support.

The ability of a small group of legislators to hinder a national legislative agenda plays a key role in the success of the cross-provincial coalitions in the defense of subnational interests. It also highlights what may be an important condition for the success of this type of cross-provincial coalition: a core group of legislators with the means and ability to frustrate the passage of important legislation. It is therefore unlikely that we would see this type of coalition forming and succeeding to protect the interests of a single small province, unless, of course, the votes of its legislators were necessary to pass critical legislation. Successful coalition formation is also less likely when the governing party holds a wide majority in Congress (greater winning coalition certainty) and can afford defections by a number of its legislators on key legislation.

The ability of northwestern legislators to build coalitions with other party members played a key role in both veto overrides. Although provincial interests as well as provincial party delegations played a critical role in establishing support for the overrides and facilitating the inter-temporal agreements needed to obtain the support of legislators from provinces with distinct interests, the importance of party networks should not be undervalued. Without the support of metropolitan party members, it would have been impossible to override the vetoes.

Conclusion

A growing consensus places the foundations of partisan politics within Argentina's provinces; however, it has been unclear how and when provinces can cooperate to protect uncommon interests. Argentina's institutional characteristics, especially its electoral system, clearly provide the conditions for competing principals, but that is only part of the story. When policies pit the interests of many provinces against national interests (e.g. fiscal transfers), we expect subnational interests to influence national policy outcomes. However, the existing literature does not clearly explain why subnational interests would influence national policymaking when only the interests of a few small provinces are at stake.

Examining how and why legislators from Argentina's northwestern provinces protected the region's sugar industry provides a clear illustration of the importance of provincial interests within Argentine politics and the political logic, at the individual level, that ties national representatives to provincial interests. Collective action among small provinces to protect the interests of a few provinces, suggests that when important subnational interests are at stake, inter-temporal cooperation among legislators is more likely than previously thought. Argentine legislators seek to protect provincial interests, especially the health of the provincial economy, because their political survival depends on the support of their specific geographic constituencies.

The interests of a province or a group of provinces seldom wield sufficient political clout to influence national politics. Only through the formation of territorially based coalitions can legislators defend the specific interests of their constituencies. The economic specialization of the majority of Argentina's provinces has generated a

tradition of cooperation among provincial legislative delegations in order to defend the individual interests of each province or region. At the same time, the ability of a small group of legislators to disrupt the legislative of national partisan leaders also plays an important role in advancing the interests of small provinces. The need to maintain peace within their party gives legislators and partisan leaders strong incentives to support key subnational interests of copartisans.

The economic heterogeneity of Argentina's provincial economies plays a key element in the competition between national interests and provincial interests. Competition between national and subnational interests can only emerge when a significant degree of heterogeneity exists across subnational units. As Beramedi (2012) demonstrates, competing principals only become a salient issue in the formation of redistributive fiscal transfers when inequality exists among provinces. Similarly, provincial legislative delegations only take on significant role in policy formation on other issues when they are of importance to a limited number of geographic constituencies. If sugar, tobacco, petroleum, or timber resources had been important to all Argentine provinces, competing principal would not have come into play, because the interests of subnational and national principals would have been aligned. This heterogeneity is not only necessary for differences in interests, it is necessary for the formation of the territorially based coalitions. The case of Argentina's sugar industry is a perfect example of how economic heterogeneity engendered both subnational demands for policy and the political environment that permitted legislators from a few provinces to form a coalition capable of forming national policy on a contested issue. The economic heterogeneity of Argentina's provinces also helps explain the capacity of legislators from

small provinces to form inter-temporal coalitions to defend uncommon interests.

Interviews

Much of the data for this paper comes from over eighty in-depth, open ended interviews conducted in 2004 with politicians and industry representatives. The following is a list of individuals cited in the paper.

National Deputies:

Buenos Aires: Angle Abasto (1993-2011); Carlos Brown (2001-2005); Juan Pablo Baylas (1989-2003, also Sub-Secretary of Communication for President de la Rúa); Eduardo Camaño (1991-2005, President of the Chamber of Deputies 2001-2005); Manuel Martínez (1993-2001); Leopoldo Moreau (1983-1995, 2001-2005); Hilda Muller (1993-2001); Aldo Neri (1987-1991, 2001-2005); Alberto Pierri (1985-2001, 1989-1999); Silvia Vazquez (1993-2001). **Buenos Aires C.F.:** Pedro Calvo (1999-2003). **Jujuy:** Normando Álvarez García (1991-1998); Eduardo Felner (1992-1996); **Salta:** Normando Arcienaga (1987-1991); Arias Lopez (1984-2000). **Tucumán:** Florencio Acenolaza (1991-1995); Carlos Courel (1999-20003); Julio Díaz Lozano (1989-1991, 1995-1995, Vice-Governor of Tucumán 1991-1995); José Ernesto Gómez (1992-1996); Roberto Lix Klett (2000-2004); Manuel Martinez Zuccardi (1995-1998 and former Vice-President of the Economic Federation of Tucumán); Elida Pasquani de Acosta, (1995-1997); Raul Topa (1992-1995, Vice-Governor, Tucumán 1995-1999).

