Globalization and Austerity Politics in Latin America

In an age of financial globalization, are markets and democracy compatible? For developing countries, the dramatic internationalization of financial markets over the last two decades deepens long-standing tensions between politics and markets. Notwithstanding the rise of left-leaning governments in regions like Latin America, macroeconomic policies often have a neoliberal appearance. When is such austerity imposed externally and when is it a domestic political choice?

Employing a multi-method research strategy that includes statistical tests and extensive field research from across Latin America, Stephen B. Kaplan builds and tests a theory that explains the effect of financial globalization on economic policy making. Focusing on both the structural and individual influences on policy making, he argues that a country’s composition of international borrowing and its technocratic understanding of past economic crises combine to produce dramatically different outcomes in national policy choices. Incorporating these factors into an electoral politics framework, Kaplan’s book then challenges the conventional wisdom that political business cycles are most likely in newly democratizing regions. Inflation-spurring expansions may occur when countries are unhindered by bond market indebtedness and inflation crisis legacies, but otherwise a political austerity cycle emerges characterized by macroeconomic discipline. This book is targeted toward a broad audience within political science, economics, and Latin American politics, but is especially relevant for scholars of political economy of global finance, development and democracy, and the politics of economic policy making.

Stephen B. Kaplan is an Assistant Professor of Political Science and International Affairs at George Washington University. He received his Ph.D. in political science from Yale University in 2009. For the 2009 to 2010 academic year, Stephen was awarded a postdoctoral research fellowship at Princeton University’s Niehaus Globalization and Governance Center at the Woodrow Wilson School of Public and International Affairs. The dissertation on which this book is based won the Mancur Olson Award from the Political Economy Section of the American Political Science Association (2010) for the best dissertation in the field of political economy completed in the previous two years. Prior to his doctoral studies, Kaplan worked as a senior economic analyst at the Federal Reserve Bank of New York, writing extensively on developing country economics, global financial market developments, and emerging market crises from 1998 to 2003. His current work focuses on the political economy of global development, the politics of international finance, macroeconomic policy making, and Latin American politics.
Cambridge Studies in Comparative Politics

General Editor
Margaret Levi  University of Washington, Seattle

Assistant General Editors
Kathleen Thelen  Massachusetts Institute of Technology
Erik Wibbels  Duke University

Associate Editors
Robert H. Bates  Harvard University
Stephen Hanson  The College of William and Mary
Torben Iversen  Harvard University
Stathis Kalyvas  Yale University
Peter Lange  Duke University
Helen Milner  Princeton University
Frances Rosenbluth  Yale University
Susan Stokes  Yale University

Other Books in the Series
Ben W. Ansell, From the Ballot to the Blackboard: The Redistributive Political Economy of Education
David Austen-Smith, Jeffry A. Frieden, Miriam A. Golden, Karl Ove Moene, and Adam Przeworski, eds., Selected Works of Michael Wallerstein: The Political Economy of Inequality, Unions, and Social Democracy
Lisa Baldez, Why Women Protest: Women’s Movements in Chile
Robert Bates, When Things Fell Apart: State Failure in Late-Century Africa
Mark Beissinger, Nationalist Mobilization and the Collapse of the Soviet State
Pablo Beramendi, The Political Geography of Inequality: Regions and Redistribution
Nancy Bermeo, ed., Unemployment in the New Europe

Series list continues following the Index.
Globalization and Austerity Politics in Latin America

STEPHEN B. KAPLAN
George Washington University
For Kaplans everywhere, both North and South.
Contents

List of Figures xi
List of Tables xv
Acknowledgments xvii

1 Introduction 1
   1.1 Globalization and Economic Policy 6
   1.2 From Political Business Cycles to Political Austerity Cycles 15
   1.3 Method and Plan of the Book 20

2 Globalization and Austerity Politics 25
   2.1 The Inflation-Unemployment Trade-Off 27
   2.2 Political Austerity Theory 30
   2.3 It’s a Wonderful Market: The Politics of Bond Finance 36
   2.4 Economic Risk-Aversion: The Politics of Inflation Control 49
   2.5 Summary and Conclusions 68
   2.A Appendix 71

