

**International Organizations and
Democratization: Testing the Effect of
GATT/WTO Membership**

Mary Comerford Cooper

April 2003

The Asia/Pacific Research Center (A/PARC), in the Institute for International Studies, is an important Stanford venue, where faculty and students, visiting scholars, and distinguished business and government leaders meet and exchange views on contemporary Asia and U.S. involvement in the region. A/PARC research results in seminars and conferences, published studies, occasional and discussion papers, special reports, and books. A/PARC maintains an active industrial affiliates and training program, involving many U.S. and Asian companies and public agencies. Members of A/PARC's faculty have held high-level posts in government and business. Their interdisciplinary expertise generates research of lasting significance on economic, political, technological, strategic, and social issues.

Asia/Pacific Research Center
Institute for International Studies
Encina Hall, Room E301
Stanford University
Stanford, CA 94306-6055

<http://APARC.stanford.edu>

Abstract

Does the World Trade Organization promote democracy? A large part of the heated and protracted debate over China's application for WTO membership revolved around this question. Prior to China's WTO accession in December 2001, this debate had dragged on for nearly fifteen years. While one side argued that WTO membership would promote democratization in China, others argued that the wealth generated through economic integration would provide the resources to maintain authoritarian rule. Only time will tell whether WTO accession will contribute to pressures for democratization in China. In the meantime, however, this paper examines the empirical basis for these competing claims about the effects of GATT/WTO memberships on domestic political systems. Based on statistical analysis of a global data set, this paper concludes that members of the international trade regime are more likely than nonmembers to be democracies. However, there is little evidence that WTO membership in itself can promote democratic transition. Instead, it appears to be the case that democratic countries are more likely to seek to join the WTO.

About the Author

Mary Comerford Cooper grew up in New York State. After graduating from Syracuse University, she moved to Washington DC, and spent four years working in Arthur Andersen's Economic Analysis Group, primarily doing intercompany pricing analysis for U.S. and foreign multinational clients. She subsequently returned to graduate school and earned an M.A. in international relations and a Ph.D. in political science from Yale University. During 2002–2003, she is in residence at A/PARC as a Shorenstein Fellow, revising her dissertation on the politics of the stock markets in China for publication. Starting in September 2003, she will be an assistant professor in the political science department at the Ohio State University.

Acknowledgments

I am grateful to James Vreeland for many helpful discussions about this paper, and to José Cheibub for making his data set available to me. This paper was presented at the 2001 Annual Meeting of the American Political Science Association, and I benefited greatly from the comments of other panelists. All errors are fully my own.

International Organizations and Democratization: Testing the Effect of GATT/WTO Membership

Mary Comerford Cooper

Introduction

The People's Republic of China began negotiating for membership in the international trade regime in 1986.¹ After fifteen years of debate, China finally became a member of the World Trade Organization (WTO) on December 11, 2001. This extended negotiation period reflects the significance of both economic and political concerns. The key economic concerns included the incompatibility of state trading with the principles of the General Agreement on Tariffs and Trade (GATT) and the WTO, fear of manufacturing job losses in the United States, and the potential for widespread bankruptcies among Chinese farmers and state-owned enterprises as they were exposed to foreign competition. The political concerns revolved around the issue of human rights and democracy in China.

On the one hand, some argued that WTO membership would be a force for democratization in China. The greater wealth and access to information generated through involvement in the international system would promote growing demands for democratic politics among the burgeoning Chinese middle class. An editorial in the Bangkok-based *Asia Times* argued that "the U.S. administration should recognize (by its own ideological precepts that entrepreneurship entails growth of constituencies for more liberal political forms) that if it wants to see change in China, Chinese WTO membership creates the openings and opportunities." (May 26, 2001) Another writer argued that, "the logic of trade liberalization posits a close link between increasing economic freedom and securing human rights;" therefore, "China should be admitted to the World Trade Organization as soon as possible." (Dorn, 1996)

Others, however, argued that there is not necessarily a causal connection between WTO membership and democratization. For example, Kaplan states that "rather than improve

[China's human rights] record, the rapid expansion of China's trade ties to the outside world over the past decade has coincided with a worsening of political repression at home." (2001, 27) Opponents of economic engagement with China argue that in fact, the wealth generated through economic integration will provide the resources to maintain authoritarian rule in China.

