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THE CONTRIBUTORS

LUIGI MANZETTI is an associate professor of political science at Southern Methodist University. He specializes in corruption, economic integration, privatization, and regulatory policy in Latin America. He is the author of *The IMF and Economic Stabilization* (1991), *Political Forces in Argentina* (with Peter G. Snow) (1993), *Institutions, Parties and Coalitions in Argentine Politics* (1993), *Privatization South American Style* (1999), and the editor of *Regulatory Policy in Latin America: Post-Privatization Realities* (2002). He is currently working on a project assessing the impact of corruption on the privatization process carried out in several emerging markets in the 1990s.

STEPHANIE R. GOLOB is an assistant professor of political science at Baruch College, City University of New York. She is the author of articles and chapters on North American integration, Mexican economic policy reform, Canada-U.S. security cooperation, and the Pinochet case. She is currently pursuing two research projects on sovereignty in the Western Hemisphere—the first on regional economic integration and the development of North America beyond NAFTA and the second on the international flow of ideas regarding “rule of law” and its impact on democratization in Chile and Mexico.

LEONARD WANTCHEKON is an associate professor of politics and economics and a member of the faculty of Africana Studies at New York University. He is the author of articles on democratization and civil wars, the resource curse, and formal modeling of electoral competition. He is completing a book entitled, “Democracy as a Result of Civil War.”

ANDY BAKER is an assistant professor of political science at the University of Houston. He has published a number of articles and is currently working with coauthors on a book about mass politics and voting behavior in Brazil’s 2002 elections.

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ABSTRACTS

POLITICAL MANIPULATIONS AND MARKET REFORMS FAILURES

By LUIGI MANZETTI

Economists have recently underscored that the failure of market reforms in producing sustained growth in emerging markets is the result of poor advice from the International Monetary Fund, as well as of erroneous macroeconomic policies of domestic decision makers. This article proposes a complementary hypothesis. If market reforms are enacted in a political system with weak accountability institutions, then one should expect the executive to manipulate such reforms in pursuit of such old-fashioned practices as collusion between government and business, political patronage, and corruption. This, in turn, ends up depriving a given economy of potential advantages that could have accrued had the reforms promoted true competition rather than reallocating monopolistic rents and squandering a large amount of resources.

BEYOND THE POLICY FRONTIER

CANADA, MEXICO, AND THE IDEOLOGICAL ORIGINS OF NAFTA

By STEPHANIE R. GOLOB

Why are certain foreign policy options considered taboo or simply kept off the agenda as necessarily unthinkable or self-destructive? And under what conditions can governments transcend such “policy frontiers”? This article seeks to answer these questions by examining the circumstances that brought about Canada’s and Mexico’s entry into the North American Free Trade Agreement (NAFTA)—a move that constituted a surprising reversal of historic prohibitions on formalizing bilateral economic integration that had long been entrenched in these two nations’ foreign policies. Policy frontiers develop as certain elements of the “national interest”—sovereignty, security, and identity—become equated with the legitimation of state elites. When these leaders defend the policy frontier (ostensibly to defend the nation), they are also defending their own political power. These barriers are constructed in a path-dependent fashion, through a critical juncture that first establishes the frontier, and then are maintained over time by institutional and ideological mechanisms of reproduction. For the frontier to be transcended, a critical juncture combining an exogenous shock with an internal legitimacy crisis must undermine, and then reconfigure, both mechanisms of reproduction. The origins of NAFTA in the Canadian and Mexican embrace of the once-forbidden bilateral free-trade option in 1985 and 1990, respectively, illustrate this dynamic, while the individual cases offer variations on the policy frontier model that can provide insights into the analysis of other cases of historically resisted foreign policy change.

CLIENTELISM AND VOTING BEHAVIOR

EVIDENCE FROM A FIELD EXPERIMENT IN BENIN

By LEONARD WANTCHEKON

The author conducted a field experiment in Benin to investigate the impact of clientelism on voting behavior. In collaboration with four political parties involved in the 2001 presidential elections, clientelist and broad public policy platforms were designed and run in twenty randomly selected villages of an average of 756 registered voters. Using the survey data collected after the elections, the author estimated the effect of each type of message by comparing voting behavior in the villages exposed to clientelism or public policy messages (treatment groups) with voting behavior in the other villages (control groups). The author found that clientelist messages have positive and significant effect in all regions and for all types of candidates. The author also found that public policy messages have a positive and significant effect in the South but a negative and significant effect in the North. In addition, public policy messages seem to hurt incumbents as well as regional candidates. Finally, the evidence indicates that female voters tend to have stronger preference for public policy platforms than male voters.

WHY IS TRADE REFORM SO POPULAR IN LATIN AMERICA?

A CONSUMPTION-BASED THEORY OF TRADE POLICY PREFERENCES

By ANDY BAKER

Despite wavy national economies and a perception among observers that economic globalization is growing increasingly unpopular, aggregate support for free trade remains quite high across Latin America. This finding is robust to the wording of survey questions and has been quite resilient through time, even in the face of economic stagnation. Current theories of trade preferences, including the widely applied Heckscher-Ohlin model, do not explain this trend. Instead, the author proposes a theory of trade preferences based not on what citizens produce but on what they consume. Statistical analyses of different surveys, including one conducted in fourteen Latin American countries, demonstrate that a consumption-based approach best accounts for trade preferences across individuals and countries. Moreover, the theory provides an explanation for the overall popularity of free trade in Latin America: citizens recognize and appreciate the lower price, increased variety, and higher quality of goods that have come in the wake of trade liberalization.