Mandate and the Market

Policy Outcomes under the Left in Latin America

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In the late 1980s and early 1990s, Latin American governments of nearly all political stripes turned away from statist policies and moved toward market-oriented reforms. By the late 1990s and into the 2000s, Latin American countries saw a wave of leftist governments enter office.[1] The common wisdom suggested that based on the left's history of populism in Latin America, countries in the region would witness a break with market reforms. However, policy outcomes have varied widely in Latin America, with some leftist leaders increasing the state's role in the economy, while others continue and even intensify market reforms.

Political economy scholarship has presented several explanations for the varying policy outcomes. Some contend that party institutionalization matters, as high institutionalization facilitates interparty and interbranch cooperation, lessening the chance for presidents to change policies away from the status quo.[2] Others offer a path dependent explanation, maintaining that whether the left was a part of government in the 1990s that implemented austerity measures determines the type of leftist government elected in the 2000s.[3] Alternatively, pluralist arguments suggest the power of business groups relative to labor, with the increasing role of business affecting the greater likelihood for market reforms.[4] Still others document the effects of natural resource endowments for promoting more statist policies, as resource wealth gives politicians added policy discretion.[5]

Building on the American politics literature on political mandates, supplemented by interviews conducted with Latin American policymakers and empirical work, I argue that whether leftist presidents implement more statist policies depends on their margin of electoral victory combined with whether the president's party holds a majority of seats in the legislature.[6] As much American politics research shows, presidents that win elections by landslides are better able to claim mandates from the voters relative to presidents that win by close margins.[7] However, the capacity of presidents to convert massive victories into policy changes, and arguably truly possessing a mandate, also requires legislative backing. Control of the legislature by the president's party provides executives with greater confidence of policy passage in the legislature,[8] a point similarly noted in Latin American research.[9] Moreover, an electoral victory that results in a clean sweep by one party also transmits a clear ideological signal from the electorate, providing the executive with increased likelihood of success in modifying policy course.[10] Although there is no guarantee that leftist executives will seek to initiate policies away from the market, given that the left generally supports greater social reforms to address economic inequalities caused, in part, by market policies, it is expected that leftist executives who hold mandates have a higher probability to back away from market policies relative to leftist presidents without mandates.[11]

Theories on Policy Outcomes under Leftist Governments in Latin America

During the economic roller coaster of the past two decades, many Latin American countries have witnessed the return of leftist executives into office. The wave of leftists to power has brought an array of policies where the performance of the preceding government appeared to have little effect on policy outcomes. Leftist leaders in Argentina and Venezuela, for instance, arrived during challenging economic times and moved toward less market-friendly policies, while in Brazil, Uruguay, and El Salvador, the leaders entered government under less than ideal economic circumstances and yet sustained and in some cases even intensified market policies. By contrast, leftist presidents in Bolivia and Ecuador took power during fairly promising economic periods as did leaders in Chile,[12] Nicaragua, Paraguay, and Peru, yet the former initiated policies that tended to increase the state's role while the latter generally supported the status quo or enhanced market-oriented policies.

Policy variations by leftist governments in Latin America reflect a puzzle in the political economy literature and several theories have been proffered to help solve it. The main theories fit into four broad categories: 1) political parties and institutionalization;[13] 2) path dependency; 3) interest groups; and 4) natural resources.

Much scholarly research has investigated the influence of political parties and party institutionalization to understand policy differences among leftist governments. Some argue that countries with a predictable, structured political process and high political legitimacy associated with institutionalized party systems are more likely to maintain the market status quo for two reasons.[14] First, institutionalized parties foster political candidates who have a stake in the system and are unlikely to undertake drastic policy changes, as may happen in disjointed party systems that give rise to political outsiders. Second, institutionalized systems provide parties with opportunities to influence executive policies through interparty and interbranch cooperation, constraining executives from initiating sweeping policy changes.

Other scholars present a path dependent explanation, arguing that in countries where traditional left or center-left parties introduced austerity measures in the 1990s, party system dealignment occurred, leading disenchanted voters to embrace new, interventionist leftist governments in the 2000s.[15] By contrast, in countries where traditional left parties rejected austerity policies of the 1990s, such parties who took office in the 2000s were able to maintain party alignment with traditional left voters and also add centrists by retaining some popular elements of the market model.

Alternatively, other studies consider the role of interest groups in influencing policy. The past few decades have seen a revitalization of primary product producers and firms geared to the world market.[16] At the same time, labor groups and organizations, many of which oppose market policies, are shadows of their former selves.[17] Given the change in interest group forces, some argue that economic reform rests on lobbying by powerful export interests, and politicians are receptive to such groups because of their needs for job creation and campaign contributions.[18]

Lastly, others claim that natural resource endowments affect whether countries promote more statist policies. The expectation is that revenues from natural resources increase the leader's policy freedom.[19] The ample monies from natural resource exports do not guarantee that the country will follow one policy course over another, but the authors suggest that resource-rich leftist governments enjoy greater financial flexibility and are more inclined to take statist policy initiatives relative to countries bereft of such resources.

The theories presented so far, although helpful for understanding policy outcomes under leftist governments, as we will learn, cannot wholly account for differences in policies. I propose that a political mandate, whereby a combination of a president winning a landslide election and the president's party holding a majority of seats in the legislature, helps to explain whether a leftist government supports market reforms or if it moves away from the market.[20]

Before developing the political mandate theory, I assume that leftist executives generally favor less market-oriented reforms. As others note,[21] with the exception of trade opening, left-wing voters are more likely to oppose market reforms and leftist executives thus are expected to have a higher probability to back away from market policies. I propose that the probability that leftist governments install statist policies increases when governments hold a political mandate.

Scholars in American politics have long conducted research on political mandates. The issue, of course, is when do presidents actually possess a mandate? The most common indicator for a mandate is presidential margin of victory.[22] A landslide victory provides evidence about the public's support for an incoming president's program and the probability of mobilizing voters behind her agenda. The victory also signals to opposition legislative members the mood of the public and the possibility that ignoring such sentiment could jeopardize their political careers. Indeed, members of the legislature may fear punishment in future elections for rejecting the popular will, which gives the president greater influence on policy.[23] Alternatively, in closely won races, presidents are more constrained in their policies, as there are likely questions about whether the president actually carries the overwhelming support of the public. Moreover, in closely won races opposition parties are less likely to see the need to make policy accommodations, resulting in more tempered policy moves by the executive.