Although this debate generates a lot of heat, there has been insufficient empirical analysis to support the arguments made by either side. To be sure, time will tell whether WTO accession contributes to pressures for democratization in the specific case of China. In the meantime, however, it is possible to gain a more general understanding of the relationship between international organizations and democratization. This paper will examine the empirical basis for the competing claims about the effects of GATT/WTO memberships on domestic political systems.

Since the founding of GATT in 1947, countries at varying levels of democracy have become members of the trade regime. Analysis of political changes in these countries can help to clarify the effect of membership on democratization. For example, are there differences in the pace or extent of democratic transitions between members and nonmembers? To the extent that differences between members and nonmembers exist, how are these differences correlated with the date of GATT/WTO entry? That is, does the beginning of the democratic transition precede or follow GATT/WTO entry? What is the time lag for the political effects of GATT/WTO membership?

Based on statistical analysis of a global data set, this paper concludes that members of the international trade regime are more likely than nonmembers to be democracies. This finding holds even when the effects of other variables known to be associated with democracy (such as the level of GDP per capita) are included in the analysis. Logically, this result could either reflect the fact that democratic countries are more likely to join the GATT/WTO, or that GATT/WTO promotes democratization among members. After reviewing the data, the former explanation seems more likely to be correct. Membership in the trade regime is often associated with a process of political liberalization. However, WTO members are not necessarily more likely than nonmembers to undergo successful democratic transition.

The following section discusses the theoretical connection between trade and democratization. The next section discusses the data used for this analysis. The next section details the analysis of the effects of GATT/WTO membership on regime type and the potential for regime transition.

Trade and Democratization

Inquiry into the causes of democratization has generated a vast body of literature. (see, for instance, Bunce 2000; Geddes 1999; Wong 2001) While acknowledging that there are many important noneconomic factors influencing the emergence and sustainability of democracy, this paper focuses on one main explanatory variable: international trade. The connection between trade and regime type is generally believed to operate through one of two channels. In one account, the economic effects of trade create political effects. Alternately, the political effects of trade arise not from trade itself, but from participation in the international institutions that regulate trade.

Economic Effects of Trade

Expanded trade may influence a country's political system by generating economic growth or decentralizing economic power. These arguments draw on the assertions of modernization theory, that economic development and social transformation are mutually reinforcing, and are part of a process of political evolution eventually leading to democracy. (Lipset 1959) Proponents of China's accession to the WTO often make the argument that a more open trade regime will generate economic growth, which in turn will generate social forces demanding political reform and democratization. These social forces may center around a growing Chinese middle class. As members of this middle class enjoy economic prosperity, and ever-increasing autonomy in the economic sphere, they may become less and less willing to accept restrictions in the political sphere. Or, the mindset of the labor force will be changed through exposure to merit-based hiring practices, information sharing, and teamwork: "Inevitably, workers in foreign corporations who have become accustomed to the free flow of economic information will wonder why their government restricts the flow of political information." (Santoro 2000, 266) In a more circuitous scenario, a rapidly expanding class of domestic and foreign entrepreneurs begins to demand independent and accurate coverage of business news. Limited press freedom with respect to business news may then create expectations among the public for liberalization in other spheres of press coverage.²

At the same time, economic growth may ease the transition to democracy by creating an aura of successful economic policy making by the ruling regime. This perceived success may translate into expectations of continued support for the ruling regime under a more democratic political system, and may thereby soften the ruling elites' resistance to political liberalization measures.

In addition to the wealth effect of growth, economic reform also decentralizes economic power. Therefore, growth can generate not only increased demand for political rights, but increased capacity to act on this desire. Newly wealthy entrepreneurs or middle class groups may attempt to transform broader distribution of economic power and resources into broader access to political power.

