

**Zeppelin University**

Department Public Management and Governance

- Master Thesis -

**The Shadow Governors of Mexico**

- A Comparative Analysis of Mexican Market Actors -

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## **Abstract**

Certain Mexican regions struggle with low levels of social services and law enforcement. Legal as well as illegal market actors have started to assume these tasks as the government is incapable of providing them. Guy Peters identified this phenomenon and named it the shadow of the market. Yet, the consequences for the affected government are not specified.

The presented paper explores this gap. Two case studies serve to analyze the shadow of the market for the Mexican government. The first case analyzes a German car parts maker operating in Mexico. The second case examines two Mexican drug cartels.

Using the concept of sociological institutionalism, the motivations of the market actors are analyzed. The author finds two different shadow scenarios; one with the outcome of a functional and coexisting shadow, the other one resulting in a shadow that undermines and challenges the government.

**Keywords:** sociological institutionalism, Mexico, governing in the shadows, shadow of the market, legitimacy, limited statehood