Winning by an electoral landslide, however, does not ensure passage of policies expected to be favored by the president. The president's party holding a majority of seats and even gaining seats in the legislature is also critical for identifying a mandate.[24] As others note,[25] the composition in the legislature impacts presidential success, as opposing parties have an incentive to block the president's policies. The expectation is that legislative members from the same party/coalition as the president are more closely aligned ideologically with the president and more inclined to support her policies as compared to members from opposition parties. Seeing the winner's party gain seats also enhances the credibility and perception of a political mandate not just for the president but also for the president's party, more generally.[26] As observers show,[27] a clean sweep by one party in presidential and legislative elections provides a clearer signal of a mandate. Similarly, landslide presidential victories and congressional support assure a greater degree of success for presidents achieving their policy objectives.[28] In fact, the president's wide margin of victory depends on having coattails to increase the number of party seats. There are potential exceptions to the advantages of undivided government, such as when the president comes from the center of the political spectrum and legislative members from her party are more on the tail, but generally party seats are the main base for influence.[29]

Latin American scholarship parallels American political studies on the importance of a political mandate for executive policies. Some contend that the combination of a strong executive and the executive party's dominance in the legislature removes obstacles to initiating and consolidating reforms.[30] A strong executive shares similarities with a landslide election. Although a strong executive may hold powers at her discretion that go beyond winning by a large margin, in both cases the president has either direct (e.g., special constitutional provisions or executive decree/veto rights) or indirect (public opinion backing as suggested by the landslide victory) powers that support the executive's implementation of policy change. In fact, public opinion in favor of redressing economic conditions appears to coincide with countries where leftist presidents won mandates. A 2013 Latinobarómetro poll showed Ecuador, Uruguay, Nicaragua, Bolivia, and Venezuela (with Argentina number eight) receiving the highest marks for governing for the benefit of all—many of the same countries whose leaders operated under mandates.[31] Thus, the backing of the president's party is, again, critical for achieving particular policy outcomes, in this instance, away from the market and toward a larger role for the state.

The impact of political mandates leaves open the question of how mandates occur. Earlier research suggested that Latin American politicians adopted unpopular austerity measures in the 1990s because they believed such policies were best for constituents and ultimately would support their own political ambitions.[32] The challenge with this interpretation is that the strict neoliberal strategy backfired for many politicians. I contend that theories to explain policy differences offer clues for how mandates evolve. Specifically, with regard to countries with large natural resource endowments, a case can be made that the booms and busts of resource dependence lead to drastic swings in public support for politicians, contributing to landslide elections and coattails effects.

Similarly, with respect to party institutionalization or path dependency, weak party systems or party dealignment may allow messianic leaders to reach the presidency with large margins of victory, and, once in power, these leaders are able to push forward measures to undermine opposition in congress. Thus, existing theories may provide underlying explanations for why mandates arise.

Table 1 shows presidential election years, margins of victory in the first and, if necessary, second ballot, and whether the executive's party held a majority of seats (and the seat gain/loss) in the Chamber of Deputies and Senate, for Latin American leftist governments since the late 1990s. In the last column, I also create a category called political mandate that determines the degree of mandate an executive commands based on margin of victory and party control of the legislature. I record a score of 0.5 if the executive won by a margin of at least 10 percent in either ballot of an election reflecting a landslide victory, and 0 in cases where the margin of victory fell below 10 percent. I also record 0.5 if the president's party holds a majority in a bicameral

Table 1 Measuring Political Mandate

		Executive Mandate				Exec. Party Control		Theory
Countries	Election Year	% of Vote Won 1^{st} Ballot	Margin of Victory 1^{st} Ballot	% of Vote Won 2nd Ballot	Margin of Victory 2^{nd} Ballot	Δ in Deputy Seats Held by Executive's Party	Δ in Senate Seats Held by Executive's Party	Political Mandate
Argentina	2003	22.2%	<2%>	1^{st} drops out		+12*	+1*	.5
	2007	45.3%	22.3%			+13*	+3*	1
	2011	54%	37.3%			+47*	+1*	1
Bolivia	2005	53.7%	25.5%			+48*	+4	.75
	2009	64.2%	37.7%			+16*	+14*	1
Brazil	2002	46.4%	23.2%	61.3%	22.6%	+33	+4	.5
	2006	48.6%	7.0%	60.8%	21.6%	−8	−8	.5
	2010	46.9%	14.3%	56%	12.2%	+3	+9	.5
Chile	2000	48.0%	<1%	51.3%	2.6%	−8*	−2*	.5
	2006	45.9%	20.5%	53.5%	7.0%	+3*	+2*	.5
Ecuador	2007	22.8%	<4%>	56.7%	13.4%	+0	n.a.	.5
	2009	52.0%	23.8%			+59*	n.a.	1
El Salvador	2009	51.3%	3.4%			+3	n.a.	0
Nicaragua	2006	38%	9.7%			−5	n.a.	0
	2011	62.5%	31.5%			+24*	n.a.	1
Paraguay	2008	40.9%	10.3%			+2	+0	.5
Peru	2011	31.7%	8.2%	51.5%	3.0%	+2	n.a.	0
Uruguay	2004	51.7%	16.6%			+19*	+6*	1
	2009	49.6%	19.8%	54.8%	9.6%	−2*	−1*	.5
Venezuela	1998	56.2%	16.2%			+49	+8	.5
	2000	59.7%	22.2%			+50*	n.a.	1
	2006	62.9%	27.0%			+62*	n.a.	1
	2012	55.1%	10.8%			−63*	n.a.	1

Sources for electoral data: Political Database of the Americas (http://pdba.georgetown.edu/elecdata/elecdata.html); Adam-Carr.net; Parline database on national parliaments (http://www.ipu.org/parline-e/parlinesearch.asp).
* – President's party held a majority of seats; n.a. – not applicable (unicameral legislature).

or unicameral legislature, 0.25 if the party held one of the two chambers, and 0 if the executive's party is the minority party in the legislature. I combine margin of victory and legislative control to measure political mandate, with a possible maximum score of 1 and a minimum of 0.

To better visualize whether a country and a particular election represents a mandate, in Figure 1 I present a 2x2 matrix highlighting margin of victory and the position of the president's party in the legislature. Based on political mandate theory, it is expected that leaders who won by landslides and where the president's party holds majorities (the upper left quadrant) will have greater success in shifting in a more statist direction. Alternatively, in situations where the leftist executive won a tight race or if the executive's party holds a minority position in the legislature, the executive or her party appears to carry less public support and is more likely to favor the status quo or even intensify market reforms at the behest of the opposition.[33]

Figure 1 Mandate based on Presidential and Legislative Elections

		President's Party in Legislature	
		Majority	*Minority*
Margin of Victory	*Landslide*	**Argentina** (2008–11; 2012–) **Bolivia** (2006–09; 2010–) **Ecuador** (2009–) **Nicaragua** (2011–) **Uruguay** (2005–09) **Venezuela** (2001–06; 2007–12)	**Brazil** (2002–06; 2007–10; 2011–) **Ecuador** (2007–08) **Paraguay** (2008–12) **Venezuela** (1999–2000)
	Close	**Argentina** (2003–07) **Chile** (2000–05; 2006-09) **Uruguay** (2010–)	**El Salvador** (2009–) **Nicaragua** (2007–2010) **Peru** (2011–)

There are potential exceptions for when a leader who holds a mandate (or may possibly acquire one) appears constrained in her policy options. One example is in Uruguay, which I discuss in the case study section. Brazil in 2002 is another, where Luiz Inácio "Lula" da Silva, the former labor leader, published a letter during the presidential campaign pledging his support for a moderate economic agenda,[34] and signed a commitment to honor an IMF agreement agreed to by his predecessor, contradicting everything he had promised in earlier elections.[35] Although Lula did not end up receiving a popular mandate, the fact that he made pledges to support the market in advance of the election indicates how, under certain circumstances, policy can be constrained whether or not a leader earns a mandate.