Similar arguments were made with respect to the North American Free Trade Agreement (NAFTA) and democratic reform in Mexico. (Baer 1991; Smith 1992) At the time of the negotiations over NAFTA in the early 1990s, Mexico had experienced nearly a decade of economic reform, but had only implemented limited political liberalization measures. As in the debate over China today, economic reforms were often cited as a factor promoting sustained political reform: "A free-trade agreement may help reinforce decentralized economic decision-making, erode the dirigiste tendency of an authoritarian state and decouple the economy from exclusive party control. Liberalized politics tend to accompany liberal economics." (Baer 1991, 136)

Two questions are raised to challenge these arguments linking free trade, economic growth, and democratization. First, does trade in fact promote growth, and second, is there any evidence to support the claims of modernization theory? The process of introducing free trade, like other economic reforms, creates large short run distributional costs. While export sectors may thrive, previously protected import-competing sectors are faced with painful restructuring. Movement from shrinking to growing sectors is rarely immediate or costless. The promise of long-term aggregate growth from free trade is generally not sufficient to soothe public anger over the costs of adjustment. Under such conditions, leaders may be unwilling to implement democratic reforms. Controversy over economic reforms may even threaten the survival of newly democratized regimes. (Blake 1998; Nelson 1994; Przeworski 1991)

The second challenge raises the point that, even if joining the WTO does bring immediate economic benefits—for example, increased foreign direct investment attracted by guaranteed access to export markets—this economic growth does not necessarily create the political changes expected by modernization theory. Although ideas associated with modernization theory remain influential, the approach has been heavily criticized. For example, Przeworski et al. argue, “if modernization theory is to have any predictive power, there must be some level of income at which one can be relatively sure that the country will throw off its dictatorship. And one is hard put to find this level.” (2000, 97) Furthermore, they find that the probabilities of authoritarian regimes collapsing are almost the same whether the economy is growing or declining. The observed correlation between economically developed countries and democracy is not because democracy results from growth, but because a high level of income has a strong effect on the survival of democracies, once they are established. (106-117)

During the debate over NAFTA and democratization in Mexico, those who argued that free trade would promote democratization were answered by arguments that free trade without social and political conditionality would consolidate authoritarian rule, or at best, slow the momentum for political reform. (Castaneda 1993; Smith 1992) Another logical possibility was that free trade would have no meaningful impact on the political arena. As Smith explains, there is no deterministic relationship between economic liberalization and political change:

free trade and economic liberalization could loosen the social moorings of the present political system in Mexico and thus, create objective conditions for a far-reaching political transition. However, whether and how this opportunity is used entails the exercise of political will, skill, and management at the uppermost levels of power—especially the presidency. Given a realignment of social forces, it would be just as conceivable for Mexico’s leaders to resort to repression and install some new form of authoritarianism as it would be for them to embark on a quest for authentic democracy. In Mexico, as elsewhere, the ultimate achievement of democracy will require acts of political determination and volition. (1992, 19-20)

Trade Institutions

Participation in the international trade institutions may have effects that extend beyond the realm of trade. By their very nature international regimes put constraints on the behavior of participating states. It has also been noted that participation in an international regime may lead to a modification of the criteria that inform government decision-making. (Keohane 1993; Nye 1988; Stein 1993)

The connection between international institutions and democratization has been less studied. Some organizations, such as the European Union (EU), explicitly require potential members to construct democratic political systems. Therefore, integration into the EU assisted the consolidation of democratic regimes in Southern Europe, and is widely expected to facilitate the consolidation of democracy among Central and Eastern European countries. (Huntington 1991; Linz and Stepan 1996; Williams 2001) In addition to direct conditionality, membership in international institutions may indirectly promote democratic norms through processes of demonstration or social learning.

This study aims to strengthen understanding about the democratizing potential of inter-

national institutions by asking whether institutions such as the WTO, which do not have any explicit political conditionality, can also promote democratization. One mechanism through which a trade institution could indirectly promote democratization (or democratic consolidation) is through strengthening the rule of law. The absence of the rule of law, and the presence of pervasive corruption, have been identified as major barriers to achieving substantive democratization. (Diamond et al. 1999) Bunce suggests that we think of democracy as “a two-part proposition, having uncertain results (or competition) but also having certain procedures;” in other words, “competition bounded by rules.” (2000, 714) Rule-based competition in the economic sphere is precisely what the WTO embodies. Whether these principles are able to affect participating countries’ domestic political arrangements remains to be seen.