3 The Political Economy of Elections 72
   3.1 Dial M for Manipulation? The Evidence 73
   3.2 Statistical Models: Key Concepts and Measures 77
   3.3 Statistical Tests on Elections and the Economy 86
   3.4 Statistical Tests on Partisanship and the Economy 95
   3.5 Discussion: From Macro to Micro Policy Tools 102
   3.A Appendix 103

4 The Electoral Boom-Bust Cycle 123
   4.1 Case Study Design: The Latin American Experience 125
   4.2 The Classic Case of Electoral Opportunism 131
   4.3 Comparative Case Study Evidence 136
   4.4 Summary 161
Contents

5 From Gunboat to Trading-Floor Diplomacy
  5.1 The Case of the Market-Constrained Politician
  5.2 Comparative Case Study Evidence
  5.3 Summary

6 When Latin American Grasshoppers Become Ants
  6.1 The Case of the Inflation-Averse Politician
  6.2 Comparative Case Study Evidence
  6.3 Summary

7 The Political Austerity Cycle
  7.1 The Case of the Cash-Strapped, Inflation-Scarred Politician
  7.2 Comparative Case Study Evidence
  7.3 Summary

8 Conclusion
  8.1 The Political Roots of Austerity
  8.2 Implications: Quality of Democracy and Growth
  8.3 Implications: Partisan Politics and Economic Policy
  8.4 Implications: Austerity in the Developed World

