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‘Public good or public ‘bad’? Indigenous institutions, nation-building, and the demand for road infrastructure in Mexico’

Large-scale infrastructure projects are understood to be a significant threat to the survival of Indigenous people's culture and existence. According to the 2018 United Nations large-scale infrastructure projects tend to be rejected by Indigenous groups, but less clear is which groups are better able to achieve it, and what mechanisms explain this issue.

This paper investigates which Indigenous groups are better able to reject public "megaprojects" using a quasi-experimental setting from post revolutionary Mexico. In the aftermath of the Mexican Revolution (1920s-1950s), the first large-scale public road programme emerged and was used as a tool for nation-building. In the words of Waters (2006), roads in post-revolutionary Mexico meant both *"a change in individual identities...[by broadening] the process of Mexicanidad"* and a way for individuals to *"come into more direct contact with market forces and institutions of the state"*. Therefore, roads represented both a public good that could bring economic development and a public "bad" that threaten to the ethnic identity and local practices of the Indigenous population.

Our study setting provides two main advantages. First, since the new state aimed to forge a national identity by reaching all layers of society, road provision did not discriminate among the Indigenous and non-Indigenous populations. Second, prior colonisation, Indigenous groups in Mexico varied greatly in terms of political structures and institutional complexity: from more politically centralised systems administered by the Aztec Empire, to numerous dispersed nomadic groups with no political organisation beyond the village level. Because Europeans lacked the capacity to rule over thousands of villages and cities, existing systems of governance persisted in the form of collective ways of organisation at the local level. We exploit these two unique sources of variation to investigate which Indigenous groups in Mexico were better able to reject road infrastructure.

To examine this issue, we combine newly digitised and georeferenced municipality-level data on road infrastructure with detailed Indigenous ethnicity data from the early 20th century. Our main empirical strategy uses a difference-in-differences approach which compares differences in road infrastructure between municipalities with different levels of Indigenous institutions, before and after the road programme began (1925). We find that municipalities with Indigenous people who descend from centralised societies in pre-colonial times saw a lower expansion of roads than fragmented municipalities. Our results are robust to different tests.

We propose two potential mechanisms that explain our results. The first mechanism states that due to the persistence of cultural attitudes for collective actions, centralised Indigenous groups are better able to coordinate themselves, thus allowing them to achieve their political demands. We provide evidence for this mechanism using an important land restoration policy from early 20th century, in which 16 million hectares of ancestral land were redistributed to the Indigenous population. The second mechanism states that municipalities with centralised Indigenous people have a larger preference for self-determination and consequently a lower preference for road infrastructure. To provide evidence for this mechanism, we use survey data on individuals' preferences for Indigenous identity drawn from the "National Survey on Discrimination" of Mexico.