Based on the preceding theoretical discussion, I propose the following hypothesis:

> The likelihood that leftist presidents implement policies away from the market increases when the president wins in an electoral landslide and where the president's party holds a majority in the legislature.

Market Reform Index and Political Mandate

In order to test the hypothesis, I construct a market reform index based on five variables. I construct four economic reforms also utilized in other works: capital account, trade, tax liberalization, and privatization.[36] One study[37] includes a fifth measure for labor reform while another[38] adds a measure for domestic banking regulations. As measures for labor reform and domestic banking regulations are not readily available, I include government regulation as a fifth measure that covers both labor and banking regulation.[39]

I use data from the year before the next election to calculate values for the market reform index, as that gives leftist leaders time to showcase the policy outcomes. Privatization, in particular, often takes more than the first few years of a new administration to carry out. Focusing on the year prior to the next election also leaves aside the extravagant spending that is all too common in election years. Moreover, by not using the initial years that the leaders entered office, we limit the effects of the crises of the early 2000s, which might result in lower levels for some indicators, which were largely no fault of the incoming presidents.[40] I also measure the level of market openness based on the leader's policies and not in relation to the previous administration because that best captures the leader's economic program. If one relies on comparisons between previous and current administrations, especially when leftist leaders replace center-right governments that supported relatively high market-oriented conditions, and the new administration sustains much the same market reforms, it would appear as though the leftist government is policy neutral, which greatly underestimates leader's effect on policies. However, I also calculate a relative market reform score to compare the current and previous administrations, which, because of presidential incumbency or similar kinds of governments (e.g., both come from the left), frequently indicates very minor policy changes over the years.

For each of the five variables in the index, I create a scale of −1, 0, and 1, with the least market-oriented receiving −1, and the most market-oriented registering a score of 1, with a combined possible total index maximum of 5 and minimum of −5. For capital liberalization, trade reform, and government regulation, I use data from Economic Freedom of the World (EFW).[41] For EFW, higher levels reflect a greater degree of market openness. To measure capital liberalization, I combine the level of foreign ownership/investment restrictions and capital controls and divide by two. With a range from 16.7–3.6 on the capital liberalization measure, I record scores of 11 and above = 1; between 10.9 and 8.5 = 0; and below 8.5 = −1. For trade reform, I use mean tariff rates. Although there have been recent increases in quantitative restrictions, all the countries have tariff rates below 10 percent, a result of their memberships in regional and bilateral trade agreements as well as in the World Trade Organization, and all of the countries thus receive a score of 1. The fact that freer trade brings consumers greater variety of goods with better prices and higher quality is a possible reason why we have not witnessed a backlash against trade openness.[42] For government regulation, I use the composite of regulations recorded by EFW that include labor market, business, and credit market regulations.[43] Government regulation has a range of 4.3–7.5. I record regulation at or above 6 = 1; between 5.9–4.6 = 0; and 4.5 or below = −1. Tax liberalization is based on total taxes on profits, on labor, and additional taxes and comes from *Doing Business*.[44] The scores are recorded from 0 to more than 100, with greater tax openness reflected by lower levels. I record levels below 30 = 1; between 30 and 60 = 0; and above 60 = −1.

Privatization is a long process that requires the state to obtain information about the enterprise to be sold and make the information available to potential investors who then assess several factors; and that is even before the bidding process and actual sale.[45] Nationalization, on the other hand, can occur rapidly. I combine two factors to construct the privatization measure. First, I assess if a leftist government engaged in privatization two years or more after taking office (1 if yes; 0 if no) to factor in the long lag between the decision to privatize and the actual sale of state-owned enterprises. I also observe if a nationalization occurred after the leftist government took power (−1 if yes; 0 if no). Privatization data come from the World Bank;[46] more recent privatization and nationalization data are observed via secondary sources.

I present the market reform index that combines the five measures in a column in Table 2. The values for each measure that make up the market reform index as well as the market index relative to previous government are included in Table 1A in the appendix. Looking at the market reform index, a dichotomy appears to exist between market-friendly countries that receive positive values on the index (e.g., Brazil, Chile, El Salvador, Nicaragua, Paraguay, Peru, and Uruguay) and countries that obtain negative or sharply declining scores (e.g., Argentina, Bolivia, Ecuador, and Venezuela), moving toward an increased role for the state. The dichotomy finding is consistent with other studies[47] and tends to coincide with public statements delivered by the leaders.

Latin America's Leftist Governments and Policy Outcomes

Using Different Theories to Explain Market Reform Index Results The market reform index provides an opportunity to compare how well the different theories explain policy outcomes under leftist governments. Table 2 shows the market reform index, along with values for political mandate, party institutionalization/path dependency,[48] labor density, and abundance of natural resources. Starting with political mandate, I find that the theory appears to explain nearly all the cases. Countries receiving 0.75 or more as a mandate score are more likely to see a movement away from the market as compared to countries with scores of 0.5 or below. Argentina, Bolivia, Ecuador, and Venezuela all witnessed either negative scores or, as in the case of Ecuador, a decline

Table 2 Comparing Market Index Results Using Different Theories

			Theoretical Comparisons			
Countries	Election Year	Market Reform Index	Political Mandate	Party Institutionalization/ Path Dependency	Labor Density	Natural Resources
Argentina	2003	0	.5	3.2	37.6	20.1
	2007	−2	1	20.0		14.9
	2011	−2	1	26.5		10.0
Bolivia	2005	−2	.75	54.1	26.6	66.1
	2009	−2	1	3.4		73.3
Brazil	2002	2	.5	23.1	20.9	13.4
	2006	1	.5	19.7		18.5
	2010	1	.5	7.1		27.9
Chile	2000	5	.5	4.6	11.5	46.5
	2006	4	.5	14.0		66.8
Ecuador	2007	2	.5	42.2	13.5	60.4
	2009	0	1	39.5		50.3
El Salvador	2009	3	0	3.2	11.9	4.1
Nicaragua	2006	2	0	19.4	4.1	2.8
	2011	1	1	33.0		2.8
Paraguay	2008	2	.5	10.3	2.8	0.7
Peru	2011	3	0	54.2	12.9	64.2
Uruguay	2004	2	1	24.2	19	5.0
	2009	3	.5	8.9		1.7
Venezuela	1998	2	.5	32.5	18	77.3
	2000	−1	1	32.0		89.2
	2006	−2	1	n.a.		94.4
	2012	−3	1	n.a.		97.6[a]