Appendix: Field Research Interviews

Bibliography

Index
List of Figures

1.2 Fiscal Policy Stance in Presidential Elections (Selected Latin American Countries: 2002–2007) 6
2.1 The Phillips Curve Trade-Off 29
2.2 Bond Issuance Supplants Bank Lending (16 Latin American Countries, Aggregate) 38
2.3 Creditor Relations under Centralized Commercial Bank Lending 40
2.4 Creditor Relations under Decentralized Bond Financing 42
2.5 Political Austerity Boosts Brazilian Incomes and Cardoso’s Presidential Candidacy 48
2.6 Decision Making with High Inflation Aversion 56
2.7 Decision Making with Low Inflation Aversion 58
2.8 Latin American Inflation Troubles Begin in Mid-1970s (CPI, Annual %) 59
2.9 Support for Fighting Latin American Inflation (Survey of 16 Latin American Countries, 1995–2008) 63
3.1 Decentralized Bond Financing Improves Latin American Government Budget Balances (16 Latin American Countries, 1990–2009) 75
3.2 Past Inflation Crisis Spurs Greater Fiscal Conservatism in Latin America (16 Latin American Countries, 1990–2009) 76
3.3 Latin American Presidential Elections (16 Latin American Countries, 1961–2009) 80
3.4 Marginal Effect of Elections on Inflation Rates 91
3.5 Marginal Effect of Elections on Growth Rates 92
4.1 Policy Makers Just as Likely to Slam Brakes Before Elections 129
4.2 Policy Makers Slam on Brakes During Final Years of Team 129
### List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3</td>
<td>Policy Makers Are Cautious with Monetary Policy</td>
<td>130</td>
</tr>
<tr>
<td>4.4</td>
<td>Monetary Policy Caution Prevails in Final Term Years</td>
<td>130</td>
</tr>
<tr>
<td>4.5</td>
<td>The Traditional Political Business Cycle (H1)</td>
<td>133</td>
</tr>
<tr>
<td>4.6</td>
<td>The Traditional Political Business Cycle (H1)</td>
<td>136</td>
</tr>
<tr>
<td>4.7</td>
<td>Frei Confronts Surging Strike Activity (Number of Strikes, 1964–1970)</td>
<td>139</td>
</tr>
<tr>
<td>4.8</td>
<td>President Frei Swells Chile’s Budget Deficit During the 1970 Elections</td>
<td>140</td>
</tr>
<tr>
<td>4.9</td>
<td>Venezuela’s Petro Rollercoaster (Brent Crude Oil Prices in US$)</td>
<td>145</td>
</tr>
<tr>
<td>4.10</td>
<td>Punto Fijo’s Crude Electoral Expansions (Change in Average Deficit/GDP in Final Two Years Before Elections)</td>
<td>146</td>
</tr>
<tr>
<td>4.11</td>
<td>Venezuela’s Petro–PBC (% of GDP)</td>
<td>147</td>
</tr>
<tr>
<td>5.1</td>
<td>Bank Claims on Latin America (US$ billion, 1982–1988)</td>
<td>165</td>
</tr>
<tr>
<td>5.2</td>
<td>Bond Issuance Supplants Bank Lending (17 Latin American Countries, Aggregate)</td>
<td>168</td>
</tr>
<tr>
<td>5.3</td>
<td>The Market-Induced Austerity Cycle (H2)</td>
<td>172</td>
</tr>
<tr>
<td>5.4</td>
<td>The Market-Induced Political Austerity Cycle (H2)</td>
<td>174</td>
</tr>
<tr>
<td>5.5</td>
<td>IMF and Banks Lend Despite Ecuador’s Reform Drift (US$ million, 1980–1990)</td>
<td>175</td>
</tr>
<tr>
<td>5.6</td>
<td>Ecuador’s Credit Plummetts Before 1998 Presidential Elections (Bond Yield Differential Between Ecuadorian and U.S. Treasury Debt)</td>
<td>178</td>
</tr>
<tr>
<td>5.7</td>
<td>Venezuelan Credit Sinks Before 1998 Presidential Elections (Bond Yield Differential Between Venezuelan and U.S. Treasury Debt)</td>
<td>185</td>
</tr>
<tr>
<td>6.1</td>
<td>Latin America’s Inflationary Crises Spur Economic Ministry Professionalization (1960–2009)</td>
<td>192</td>
</tr>
<tr>
<td>6.2</td>
<td>The Inflation-Averse Austerity Cycle (H3)</td>
<td>197</td>
</tr>
<tr>
<td>6.3</td>
<td>The Inflation-Averse Political Austerity Cycle (H3)</td>
<td>200</td>
</tr>
<tr>
<td>6.4</td>
<td>Taming Chile’s Inflationary Beast (Average Annual Inflation, % Change)</td>
<td>213</td>
</tr>
<tr>
<td>6.5</td>
<td>Global Copper Prices, 1932–2009 (Higher Grade Copper Prices, 5-Year Moving Average)</td>
<td>214</td>
</tr>
<tr>
<td>6.6</td>
<td>Falling Inflation Allows for Mild Stimulus Before Chile’s 1999 Elections (Average Annual Inflation, % Change)</td>
<td>217</td>
</tr>
<tr>
<td>6.7</td>
<td>Lagos’s Approval Soars in Chile, Approval Ratings (%)</td>
<td>223</td>
</tr>
<tr>
<td>6.8</td>
<td>A Political Austerity Cycle (2005 Chilean Elections)</td>
<td>225</td>
</tr>
<tr>
<td>6.9</td>
<td>Argentina Taps Market Despite Tight Credit Before 1999 Elections</td>
<td>234</td>
</tr>
<tr>
<td>6.10</td>
<td>Argentina’s Spending Steady in 1990s (Primary Expenditures, % GDP)</td>
<td>237</td>
</tr>
<tr>
<td>6.11</td>
<td>A Provincial Political Business Cycle (1999 Argentine Elections)</td>
<td>240</td>
</tr>
</tbody>
</table>
List of Figures

6.12 President Collor’s Popularity Plummets Amid Inflationary Chaos 243
6.13 Real Plan Red Lights Inflation, But Green Lights Cardoso’s Candidacy 245
7.1 The Political Austerity Cycle (H4) 253
7.2 The Political Austerity Cycle (H4) 254
7.3 Menem’s Political Dilemma: Inflation Stabilization vs. Unemployment 257
7.4 Bonds Supplant Bank Lending (Argentina’s External Financing) 258
7.5 Tequila Crisis Forestalls Spending (Argentina’s 1995 Elections) 260
7.6 A Political Austerity Cycle (Argentina’s 2003 Elections) 266
7.7 Bonds Supplant Bank Lending (Brazil’s External Financing) 267
7.8 Brazil’s Sovereign Spread Spikes Before 1998 Presidential Elections (Bond Yield Differential Between Brazilian and U.S. Treasury Debt) 270
7.9 Brazil’s Market Turbulence Boosts Cardoso’s 1998 Reelection Bid 271
7.10 Lula’s Impending Presidential Victory Sparks Financial Market Fears 274
### List of Tables