Data

The dependent variable in this analysis is regime type (democracy or authoritarian). Three different measures of regime type are available. A variety of measures can test the robustness of the analysis, and can assess the effects of WTO membership, if any, on different aspects of democracy. The best data set on regime type is that compiled by Adam Przeworski, Michael E. Alvarez, José Antonio Cheibub, and Fernando Limongi (2000). This data set consists of a dichotomous classification of regimes into democracies and dictatorships for 141 countries from 1950 (or the year of independence) and 1990.³ Democratic regimes are defined as those in which government offices are filled by contested elections, according to three operational rules: the chief executive must be elected; the legislature must be elected; and there must be more than one party. (Przeworski et al. 2000, 13-30)

Another commonly used source is the data on political regime characteristics compiled by Keith Jagers, Monty G. Marshall and Ted Robert Gurr, known as the Polity Project (2000, for additional information see <http://www.bsos.umd.edu/cidcm/polity/>). The polity variable is based on a country’s scores for institutionalized democracy and institutionalized autocracy. The democracy indicator ranges from 0 to 10 according to the competitiveness of political participation, the openness and competitiveness of executive recruitment, and constraints on the chief executive. Similarly, the autocracy indicator ranges from 0 to 10 according to the competitiveness (level of repression) of political participation, the regulation of participation, the openness and competitiveness of executive recruitment, and constraints on the chief executive. The polity score is obtained by subtracting the autocracy score from the democracy score. Therefore the polity variable ranges from -10 (most autocratic) to 10 (most democratic).

There is also an index of political rights compiled by Freedom House (2000, for additional information see <http://www.freedomhouse.org>). Freedom House evaluates the rights enjoyed by individuals in various countries according to two broad categories: political rights and civil liberties. Each of these measures ranges from 1 (most free) to 7 (least free). Political rights empower individuals to participate freely in the process of choosing policymakers. The political rights checklist includes questions such as:

- Is the head of state and/or head of government or other chief authority elected through free and fair elections?

- Are the legislative representatives elected through free and fair elections?
- Are there fair electoral laws, equal campaigning opportunities, fair polling, and honest tabulation of ballots?
- Are the voters able to endow their freely elected representatives with real power?
- Are the people free from domination by the military, foreign powers, totalitarian parties, religious hierarchies, economic oligarchies, or any other powerful group?

Civil liberties empower individuals to form views, institutions, and personal autonomy apart from the state. The civil liberties checklist includes questions such as:

- Are there free and independent media and other forms of cultural expression?
- Is there freedom of assembly, demonstration, and open public discussion?
- Is there freedom of political or quasi-political organization?
- Is there an independent judiciary?
- Does the rule of law prevail in civil and criminal matters? Is the population treated equally under the law? Are police under direct civilian control?
- Is there personal autonomy? Does the state control travel, choice of residence, or choice of employment? Is there freedom from indoctrination and excessive dependency on the state?
- Are property rights secure? Do citizens have the right to establish private businesses? Is private business activity unduly influenced by government officials, the security forces, or organized crime?
- Are there personal social freedoms, including gender equality, choice of marriage partners, and size of family? (Freedom House, 2000)

Using these two variables allow a test of whether WTO membership has distinct effects on the political rights and civil rights associated with democracy.

The main independent variable in this study is a country's status as a member or non-member of the international trade organization. The date of each country's entry into GATT or WTO is easily accessible from WTO documents. (World Trade Organization, 2000—for additional information see <http://www.wto.org>) This variable consists of a binary classification of countries into WTO members and nonmembers for each year from 1948 through 2000. There is no separate coding for countries with observer status. Appendix 1 contains a list of all countries and their dates of accession to GATT or WTO.