Sources: For party institutionalization I use the method developed by Birch (2001), which I supplemented for missing data using Alcántara (2012). Data for labor density (using proportion of wage and salaried earners when possible) are from the ILO (http://www.ilo.org/ifpdial/information-resources/dialogue-data/lang–en/index.htm). For natural resource, I add annual ores and metals exports (as a percent of merchandise exports) to fuel exports (as a percent of merchandise exports) from World Bank (2014). Party institutionalization data are not applicable (n.a.) for Venezuela for 2006 and after because the opposition boycotted the 2006 legislative election. [a] 2011 data.

of −2 from the previous election. Nicaragua drops by 1 following Ortega's sweep of the presidential and legislative elections in 2011, not as great as might be expected, but moving in the expected direction. The lone outlier for the theory is Uruguay in 2004–2009, which I will discuss in the case study section.

Party institutionalization and path dependency appear successful in explaining many cases, but there are challenges for the theories. Beginning with Nicaragua, according to its fairly high electoral volatility score in 2007, the country was expected to move away from the market. However, President Daniel Ortega generally maintained the policies of his predecessors despite his close ties with Bolivarian forces in Venezuela.

Peru also is difficult to explain, as the victory of Ollanta Humala (2011–2016), who is from a new party in Peru, should have led to a break with market reforms, but the president has sustained market policies. Additionally, high electoral volatility scores appeared in the initial electoral victories for the left in both Uruguay and Brazil, and yet the leaders maintained and even extended market policies.

Another challenge specifically for party institutionalization theory is to identify whether or not a party system is institutionalized. Some contend that Chile's low abstention rate is indicative of party institutionalization.[49] However, prior to 2012, Chile used a system of mandatory voting and voluntary registration. With the change to automatic registration and voluntary voting, abstention rates under the new system reached 60 percent in municipal elections in 2012 and nearly 60 percent in the second round of presidential elections in 2013,[50] suggesting that the low abstention rate may have been an artifact of the electoral rules.[51] Indeed, the Chilean party system is not clearly institutionalized as evinced by its increasing disconnection from civil society and its frozen nature at the elite level.[52] Similarly, others note the high party fractionalization in Chile and Brazil and low fractionalization in Uruguay and Venezuela, indicating the difficulties with defining party institutionalization.[53]

With respect to the influence of interest groups on policy, the results tend to back pluralist positions, suggesting that where labor density is high, countries have supported a shift away from the market. However, the similarities in Argentina's and Ecuador's policies under leftist rule, despite their significant differences in labor density, are not fully explained by the theory. Additionally, labor density is approximately the same for Brazil, Uruguay, and Venezuela, but the fact that Hugo Chávez initiated policies against Venezuelan private sector interests while the other countries did not appears inexplicable under pluralism.

Lastly, the natural resource argument contains much merit based on the policies enacted in resource abundant countries including Bolivia, Ecuador, and Venezuela. However, Chile is difficult to explain given that its largest export is copper and the country is among the most market-oriented in the region. Peru also has witnessed a surge in its mining exports at much the same time as its expansion of market reforms. By contrast, in Argentina, a country that presently possesses fairly low levels of natural resources, its leaders have instituted policies that have veered away from the market.[54] Additionally, a natural resource argument cannot account for variation within a country. For example, Ecuador's President Rafael Correa and Chávez in Venezuela initiated more sweeping statist policies in their second terms as compared to their first terms, but the resource base of the countries changed little between the two terms. The dramatic shifts away from the market for both Correa and Chávez came after they secured control of their legislatures, further bolstering the political mandate argument.

Case Studies: Argentina and Uruguay

The results suggest that political mandate provides a plausible reason for differences in policy outcomes. This section offers case studies based on fieldwork in Argentina and Uruguay to help fortify the argument that political mandate theory explains the variations among the leftist governments and to address the apparent Uruguay anomaly.

Argentina In the 1990s and early 2000s, Presidents Carlos Menem and Fernando de la Rúa implemented market reforms, with currency convertibility (a massive devaluation of the currency and then setting the peso on par with the dollar) under the watch of Economic Minister Domingo Cavallo (1991–1996; 2001) playing an important role in the economic programs. Although the 1:1 basis helped to address immediate inflation pressures fueled by currency speculation, the rising value of the dollar contributed to an overvalued peso, balance of trade deficit, and huge debts that resulted in an economic crisis in December 2001, forcing both Cavallo and de la Rúa to resign.

A caretaker government headed by Eduardo Duhalde held power until 2003, when new presidential elections occurred with Menem barely winning the first round against leftist Nestor Kirchner, a little-known governor from the province of Santa Cruz. Fearing a loss, Menem dropped out before the second round, denying Kirchner an opportunity to show that he would have won handily, and thus limiting his mandate.[55] As former president of the Central Bank Martín Redrado notes, "Kirchner seemed to have the feeling that his victory did not entirely belong to him."[56] Similarly, as Kirchner's first Economic Minister, Roberto Lavagna, said in a personal interview, "When Kirchner came to office, he only had 22 percent of the vote—he couldn't change policy completely."[57] Instead, Kirchner took a pragmatic economic approach. Following his party's domination of the 2005 midterm elections, however, Kirchner's pragmatism lessened, as he forced Lavagna to resign, imposed price controls and export taxes as well as quotas on food crops and wage goods, and renationalized some public service industries.[58]

In 2007, Kirchner's vice president and wife, Cristina Fernández de Kirchner, won the presidency by a margin greater than 22 percent, and she and her husband, a shadow president, with their party's control of the legislature, reinstituted a populist cycle,[59] with 40 percent growth in public sector employment and the nationalization of the pension system.[60] Fernández de Kirchner also increased subsidies to import-competing businesses, enabling the firms to collect rents, and attempted to raise export taxes on soybeans—the country's main export—and sunflower via Resolution 125.[61] Although Congress defeated the Resolution by a tie-breaking vote ironically cast by her vice president, the already high taxes and requirement that exporters surrender goods at the official exchange rate led many large farmers to resort to smuggling soy to Paraguay[62] or to holding high soybean reserves.[63] Fernández de Kirchner clearly held the power to change the policy agenda.[64]

In 2011 Fernández de Kirchner easily won reelection and proceeded to nationalize the Spanish oil firm Repsol the following year and domestic rail companies in 2013. She also used the state to take control of everything that looked like it belonged to the opposition.[65] As Martín Lousteau, former Minister of Economy under Fernández de Kirchner mentioned, "She won with 54 percent to 16.8 percent for the person in second—how can you convince her that she is not right? Business cannot say anything—the opposition is irrelevant. Everything she wants to do she can because there is no counterbalance."[66] A large electoral margin of victory and control of the legislature facilitated Argentina's movement away from market policies.