<table>
<thead>
<tr>
<th>Table No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Macroecomonic Policy Expectations: The Spendthrift or the Miser?</td>
<td>33</td>
</tr>
<tr>
<td>3.1</td>
<td>List of 16 Latin American Countries</td>
<td>79</td>
</tr>
<tr>
<td>3.2</td>
<td>Marginal Effects of Elections and Decentralized Finance on Fiscal Indicators</td>
<td>87</td>
</tr>
<tr>
<td>3.3</td>
<td>Marginal Effects of Elections and Inflationary Crisis History on the Economy</td>
<td>99</td>
</tr>
<tr>
<td>3.4</td>
<td>Marginal Effects of Partisanship and Past Inflationary Crisis on the Economy</td>
<td>100</td>
</tr>
<tr>
<td>3A.1</td>
<td>Variable Definitions and Sources (16 Latin American Countries, 1961–2009)</td>
<td>106</td>
</tr>
<tr>
<td>3A.2</td>
<td>Descriptive Statistics for Regression Variables (16 Latin American Countries, 1961–2009)</td>
<td>109</td>
</tr>
<tr>
<td>3A.3</td>
<td>Effect of Elections on Government Budget Balance (OLS Regressions with Fixed Effects)</td>
<td>110</td>
</tr>
<tr>
<td>3A.4</td>
<td>The Relationship Between Government Budget Composition and Elections (OLS Regressions with Fixed Effects)</td>
<td>111</td>
</tr>
<tr>
<td>3A.5</td>
<td>Effect of Elections on the Economy (Basic OLS Regressions with Fixed Effects)</td>
<td>112</td>
</tr>
<tr>
<td>3A.6</td>
<td>Effect of Elections and Decentralized Finance on the Economy (OLS Regressions with Interactive Terms)</td>
<td>113</td>
</tr>
<tr>
<td>3A.7</td>
<td>Effect of Elections and Decentralized Finance on the Economy (Sensitivity Analysis for OLS Regressions with Interactive Terms)</td>
<td>115</td>
</tr>
<tr>
<td>3A.8</td>
<td>Effect of Elections and Past Inflationary Crisis on the Economy (OLS Regressions with Interactive Terms)</td>
<td>117</td>
</tr>
<tr>
<td>3A.9</td>
<td>Effect of Partisanship on Government Budgetary Balance (OLS Regressions with Fixed Effects)</td>
<td>119</td>
</tr>
</tbody>
</table>
List of Tables

3A.10 Effect of Partisanship on the Economy (OLS Regressions with Fixed Effects) 121
4.1 Macroeconomic Policy Expectations: The Spendthrift or the Miser? 131
4.2 Case Study Overview (H1 and H2) 134
5.1 Macroeconomic Policy Expectations: The Spendthrift or the Miser? 171
5.2 Case Study Overview (H1 and H2) 172
6.1 Macroeconomic Policy Expectations: The Spendthrift or the Miser? 196
6.2 Case Study Overview (H3 and H4) 197
6.5 Brazil’s Central Bank Professionalization under Democracy (1985–2010) 242
7.1 Macroeconomic Policy Expectations: The Spendthrift or the Miser? 252
7.2 Case Study Overview (H3 and H4) 254
Acknowledgments