National Senators:

Buenos Aires: Leopoldo Moreau (1995-2001); Hilda Muller (2001-2005). **Buenos Aires C.F.:** José Maria García Arecha (1987-2001); Vilma Ibarra (2001-2007). **Jujuy:** Guillermo Jeneffes, (2001-2005). **Salta:** Arias Lopez (2001-2007); Julio San Millan (1992-1995). **Tucumán:** Delia Penchetti de Sierra Morales (2003-2009).

Governors:

Salta: Hernan Cornejo (1987-1991). **Tucumán:** José Domato (1987-1991).

Other Government Officials:

Hugo García (Director of the Regional Center in Corrientes of the National Institute of Agricultural Technology); Roberto Iburguren (Secretary of International Relations and Foreign Commerce for the Province of Salta); Juan Jumberg (Economic Minister of the Province of Jujuy); Horacio Piyo (Political Assistant to the President of the Bloque Justicialista in the Chamber of Deputies); Hugo Tobchi (Secretary of Regional Integration for Jujuy)

Representatives of the Sugar Industry:

Federico Nicholson (Director Ledesma s.a.a.i.; Director of the Centro Azucarero Regional del Norte Argentino); César Paz (President of the Centro Azucarero Regional de Tucumán); Jorge Zorreguieta (President of the Argentine Sugar Center).

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Notes

¹ Based on Palanza and Sin (2013) the likelihood of three override attempts and two successful overrides is 0.12% with a 95% confidence interval of 0.024%-0.34% (author's calculations based simulated likelihoods).

² Benton (2009) argues that policy authority at the provincial level may allow provincial leaders to defy a President, even during periods of weak federalism (e.g. increasing provincial level spending while supporting national level austerity), but make no allusion to their ability to influence national level policymaking. Benton argues that weak federalism came to an end during Menem's second term, "demonstrating how growing economic troubles encourage provincial opposition" (667). While it is possible that weak federalism had come to an end by August 1997, despite significant economic growth, stable inflation, and falling unemployment, strong federalism on its own cannot explain overrides of presidential vetoes.

³ Other examples include the Special Fund for Tobacco, Ley de Bosques Nativos, Ley de Federalización de Hidrocarburos, as well as export licenses for agricultural products.

⁴ See Molinelli et. al. (1999).

⁵ The metropolitan "provinces" include the Autonomous City of Buenos Aires and the provinces of Buenos Aires, Córdoba, and Santa Fe. Mendoza has been excluded because its economy is highly vulnerable to sector specific legislation.

⁶ These are all standard all standard explanations for trade protections within the literature on endogenous trade formation.

⁷ Author's calculation based on Ministry of Economy and Production. 2006. *Estimaciones Agrícolas - Cultivos Industriales, Secretario de Agricultura, Ganadería, Pesca y Alimentos* and Ministry of Economy and Production. 1994. *1993 Economic Census* Buenos Aires, Argentina. Values take into account sugar production and refining.

⁸ Deputies Díaz Lozano, Topa, and Felner confirmed their attendance at this meeting.

⁹ A table with votes by party and province is available in the web appendix for this paper (<http://XXXXXXXXXX/>).

¹⁰ Only Deputy Arnaldo Estrada (PJ – Salta) did not attend the vote due to his opposition to the legislation. Deputy Rafael Bulacio (Republicano Democrático – Tucumán), missed the vote due to an illness in the family (Díaz Lozano) and Deputy Manuel Martínez Zuccardi (FREPASO – Tucumán), one of the original signatories of the bill, missed the vote due to a personal matter at home (Martínez Zuccardi).

¹¹ For further discussion of why legislators did not vote against the overrides, which resulted in an unanimous override of President Menem's veto and an almost unanimous override of President Duhalde's veto, see the paper's web appendix.

¹² Members of the Unión Cívica Radical party are called Radicals and members of the Partido Justicialista are known as Peronists.

¹³ A full description of the model, the results, and diagnostic graphics as well as the results and diagnostics of other model specifications are available in the paper's web appendix.

¹⁴ Calvo and Leiras argue that this only applies to the UCR between 1991 and 2001.

¹⁵ These results also hold for other groupings of provinces (e.g. Pampean vs. Interior).