Uruguay Uruguay appears, at first blush, as an outlier for the mandate theory, but, as noted with Lula in Brazil, the need to make campaign promises to appeal to broader swathes of the electorate may constrain policy options after elections even for candidates who win mandates. For more than a century, two political parties, the Colorados and the Blancos had ruled Uruguay, while the leftist party, the Frente Amplio (FA), had never held executive power. Severe economic crisis under the watch of the Colorados made the political situation look ripe for an FA victory in the 2004 election. Voters, and especially those tied to business, however, were concerned about what the FA might do if elected.

The FA presidential candidate, Tabaré Vázquez, aware of the concerns, attempted to allay voter fears by announcing that if he was elected, Danilo Astori, a respected economist, would serve as his Minister of the Economy. The presumption was that Astori would bring his team of like-minded economists, who would maintain a market-oriented program, and thus assuage voter apprehensions. The Astori appointment appeared to constrain policy under the FA. Indeed, Senator Constanza Moreira, a member of the more radical wing of the FA, commented that Astori stresses credibility for domestic and international entrepreneurs, a common theme of the Ministry of Economics and the Central Bank, both of which are dominated by economists that study and focus on the orthodox paradigm.[67] Similarly, as Minister of Social Development Daniel Olesker and other officials remarked,[68] the selection of Astori brought a certainty of the economic policies. Central Bank President Mario Bergara, in personal correspondence, may have stated it best: "Astori is always a synonym of stability and responsibility—this decision helped to convince voters that the FA administration would be supported by a responsible mix of policies."[69]

Beyond the Astori announcement, Vázquez, who prior to the election had his photo taken while at the IMF's headquarters to show his pragmatic streak,[70] had already shifted the FA from its combative and ideologically-entrenched, Marxist discourse toward the center, making the party "an option in the eyes of the voters."[71] Vázquez could not eliminate the Marxist foundation, but he made them more electable, introducing change within a capitalist, pro-market system.[72] Although Vázquez and the Astori team implemented social reforms and initiated a personal income tax, the government maintained policies favorable to business groups and foreign investors including institutional and legal innovations and reduced and remodeled business taxes.[73] According to Walter Cancela, Central Bank President under Vázquez, "All these policies are, of course, oriented to the market."[74] Despite easily winning office, Vázquez's need to announce in advance of the election his moderate economic positions arguably constrained more interventionist policies.

Following Vázquez's term, the FA selected José Mujica, a former member of the Tupamaros, a guerrilla group, as its candidate for the 2009 race. Realizing that Mujica might spook business groups and foreign investors, the FA promptly placed Astori on the ticket as vice president with the pledge that Astori and his team would remain in charge of economic policies "as a guarantee of moderation and continuity."[75] According to Luis Mosca, a former Minister of the Economy, "We understand the rule of law in Uruguay—a commitment to the rules—Astori is a warranty on those policies."[76] The FA won, this time in the second round, and the Mujica government maintained and even expanded market reforms.

Empirical Test

I also use empirical research methods to further assess the political mandate theory. There are limitations with empirical investigation because of the small sample size. Moreover, Hausman and Wald tests (*testparm* in Stata) call for using country and year fixed effects, which constrain testing labor density, as there is no variation during the time period under study. However, empirical work provides an added check to assess political mandate relative to other factors, in particular, party institutionalization/path dependency and natural resources.

I use fixed-effects regression with Driscoll and Kraay standard errors (DKSE), a method employed for data that contain a pooled time-series cross-section structure.[77] For the dependent variable in Models 1 and 3 in Table 3, I use the market reform index. For easier interpretation of the results, I have reversed the sign, making positive values indicative of a movement away from the market. As a robustness check, I also use the Heritage Foundation's ten component Index of Economic Freedom as a dependent variable in Models 2 and 4.[78] Each of the ten economic freedoms is graded on a scale from 0 to 100. Again for ease of interpretation and consistency with the market reform index, I inverted the scale with higher scores representing lower levels of market openness. The political mandate variable comes from the measure derived in this article. Two proxies are utilized for party institutionalization/path dependency, with the variable renamed electoral volatility. In Models 1 and 3, I use Birch's measure for electoral volatility, which is estimated by calculating the amount of change observed within the set of parties that contest two consecutive legislative elections.[79] In Models 2 and 4, I use electoral volatility based on the Pedersen index, which is determined by the net change in percentage votes won for parties from the previous legislative election and divided by 2.[80] For natural resource endowment, I add annual ores and metals exports (as a percent of merchandise exports) to fuel exports (as a percent of merchandise exports), lagged a year. I also include controls for annual growth in GDP per capita and GDP (constant 2005 U.S. dollars), both lagged a year, to take into account economic circumstances that might influence changes in economic policy decisions.[81]

Results in Models 1–4 all show political mandate to be statistically significant to $p<.01$. Although electoral volatility does not reach statistical significance in Model 1, it is, as predicted, positive and significant in Model 2; and significant but in the opposite direction in Models 3 and 4, suggesting that weaker party institutionalization (dealigned path dependency) supports market reforms. Natural resource is not close to significance in Models 1 or 2 and is negative and significant in Models 3 and 4. In calculating the substantive effects of political mandate from the 10th percentile to 90th percentile in Model 2, while holding all other covariates constant at their means, leads to a 56.5 percent increase in the change away from market reforms. Substituting electoral volatility for political mandate leads to a change of 44.2 percent, and, of course, party institutionalization/path dependency fails to reach statistical significance in Model 1 (and is negative and significant in Models 3 and 4), whereas political mandate leads to a 60.5 increase using Model 1. The empirical results appear to give added credence to the effect of political mandate under leftist rule for shifts away from the market.

Table 3 Political Mandate and Market Reforms in Latin America (using DKSE)

	Model 1	Model 2	Model 3	Model 4
Political Mandate	1.52**	1.38**	4.43**	5.26**
	(0.286)	(0.272)	(1.096)	(1.529)
Electoral Volatility	0.01	0.02*	−0.06*	−0.12*
	(0.009)	(0.009)	(0.023)	(0.045)
GDP/Capita Growth$_{-1}$	0.08**	0.08**	0.16	0.15
	(0.017)	(0.017)	(0.091)	(0.084)
GDP (Constant 2005)$_{-1}$	0.00	0.00	0.00*	0.00*
	(0.000)	(0.000)	(0.000)	(0.000)
Natural Resources$_{-1}$	−0.00	0.00	−0.07*	−0.09*
	(0.010)	(0.010)	(0.038)	(0.028)
N	82	82	82	82
R^2	0.62	0.62	0.54	0.57
N. of Countries	11	11	11	11

Note: The results control for country and year fixed effects. P-values: ** $p<0.01$, * $p<0.05$. Results are based on two-tailed tests.