With the Thai currency and asset markets in a free fall during July 1997, I printed a raft of Bloomberg charts and charged into the office of Chase Manhattan’s Global Head of Emerging Markets. When I signed up for this summer internship, little did I know that Thailand’s economy would incur such devastation. Throughout the previous decade, Thailand had been the star performer among the group of market reformers known as the Asian tigers. Confronted with a massive speculative attack, however, a currency devaluation and abrupt capital outflows soon left the economy in shambles. How does a country’s economy transform from a tiger to a turkey seemingly overnight? How do politicians govern in such an environment? Can they concurrently appease flighty foreign investors fretting about default and domestic constituents worried about jobs? Is there a political middle ground? I found myself repeatedly asking these questions not only as the crisis spread throughout East Asia but also as it rippled around the globe to my area of expertise, Latin America. Over the next fifteen years of following global economics and markets, I worked to answer these questions as I moved from a Chase summer research associate to a senior economic analyst at the Federal Reserve Bank of New York, and then from a Yale doctoral student to eventually a professor at George Washington University.

As this book goes to press, the crisis wave has settled on developed country shores, upsetting years of economic stability and threatening a eurozone split. Amid this financial volatility, this book is an effort to think through the compatibility of markets and democracy. I study this question through the lens of economic policy in the developing region of Latin America, but the research findings offer governance lessons for highly indebted countries everywhere, including developed countries. From Greece, Portugal, and Spain to the United Kingdom and the United States, the recent global financial crisis has underscored that even developed countries are not insulated from default risk, capital flight, and credit downgrades. When facing these bond...
market pressures, Latin American leaders have often governed with more macroeconomic discipline than conventional wisdom would have anticipated in a newly democratized region. In navigating this delicate terrain, politicians have often sought to reconcile two seemingly opposing forces: economic austerity and social responsiveness. In the wake of the 2008 global financial crisis, this governance challenge is likely to persist well into the future for countries around the world. Against this backdrop, this book develops a framework for thinking systematically about the political effects of global bond market indebtedness.

In researching the politics of sovereign debt, I became highly indebted to a rich, scholarly world. It is a pleasure to acknowledge the many professional and personal debts that helped me advance this book project. I extend my deepest gratitude to my dissertation committee; they exemplify superlative scholarship and mentoring. Their unparalleled commitment to teaching, advising, and the intellectual community is an inspiration. Their wisdom was essential to the development of this book. I am grateful to Susan Rose-Ackerman, who has been a source of steadfast professional support and extraordinary scholarly guidance. From early in my graduate career, her intellectual openness was crucial to fostering an independent voice. My deepest gratitude to Susan Stokes for her exceptional mentoring, her finely tuned balance of intellectual criticism and encouragement, and her dedication to my development as a writer. Susan Rose-Ackerman and Susan Stokes also kindly gave me considerable guidance on the book’s publication. I also enthusiastically thank Frances Rosenbluth for her mentoring throughout the publication of my first article and her valuable scholarly and career counsel over the years. My debt to James Vreeland is also large. I appreciate his tremendous support for my intellectual and professional development, sharing my passion for the political economy of global finance. I also greatly benefited from the advice and support of Eduardo Engel, who has served as a valuable consultant on Latin American macroeconomics.

I gratefully acknowledge financial support from the Elliott School of International Affairs at George Washington University (GWU), Princeton University’s Niehaus Globalization and Governance Center, the Yale University Leitner Program on Comparative and International Political Economy, and the Whitney and Betty MacMillan Center for International and Area Studies at Yale University. I am also thankful for the opportunity to present this project at numerous forums, including George Washington University’s Institute for Global and International Studies; Princeton’s International Relations Colloquium; Yale’s Comparative Politics and Political Economy Workshops; Columbia University’s Initiative for Policy Dialogue; The New School; the Society for Comparative Research; the University College Dublin’s Financialization Workshop; the University of Manchester’s World Policy Institute; Argentina’s Universidad Torcuato Di Tella and Universidad de Buenos Aires; the American Political Science Association; the International Political Economy Society; the International Studies Association; the Latin
Acknowledgments

American Studies Association; the Midwest Political Science Association; the Society for Advancement of Socio-Economics; the Workshop for Comparative Political Economy; the Institute on Qualitative and Multi-Method Research (IQMR) at Arizona State University; the Institute for International Studies at the University of California, Berkeley; the political science departments of George Washington University, New York University, and Penn State University; the research department at the Inter-American Development Bank; the Office of the Western Hemisphere at the U.S. Department of the Treasury; and the department of economics at the University of Maryland. By presenting earlier versions of the manuscript at these institutions and conferences, I received excellent comments and critiques that enhanced this book project.

