

#### Federalism and the Market

Intergovernmental Conflict and Economic Reform in the Developing World

This research develops a new comparative model of intergovernmental bargaining to account for variation in the capacity of federations in the developing world to undertake economic policy reform. The book suggests that many market reform policies are a function of a constant process of bargaining between national and regional leaders struggling for political survival. As the degree of national-regional disagreement mounts, collective action on reforms that require implementation at multiple levels of government becomes more difficult. The degree to which the two sets of actors conflict depends on four factors: the electoral interests that each brings to the game, a shared intergovernmental fiscal system, the manner in which regional interests are represented in national policy making, and the levers of partisan influence national leaders have over subnational politicians. In testing the argument with a combination of cross-sectional time-series and case study analysis, this book contributes to the broad literatures on development and the comparative political economy of federalism and decentralization.

Erik Wibbels is an associate professor of political science at the University of Washington. His research interests include market transitions, particularly in Latin America, and the political economy of federalism. His recent work has appeared in *American Political Science Review*, *American Journal of Political Science, International Organization, World Politics, Comparative Political Studies*, and *Studies in Comparative International Development*. He is currently working on two book projects – one on the comparative historical foundations of federal constitutions and the other on the relationship between the global economy and redistributive politics in the developing world.



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