Conclusion

As stated at the outset, the different economic policy outcomes of leftist governments in Latin America present a puzzle in the political economy literature. Although many studies offer useful insights into why some leftist governments maintain or even expand market reforms, this article has offered an alternative argument that builds on the American politics mandate literature and Latin American research to solve what has seemed an intractable mystery.

The theoretical comparisons of the market index combined with the case studies and empirical work provide support for the hypothesis that it is only in cases where the president wins by a sizeable margin and where the president's party holds a majority of seats in the legislature that we are likely to see leftist leaders initiating policies away from the market. Among the eleven countries[82] in our study, four (Argentina, Bolivia, Ecuador, and Venezuela) indicate the importance of a mandate for providing leaders with greater flexibility to pursue more statist oriented policies associated with traditional leftist goals. By contrast, our other seven countries (Brazil, Chile, El Salvador, Nicaragua, Paraguay, Peru, and Uruguay) highlight how competitive elections and/or the president's party failing to hold a majority of seats in the legislature can undermine efforts to engineer deep policy shifts.

There are limitations to this work. The small sample size and few years for Latin American governments operating under leftist rule impede efforts to engage in meaningful quantitative analyses. In addition, the need for fixed effects hampers empirical testing of the interest group argument. Notwithstanding the limitations, the article holds implications on policymaking. First, the result that political mandates appear to explain differences in policy outcomes among leftist governments in Latin America supports and builds on much of the literature from American politics along with Latin American research noting how elections matter in policy process. The results also bolster theories of natural resource endowments, party institutionalization, and path dependency, as previous research may provide underlying explanations for why mandates arise.

The work also provides opportunities for further assessment of the theory. One opportunity is to test the argument for rightist governments. If we assume that governments from the right are more likely to favor market-oriented policies, using the logic from the mandate theory, we would expect that rightist leaders who win by sizable margins and whose party holds a majority of seats in the legislature are more likely to have success in sustaining and potentially intensifying market reforms relative to rightist leaders who narrowly win or where the president's party fails to capture a majority in the legislature. Another possible opportunity for assessment of the theory is to consider leftist countries in other regions of the world to see if the proximate causes found in Latin America also apply elsewhere. Additionally, more research could explore the factors that contribute to executives winning mandates. In the end, the results return the focus to presidential and legislative politics and their impact on policy outcomes.

NOTES

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1. There are possible differences among leftist governments that enter office, but for the sake of clarity, I refer to them all as leftist as the leaders share a common interest in greater social policies and because of their self-identification as parties from the left on the political spectrum.

2. Gustavo A. Flores- Macías, "Statist vs. Pro-Market: Explaining Leftist Governments' Economic Policies in Latin America," *Comparative Politics,* 42 (December 2010), 413–33; Gustavo A. Flores- Macías, *After*

Neoliberalism: The Left and Economic Reforms in Latin America (New York: Oxford University Press, 2012); Steven Levitsky and Kenneth M. Roberts, "Introduction: Latin America's 'Left Turn': A Framework for Analysis," in Steven Levitsky and Kenneth M. Roberts, eds., *The Resurgence of the Latin American Left* (Baltimore: Johns Hopkins University Press, 2011).

3. Raúl L. Madrid, "The Origins of the Two Lefts in Latin America," *Political Science Quarterly*, 125 (December 2010), 587–610; Kenneth M. Roberts, "Market Reform, Programmatic (De)alignment, and Party System Stability in Latin America," *Comparative Political Studies*, 46 (November 2012), 709–32.

4. Jeffry A. Frieden, *Debt, Development, and Democracy: Modern Political Economy in Latin America* (Princeton: Princeton University Press, 1991); Karen L. Remmer, "The Politics of Neoliberal Economic Reform in South America," *Studies in Comparative International Development*, 33 (Summer 1998), 3–29.

5. Kurt Weyland, "The Rise of Latin America's Two Lefts: Insights from the Rentier State Theory," *Comparative Politics*, 41(January 2009), 145–64; Manuel Hidalgo, "Hugo Chávez's Petro Socialism," *Journal of Democracy*, 20 (April 2009), 78–92.

6. All the Latin American countries I consider here operate under presidential systems.

7. Patricia, H. Conley, *Presidential Mandates: How Elections Shape the National Agenda* (Chicago: University of Chicago Press, 2001); Charles O. Jones, *Separate but Equal Branches: Congress and the Presidency*, 2nd ed. (New York: Chatham House Publishers, 1999); Paul Light, *The President's Agenda: Domestic Policy Choice from Kennedy to Clinton*, 3rd ed. (Baltimore: The Johns Hopkins University Press, 1989).

8. George C. Edwards III, *At the Margins: Presidential Leadership of Congress* (New Haven: Yale University Press, 1989); Jones; Light.

9. Scott Mainwaring and Matthew Soberg Shugart, eds., *Presidentialism and Democracy in Latin America* (New York: Cambridge University Press, 1997).

10. Lawrence J. Grossback, David A.M. Peterson, and James A. Stimson, *Mandate Politics* (New York: Cambridge University Press, 2006).

11. See Andy Baker and Kenneth F. Greene, "The Latin American Left's Mandate: Free-Market Policies and Issue Voting in New Democracies," *World Politics*, 63 (January 2011), 43–77; Beatriz Magaloni and Vidal Romero, "Partisan Cleavages, State Retrenchment, and Free Trade: Latin America in the 1990s," *Latin American Research Review*, 43 (April 2008), 107–35, who contend that left-wing voters are more likely to oppose market reforms with the exception of trade liberalization.

12. Lagos entered the presidency during an economic slowdown, but, prior to taking office, Chile had witnessed a decade of more than 7% annual economic growth, tempering concerns about economic decline.

13. Stephan Haggard and Robert Kaufman, *The Political Economy of Democratic Transitions* (Princeton: Princeton University Press, 1995) also emphasize the role of party systems, arguing that low polarization and fragmentation help to promote market reforms.

14. Flores-Macías, 2010; 2012; Levitsky and Roberts, "Introduction." See also Scott Mainwaring, "The Crisis of Representation in the Andes," *Journal of Democracy*, 17 (July 2006), 13–27; Robert R. Kaufman, "The Political Left, the Export Boom, and the Populist Temptation," in Levitsky and Roberts, eds., who show the importance of party institutionalization for supporting market-oriented policies.

15. Madrid; Roberts.

16. Sebastian Edwards, *Crisis and Reform in Latin America: From Despair to Hope* (New York: Oxford University Press, 1995); Erik Wibbels and Moisés Arce, "Globalization, Taxation, and Burden-Shifting in Latin America," *International Organization*, 57 (Winter 2003), 111–36.