During a spring 2010 book workshop at the GWU Institute for Global and International Studies, Javier Corrales, Bruce Dickson, Thad Dunning, Henry Farrell, Cynthia McClintock, Kate McNamara, Kimberly Morgan, and Susan Sell provided valuable advice and suggestions; a special thanks to Varun Paplani for his excellent note-taking. I greatly appreciate Susan Sell’s efforts to coordinate this forum, which has fostered an ongoing exchange of ideas. The workshop also served as a terrific introduction to the GWU faculty, who provided a fun, intelligent, and thoughtful environment to finish my book project. I would also like to extend my gratitude to Helen Milner, Andrew Moravcsik, and Pat Trinity at the Niehaus Center for Globalization and Governance for providing a wonderfully rich and stimulating setting to revise the manuscript.

Many other people also read portions of the manuscript and/or helpfully discussed its development with me. I would like to thank Ana Arjona, Andy Baker, Laia Balcells, Nathaniel Beck, Alejandro Bonvecchi, Lawrence Broz, Daniela Campello, Brandice Canes-Wrone, Terrence Chapman, Jose Cheibub, Robert Dahl, Ana De la O, Allan Drazen, Martha Finnemore, Amaney Jamal, William Keech, Robert Keohane, Yong Kyun Kim, Dominika Koter, Basak Kus, Noam Lupu, David Mayhew, Helen Milner, Layna Mosley, Jose Antonio Ocampo, Seán O’Riain, Robert Person, Ken Scheve, Beth Simmons, Abbey Steele, Joseph Stiglitz, Dawn Teele, and Matt Winters. Eric Kaplan and Manny Teitelbaum kindly read the entire manuscript, while Heather Walsh perpetually provided an important litmus test for appealing to readers beyond the social sciences. Don Green, Eric Lawrence, and Paul Wahlbeck gave many helpful suggestions on the data analysis in Chapter 3. I am also grateful to Helen Harris, who provided valuable research assistance regarding the educational and professional backgrounds of presidential cabinet officials in Chapter 6. Kaj Thomsson was the source of many enriching discussions on global economics, international finance, and other topics. I was also lucky to have Christina Davis as a colleague for a year during my Princeton postdoc, as she gave me both detailed comments on the manuscript and guidance on the publication process. It was also fortuitous timing to have my close friend, Stephen Engel, publish a book one year ago. In addition to moral support, he offered me a wealth of advice...
about the book’s publication. I also had the good fortune to share a hall-
way and neighborhood with three GWU scholars, Harris Mylonas, Elizabeth
Saunders, and John Sides, who greatly eased my transition to faculty life by
answering my countless questions about the profession. Surrounded by senior
faculty with open doors, I also benefited from numerous discussions about
the publishing world with Bruce Dickson, Henry Farrell, Martha Finnemore,
Charles Glaser, Henry Hale, Forrest Maltzman, Cynthia McClintock, Susan
Sell, and Paul Wahlbeck.

I am forever thankful for the outstanding six-year professional education
in applied macroeconomics I received at the Federal Reserve Bank of New
York, before returning to academia. While at Yale, I also learned a tremendous
amount about economics and politics serving as a research assistant to Professor
Emeritus Robert Dahl and former Mexican President and Director of Yale’s
Study for the Center of Globalization, Ernesto Zedillo.

At Cambridge University Press, the anonymous reviewers made many excel-
lent suggestions that greatly enriched the manuscript. I am also grateful to my
editor Scott Parris for his unbridled enthusiasm for the project, and Margaret
Levi for accepting the manuscript for publication in the Cambridge Studies in
Comparative Politics series. Thanks also to my Project Manager Adrian Pereira
and Marielle Poss for her skilled production management.

