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978-0-521-76312-7 - Models of Economic Liberalization: Business, Workers, and Compensation in Latin America, Spain and Portugal

Sebastián Etchemendy

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Models of Economic Liberalization

Business, Workers, and Compensation in Latin America, Spain, and Portugal

This book provides the first general theory, grounded in comparative historical analysis, that aims to explain the variation in the models of economic liberalization across Ibero-America (Latin America, Spain, and Portugal) in the last quarter of the twentieth century and the legacies they produced for the current organization of the political economies. Although the macroeconomics of effective market adjustment evolved in a similar way, the patterns of compensation delivered by neoliberal governments, and the type of actors in business and the working class that benefited from them, were remarkably different. Based on the policymaking styles and the compensatory measures employed to make market transitions politically viable, the book distinguishes three alternative models: Statist, Corporatist, and Market. Sebastián Etchemendy argues that the most decisive factors that shape adjustment paths are the type of regime and the economic and organizational power with which business and labor emerged from the inward-oriented model. The analysis stretches from the origins of state, business, and labor industrial actors in the 1930s and 1940s to the politics of compensation under neoliberalism across the Ibero-American world, including extensive fieldwork material on Spain, Argentina, and Chile.

Sebastián Etchemendy is Assistant Professor in the Department of Political Science and International Studies, Torcuato Di Tella University, Argentina. He holds a B.A. from the University of Buenos Aires and a Ph.D. in Political Science from the University of California, Berkeley. He has published in the journals *Comparative Politics*, *Comparative Political Studies*, *Politics and Society*, and *Desarrollo Económico*, as well as in edited volumes on Argentine and Latin American politics. He won the Fulbright Fellowship for graduate studies in the United States and the Social Science Research Council (SSRC) Dissertation Fellowship. His dissertation, on which this book is based, was nominated by the Department of Political Science at Berkeley for the Almond Prize for Best Dissertation at the American Political Science Association. In 2007, he served as Visiting Assistant Professor in the Department of Political Science at Stanford University. In 2010 and 2011, he worked as adviser to the Minister of Labor of Argentina.

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Advance Praise for *Models of Economic Liberalization*

“Sebastián Etchemendy’s new book, *Models of Economic Liberalization*, lays to rest conventional and overly general explanations of the ways in which market-based economic reforms are undertaken. The approach Etchemendy takes recognizes that structural economic reform is very much an act of political construction, and that the same general goals can be undertaken in very different ways, based on alternative political constituencies. In an analysis that conjointly treats the politics of state-business and state-labor relations in three distinct (and distinctive) pathways to reform – in Spain, Argentina, and Chile – he provides a masterful treatment that focuses on the ‘compensations,’ the packages of winners and losers created in different trajectories of reform, that were part and parcel of liberalization. The result is a study that gets the politics right but also sets the interest-group groundwork for what will take place after liberalization is complete.”

– Marcus Kurtz, The Ohio State University

“*Models of Economic Liberalization* provides an original theoretical framework for understanding sectoral and cross-national variation in the political compensation of economic actors during economic liberalization. Sebastián Etchemendy shows that the mix of policies by which labor and business groups have been compensated can be explained by differences in political regimes and by variation in the political organization of economic interests during the period of import-substitution industrialization. The innovative research design that contrasts sectoral adjustment across southern Europe and Latin America allows this study to open up a new dialogue with studies of economic reform in advanced industrialized countries, such as the varieties of capitalism perspective.”

– Isabela Mares, Columbia University

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SEBASTIÁN ETCHEMENDY

Torcuato Di Tella University, Argentina



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To my parents, for all the books

To my cousin Raúl Adolfo, for that sunny morning

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