# Public Support for Market Reforms in New Democracies

Do people in new democracies that are undergoing market reforms turn against these reforms when the economic adjustment is painful? The conventional wisdom is that they do. According to economic voting models, citizens punish elected governments for bad economic performance. The contributors to this collection, in contrast, begin with the insight that citizens in new democracies may have good reasons to depart from the predictions of economic voting. If they believe the prediction that, with the transition to a market economy, economic conditions must deteriorate before they improve, they may interpret short-term deterioration as a signal that the transition is on course and things will improve in the future. If they perceive that not the government but forces from the past are responsible for economic deterioration, they may exonerate the government. With similar datasets from three new democracies in Europe (Spain, the former East Germany, and Poland) and three in Latin America (Mexico, Peru, and Argentina), the authors probe citizens' calculus of support for governments and economic reforms under changing economic conditions.

Susan C. Stokes is Professor of Political Science at the University of Chicago and Director of the Chicago Center on Democracy. Professor Stokes is the author of *Cultures in Conflict: Social Movements and the State in Peru* and *Mandates and Democracy: Neoliberalism by Surprise in Latin America* (2001, Cambridge University Press) and coeditor of *Democracy, Accountability, and Representation* (1999, Cambridge University Press). She has published articles in scholarly journals in the United States, Latin America, and Europe.

## Cambridge Studies in Comparative Politics

General Editor

Margaret Levi University of Washington, Seattle

Associate Editors

Robert H. Bates Harvard University Peter Hall Harvard University Stephen Hanson University of Washington, Seattle Peter Lange Duke University Helen Milner Columbia University Frances Rosenbluth, Yale University Susan Stokes University of Chicago Sidney Tarrow Cornell University

### Other Books in the Series

Stefano Bartolini, The Political Mobilization of the European Left, 1860–1980: The Class Cleavage Carles Boix, Political Parties, Growth and Equality: Conservative and Social Democratic Economic Strategies in the World Economy Catherine Boone, Merchant Capital and the Roots of State Power in Senegal, 1930-1985 Michael Bratton and Nicolas van de Walle, Democratic Experiments in Africa: Regime Transitions in Comparative Perspective Valerie Bunce, Leaving Socialism and Leaving the State: The End of Yugoslavia, the Soviet Union and Czechoslovakia Ruth Berins Collier, Paths Toward Democracy: The Working Class and Elites in Western Europe and South America Donatella della Porta, Ŝocial Movements, Political Violence, and the State Gerald Easter, Reconstructing the State: Personal Networks and Elite Identity Roberto Franzosi, The Puzzle of Strikes: Class and State Strategies in Postwar Italy Geoffrey Garrett, Partisan Politics in the Global Economy Miriam Golden, Heroic Defeats: The Politics of Job Loss

Frances Hagopian, Traditional Politics and Regime Change in Brazil

J. Rogers Hollingsworth and Robert Boyer, eds., Contemporary Capitalism: The Embeddedness of Institutions

Ellen Immergut, Health Politics: Interests and Institutions in Western Europe

List continues on page following the Index.

# Public Support for Market Reforms in New Democracies

Edited by SUSAN C. STOKES University of Chicago



### **CAMBRIDGE** UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314-321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi - 110025, India

103 Penang Road, #05-06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org Information on this title: www.cambridge.org/9780521663397

© Cambridge University Press 2001

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2001

A catalogue record for this publication is available from the British Library

Library of Congress Cataloging in Publication data

Public support for market reforms in new democracies / edited by Susan C. Stokes. p. cm. – (Cambridge studies in comparative politics)

Includes bibliographical references and index.

ISBN 0-521-66339-3 – ISBN 0-521-66341-5 (pbk.)

Economic policy – Citizen participation – Case studies.
 Democracy – Case studies.
 Latin America – Economic policy – Citizen participation – Case studies.
 Germany – Economic policy – 1990 – Citizen participation.
 Poland – Economic policy – 1990 – Citizen participation.
 Spain – Economic policy – Citizen participation.
 Stokes, Susan Carol. II. Series.
 HD87.P833 2001
 S8.9 – dc21

00-065150

#### ISBN 978-0-521-66339-7 Hardback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

# Contents

List of Contributors	<i>page</i> ix
1 INTRODUCTION: PUBLIC OPINION OF MARKET REFORMS: A FRAMEWORK Susan C. Stokes	1
Part I: Europe	
2 POLITICAL REACTIONS TO THE ECONOMY: THE SPANISH EXPERIENCE José María Maravall and Adam Przeworski	35
3 THE ECONOMY AND PUBLIC OPINION IN EAST GERMANY AFTER THE WALL Christopher J. Anderson and Yuliya V. Tverdova	77
4 PUBLIC SUPPORT FOR ECONOMIC REFORMS IN POLAND Adam Przeworski	103
Part II: Latin America	
<ul> <li>5 ECONOMIC REFORMS AND POLITICAL SUPPORT IN MEXICO, 1988–1997</li> <li>Jorge Buendía Laredo</li> </ul>	131
6 ECONOMIC REFORM AND PUBLIC OPINION IN FUJIMORI'S PERU Susan C. Stokes	160
	vii

#### Contents

# 7 PUBLIC OPINION, PRESIDENTIAL POPULARITY, AND ECONOMIC REFORM IN ARGENTINA, 1989–1996 187 Fabián Echegaray and Carlos Elordi

Index

215

viii

# **Contributors**

Christopher J. Anderson Department of Political Science State University of New York at Binghamton Binghamton, New York USA Fabián Echegaray Department of Psychology Federal University of Florianopolis Santa Catarina, Brazil

Carlos Elordi Department of Political Science University of Connecticut Storrs, Connecticut USA

Jorge Buendía Laredo Department of Political Science Centro de Investigación y Docencia Económica Mexico City, Mexico José María Maravall Juan March Institute Madrid, Spain

Adam Przeworski Department of Politics New York University New York, New York USA

Susan C. Stokes Department of Political Science University of Chicago Chicago, Illinois USA

Yuliya V. Tverdova Department of Political Science State University of New York at Binghamton Binghamton, New York USA