My field research profited immensely from the kindness of Latin American
scholars and the resources of Latin American universities. I was fortunate to
have research affiliations at the Universidad Torcuato De Tella in Buenos Aires,
Argentina; the Universidad Diego Portales in Santiago, Chile; and the Instituto
de Estudios Superiores de Administración (IESA) in Caracas, Venezuela. I par-
ticularly appreciate the generosity of Rossana Castiglioni, Francisco Monaldi,
and Catalina Smulovitz, who served as my local university contacts and helped
facilitate my field research. I am also indebted to Javier Alvaredo, Alejandro
Bonvecchi, Haley Cohen, Thad Dunning, Eduardo Engel, Mathew Haarsager,
Tricia Kissinger, Martín Rapetti, Francisco Rodriguez, and Dan Rosenheck for
sharing their knowledge of Latin American political economy and helping build
my Latin American Rolodex. I also would like to thank Jazmin Sierra Adeff
and Luis Schiumerini for their assistance in arranging interviews with Latin
American dignitaries. A salute to my many friends and colleagues who eased
my adjustment to life in Argentina, Chile, and Venezuela: Magdalena Arata,
Felipe Codou, Maria Costa, Lisandro Kahan, Blai Mesa, Anita Pantin, Luis
Paragi, and Oriana Piffre. A special thanks to Ramon J. Serrano, who served as
my social entrepreneur throughout South America; Eudald Lerga, who intro-
duced me to the wonders of Compensar; and Stephen Engel for co-founding
the Van der Woodsen Institute for the Study of Omphaloskepsis.

Finally, I am eternally grateful for the support of a dense network of
colleagues and friends from my Yale graduate studies, Princeton’s postdoc-
toral fellowship, and George Washington University faculty that supported me
Acknowledgments

throughout this challenging process. Within these rich, intellectual communities, a truly impressive group of smart and humorous colleagues deepened my thinking about the topic and sustained my spirit and energy. A special thanks to Ana Arjona, Laia Balcells, Kush Choudhury, Stephen Engel, Ryan Garcia, Arunabha Ghosh, Jennifer Green, Sandy Henderson, Nicole Kazee, Dominika Koter, Joseph Lampert, Harris Mylonas, Tom Pepinsky, Robert Person, Juan Rebolledo, Ryan Sheely, Abbey Steele, and Drew Volmert.

I am also thankful for the unwavering support of my friends outside of academic circles, including Robert Becker, Eudald Lerga, Eric Padua, Bruce Pierce, and Eric Poolman. I cannot imagine a more fruitful and fun livelihood than being a professor. Earlier in my life, I had many competing aspirations, including playing centerfield for the New York Yankees, skiing the World Cup alpine downhill, or rocking out in front of a sold-out Madison Square Garden. I am indebted to my Swedish ski buddies in the Alps; my comedy improv cadre, Phabricated Data; my fellow Yale co-ed intramural softball champions; and my mock rock band, Sephardic Bonobos, who all helped me keep the dream alive these last several years. I also thank my Adams-Morgan Saturday soccer mates, my Wyoming circle of friends, and my fellow South American trekkers, who also ensured that I had fun, creative, and carefree social outlets while enduring the rigors of research and writing.

I dedicate this book to my wife, Heather, my son, Jasper, and our families. When beginning work on this project, my wife and I were intrepidly pursuing both my doctorate and her medical degree. As the years passed, we increasingly complicated the work-life juggling act by starting a family, buying a home, and beginning new jobs in Washington, DC. During this process, I have learned that it takes a village to write a book. This project could not have been accomplished without the emotional support of two terrifically caring families. My heartfelt thanks to our parents, Mark and Cynthia Kaplan and Michael and Beverly Walsh; our siblings Eric and Amanda Kaplan and Michael Walsh and Karen Batt; and our nephew and nieces Benjamin, Lauren, and Bridget Kaplan.

With such all-consuming undertakings, we risk living for the future; I applaud my son, Jasper, for always ensuring that I live in the present. The love of my traveling companion, Heather, was vital to my intellectual and spiritual journey.

Stephen B. Kaplan
Washington, DC
July 18, 2012