17. Flores- Macías, 2012; Samuel Handlin and Ruth Berins Collier, "The Diversity of Left Party Linkages and Comparative Advantages," in Levitsky and Roberts, eds.; M. Victoria Murillo, "From Populism to Neoliberalism: Labor Unions and Market Reforms in Latin America," *World Politics*, 52 (January 2000), 135–68. The shrinking of unions and labor organizations does not suggest that such interests are powerless. See Sebastián Etchemendy and Candelaria Garay, "Argentina: Left Populism in Comparative Perspective, 2003–2009," in Levitsky and Roberts, eds.; Jorge Lanzaro, "Uruguay: A Social Democratic Government in Latin America," in Levitsky and Roberts, eds.

18. Frieden; Remmer.

19. Weyland, 2009; Hidalgo.

20. See also Gregg B. Johnson and Brian F. Crisp, "Mandates, Powers, and Policies," *American Journal of Political Science*, 47(April 2003), 128–42, who discuss mandates in the context of winning an election but not with regard to the size of the presidential victory or the party makeup of the legislature.

21. Baker and Greene; Magaloni and Romero.

22. Conley; Light.

23. Conley, 8; David A.M. Peterson, Lawrence J. Grossback, James A. Stimson, and Amy Gangl, "Congressional Response to Mandate Elections," *American Journal of Political Science,* 47 (July 2003), 411–26.
24. Conley, 2; Jones.
25. Marvin G. Weinbaum and Dennis R. Judd, "In Search of the Mandated Congress," *Midwest Journal of Political Science*, 14 (May 1970), 276–302.
26. George C. Edwards.
27. Lawrence J., Grossback, David A.M. Peterson, and James A. Stimson, "Electoral Mandates in American Politics," *British Journal of Political Science*, 37 (October 2007), 714–15.
28. Light, 26.
29. Light, 27.
30. Mainwaring and Shugart. See also Haggard and Kaufman, who maintain that the initiation of market depends on centralized executive authority.
31. *The Economist*, "The Latinobarómetro Poll," Nov. 2, 2013. The article is available here: http://www.economist.com/news/americas/21588886-slightly-brighter-picture-democracy-not-liberal-freedoms-listen-me.
32. Susan C. Stokes, *Mandates and Democracy: Neoliberalism by Surprise in Latin America* (Cambridge: Cambridge University Press, 2001).
33. For space reasons I do not elaborate on the two quadrants (northeast and southwest) to ascertain whether presidential margin of victory (or congressional majority) deserves the same weight as the other. However, the policy outcomes for countries in either quadrant are fairly similar, with minimal policy change, suggesting that neither factor appears to outweigh the other in importance for policy outcomes.
34. Wendy Hunter, "Brazil: The PT in Power," in Levitsky and Roberts, eds.; Aline Diniz Amaral, Peter R. Kingstone, and Jonathan Krieckhaus, "The Limits of Economic Reform in Brazil," in Peter R. Kingstone and Timothy J. Power, eds., *Democratic Brazil Revisited* (Pittsburgh: University of Pittsburgh Press, 2008).
35. Flores-Macías, 2012, 139.
36. Eduardo Lora, "A Decade of Structural Reforms in Latin America: What Has Been Reformed and How to Measure it," Office of the Chief Economist Working Paper No.350 (Inter-American Development Bank, 1997); Samuel A., Morley, Roberto Machado, and Stefano Pettinato, *Indexes of Structural Reform in Latin America* (Santiago: ECLAC, 1999).
37. Lora.
38. Morley, Machado, and Pettinato.
39. One might suggest using government spending, but such spending on education, health care, and infrastructure, while costly in the short term, may have long-term benefits that spur economic development. Moreover, Chile's increase in government spending in 2009 spared the country the worst of the global economic recession.
40. I also calculated the values for the dependent variable based on the weighted average over the course of each administration, and the results are essentially the same. The timing for privatization as well as slow-changing tax reforms warrant using data for the year prior to the next election.
41. Economic Freedom of the World (Vancouver (B.C.): Fraser Institute, Several Years). Data accessed at: http://www.freetheworld.com/release.html.
42. Andy Baker, "Why is Trade Reform So Popular in Latin America? A Consumption-Based Theory of Trade Policy Preferences," *World Politics*, 55 (April 2003), 423–55.; Baker and Greene; Magaloni and Romero.
43. For more details on the variables contained within the EFW, see the appendix for Economic Freedom of the World 2012 Annual Report (Vancouver (B.C.): Fraser Institute). The annual report is available here: http://www.freetheworld.com/2012/EFW2012-complete.pdf.
44. *Doing Business* (Washington, D.C.: International Finance Corporation; the World Bank Group, 2013), http://www.doingbusiness.org/data/exploretopics/paying-taxes.
45. Glen Biglaiser and David Brown, "The Determinants of Privatization in Latin America," *Political Research Quarterly*, 56 (March 2003), 73–85.
46. World Bank, Private Participation in Infrastructure (Database, 2008), http://data.worldbank.org/data-catalog/privatization-database.
47. Jorge G. Castañeda, "Latin America's Left Turn," *Foreign Affairs*, 81 (May/June 2006), 28–43; Jorge G. Castañeda and Marco A. Morales, *Leftovers: Tales of the Latin American Left* (New York: Routledge, 2008); Flores-Macías, 2010; Weyland, 2009; Kurt Weyland, "The Left: Destroyer or Savior of the Market Model," in Levitsky and Roberts, eds.; Kurt Weyland, Rául L. Madrid, and Wendy Hunter, ed., *Leftist Governments in Latin America: Successes and Shortcomings* (Cambridge: Cambridge University Press, 2010).
48. Both party institutionalization and path dependency, under Roberts, use electoral volatility to explain differences in policy outcomes. Thus, I place the theories under the same heading, which later is called electoral volatility.

49. Flores-Macías, 2012.
50. Even in the first round of Chile's 2013 presidential election, turnout was just under 50%. Moreover, Chile's electoral system tends to promote intraparty competition, encouraging candidates to appeal less to party goals and more to personalism to win elections.
51. See also Jason Ross Arnold and David J. Samuels, "Evidence from Public Opinion," in Levitsky and Roberts, eds., 40, who indicate that confidence in Chile's political parties has declined 12% over the past decade.
52. Juan Pablo Luna and David Altman, "Uprooted but Stable: Chilean Parties and the Concept of Party System Institutionalization," *Latin American Politics and Society*, 53 (Summer 2011), 1–28.
53. Handlin and Collier. Additionally, party institutional studies contend that Chávez's presidential victory in December 1998 showed low party institutionalization despite scholars heralding Venezuela's strong party system as late as the mid-1990s. See also Miriam Kornblith and Daniel H. Levine, "Venezuela: The Life and Times of the Party System," in Scott Mainwaring and Timothy Scully, eds., *Building Democratic Institutions: Party Systems in Latin America* (Stanford: Stanford University Press, 1995).
54. Kaufman, 111.
55. Kirchner's party held control of both houses in the legislature.
56. Martín Redrado, *No Reserve: The Limit of Absolute Power* (Translated by Dan Newland) (Las Vegas: Amazon Crossing, 73).
57. Interview on May 8, 2013, with Roberto Lavagna, the former Minister of Economy under Kirchner in Argentina.
58. Etchemendy and Garay, 291–93.
59. Interview on May 6, 2013, with Roque Fernández, the former Minister of Economy under Menem in Argentina.
60. Interview on May 7, 2013, with Daniel Artana, an economist who heads FIEL in Argentina.
61. Interview on May 6, 2013, with Ricardo López-Murphy, the former Minister of the Economy under de la Rúa and a presidential candidate in 2003 in Argentina.
62. Interview with Fernández on May 6, 2013.
63. In fact, the amount of soy Paraguay exports exceeds the amount it produces.
64. Etchemendy and Garay, 291–92.
65. Interview on May 5, 2013, with Mario Blejer, the former President of the Central Bank under Duhalde in Argentina.
66. Interview on May 6, 2013, with Martín Lousteau, the former Minister of the Economy under Cristina Fernández de Kirchner in Argentina.
67. Interview on May 13, 2013, with Constanza Moreira, a Senator in Uruguay. In personal correspondence on May 13, 2013, with Uruguayan economist Luis Viana, he also noted that Vázquez was afraid that foreign investment would flee, and the appointment of Astori helped bring calm to the markets.
68. Interviews on May 17, 2013, with Daniel Olesker, the current Minister of Social Development in Uruguay; on May 13, 2013, with Raúl Sendic, the current President of ANCAP in Uruguay; and on May 17, 2013, with Sebastían Torres, head of the National Directorate of Industries. All brought home the point that Astori brings confidence.
69. Personal correspondence on June 4, 2013, with Central Bank President Mario Bergara, who was appointed the Minister of Economy and Finance in Uruguay in December 2013.
70. In an interview on May 16, 2013, with Michele Santo, the Uruguayan economist claimed that Vázquez's photo at the IMF sent a message to investors not to expect big adventures in the economy, a point seconded by Daniel Olesker.
71. Interview on May 16, 2013, with Ernesto Talvi, an economist and Director of CERES in Uruguay.
72. Vázquez would go on to easily win in the first ballot, but, if he had not received more than 50% (he won 51.7%), he would have faced a more competitive race as the Colorados and Blancos had always formed coalitions in past second round presidential elections against FA candidates.
73. Lanzaro, 359.
74. Personal correspondence on April 7, 2013, with Walter Cancela, the former President of the Uruguayan Central Bank.
75. Lanzaro, 371.
76. Interview on May 13, 2013, with Luis Mosca, the former Minister of the Economy under Sanguinetti in Uruguay.
77. Daniel Hoechle, "Robust Standard Errors for Panel Regressions with Cross-Sectional Dependence," *The Stata Journal*, 3 (2007), 281–312.
78. The Heritage Foundation, "Index of Market Freedom," available at: http://www.heritage.org/index/

79. Sarah Birch, “Electoral Systems and Party System Stability in Post-Communist Europe,” Paper presented at the 97th annual meeting of the American Political Science Association, San Francisco, CA, 2001.

80. I excluded Venezuela post-2005 because the opposition boycotted the 2005 legislative election, which impacts party institutionalization for both the 2005 and 2010 elections. However, I ran the models using the results for the 2000 and 2010 elections to calculate the electoral volatility, and the main results hold.

81. The data come from World Bank, *World Development Indicators* (Washington, D.C.: International Bank for Reconstruction and Development, 2014).

82. Among the 11 countries, there are 22 administrations that have operated under leftist governments in Latin America since the late 1990s. Mexico under Enrique Peña Nieto is another possible leftist administration. The results change little whether Peña Nieto is included in the article.

Appendix

Table 1A Degree of Market Openness in Center-Left Governments

Countries	Left Govt. Years	Capital Reform	Trade Reform	Tax Reform	Govt. Regs.	Priv. & Natl.	Market Reform Index	Market Index Relative to Prev. Govt.	Previous Govt. Ideology
Argentina	2003-07	0	1	−1	1	−1	0	−1	Center-left
	2008-11	−1	1	−1	0	−1	−2	−2	Center-left
	2012-	−1	1	−1	0	−1	−2	0	Incumbent
Bolivia	2006-09	−1	1	−1	0	−1	−2	−2	Center-right
	2010-	−1	1	−1	0	−1	−2	0	Incumbent
Brazil	2003-06	1	1	−1	0	1	2	1	Center-right
	2007-10	0	1	−1	0	1	1	−1	Incumbent
	2011-	0	1	−1	0	1	1	0	Center-left
Chile	2000-05	1	1	1	1	1	5	0	Center
	2006-09	1	1	1	1	0	4	−1	Center-left
Ecuador	2007-08	1	1	0	1	−1	2	−1	Center
	2009-	−1	1	0	1	−1	0	−2	Incumbent
El Salvador	2009-	1	1	0	1	0	3	1	Right
Nicaragua	2007-11	1	1	−1	1	0	2	0	Right
	2012-	0	1	−1	1	0	1	−1	Incumbent
Paraguay	2008-12	0	1	0	1	0	2	0	Center-right
Peru	2011-	1	1	0	1	0	3	0	Center
Uruguay	2005-09	1	1	−1	1	0	2	0	Center
	2010-	1	1	0	1	0	3	1	Center-left
Venezuela	1999-2000	1	1	0	0	0	2	0	Center
	2001-06	0	1	0	−1	−1	−1	−3	Incumbent
	2007-12	−1	1	0	−1	−1	−2	−1	Left

Similar to the market reform index, the column market index relative to previous government shows a fairly clear dichotomy among countries that have tended to maintain the market policies of their predecessors as reflected by no change from the previous administration (a score of 0), positive figures (+1), or a slight negative change (−1) and countries that moved significantly away from the market as indicated by a change of −2 or more. The ideology of the previous government also is not a consistent indicator of the policies chosen by the successive leftist governments. In Brazil, *Lula* succeeded a center-right government in 2003 and expanded market reforms while Bolivia's Evo Morales did the opposite, and Paraguay's Fernando Lugo generally maintained the status quo. Similarly, successors of center governments, such as in Ecuador and Venezuela, reduced market policies, while Chile, Peru, and Uruguay stood pat. Center-left successors to governments from the right either maintained the policies (e.g., Nicaragua) or boosted market reforms (e.g., El Salvador), suggesting that the ideology of the preceding government appears to play little influence in policy outcomes.