Analysis

Regime Type

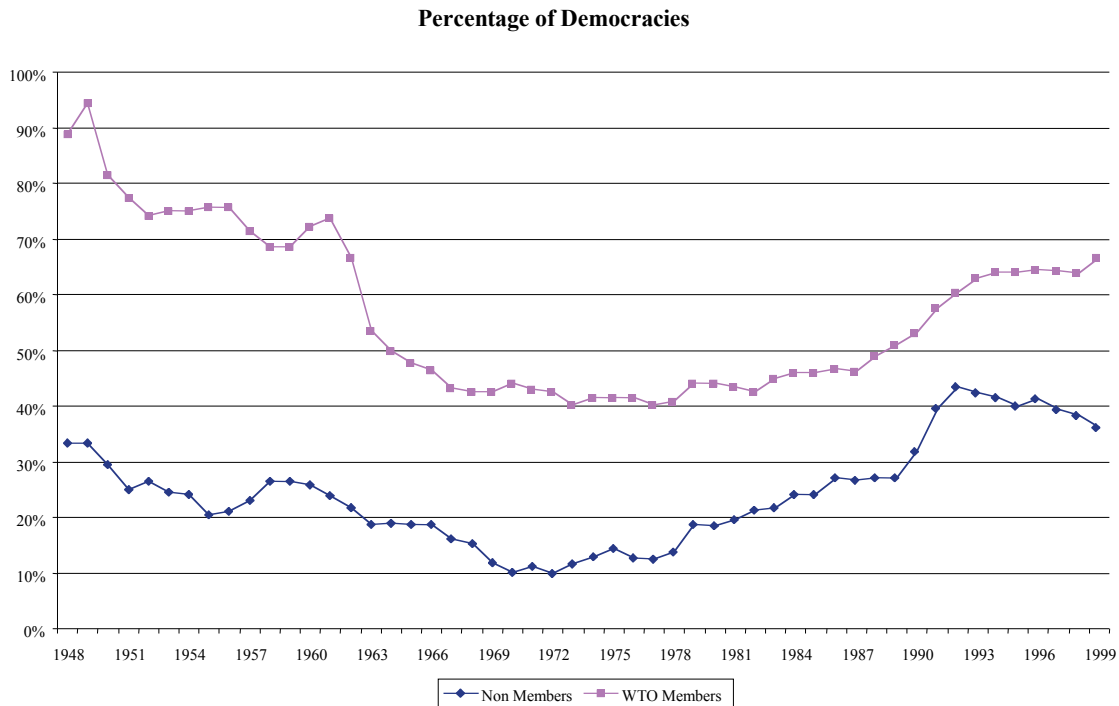
The first cut at answering the question of whether WTO membership affects political regime type is to assess whether in any given year, WTO members are more likely than nonmembers to be democracies. There are 7,174 observations with data for both WTO membership and regime type.⁴ At first glance, WTO members are more likely to be democracies than are nonmembers. As shown in the table below, though only 24 percent of the observations of

non-WTO members were classified as democratic regime years, 54 percent of the observations of WTO members were democratic.

Table 1: WTO Membership and Regime Type, 1948–1999

Regime	WTO Membership				Total
	No		Yes		
Democracy	816	24%	2,066	54%	2,882
Authoritarian	2,519	76%	1,773	46%	4,292
Total	3,335	100%	3,839	100%	7,174

This pattern holds when the data are analyzed year by year. As the chart below illustrates, in every year the percentage of democracies among WTO members is higher than the percentage among nonmembers.



Clearly, this association between WTO membership and democratic regimes is due at least in part to the effects of other variables, such as GDP per capita, that are correlated with WTO membership. To estimate the independent effect of WTO membership on democracy, several regression analyses were performed. Based on the approach of Przeworski et al. (2000, 78-128), the following variables were chosen as control variables:

1. GDP per capita;
2. Growth rate of GDP per capita; and
3. Political history, as indicated by the number of past transitions to authoritarianism.

First, the prediction capacities of these different variables were compared. Using logistic regression, predictions were generated for the political regime in each country during each year. Then, these predictions were compared with the actual observations for each country and year. The following table shows the results of using different variables or combinations of variables. The data set was filtered to exclude cases with missing values for any of the independent variables, resulting in 4,439 valid cases.

Table 2: Predictions of Regime Type

<i>Variables:</i>	<i>Number of Correct Predictions:</i>		<i>Proportion Correct</i>
	<i>Democracy</i> <i>N=1,813</i>	<i>Authoritarian</i> <i>N=2,626</i>	
LEVLAG	990	2,355	75.4%
GLAG	1	2,624	59.1%
STRALAG	109	2,458	57.8%
WTOLAG	1,423	1,309	61.5%
AGEW	756	2,089	64.1%
LEVLAG + WTOLAG	1,107	2,414	77.4%
LEVLAG + AGEW			

Notes: LEVLAG: LEVEL of economic development (measured as real GDP per capita, 1985 international prices) lagged by one year.

GLAG: GROWTH rate of GDP per capita, lagged by one year.

STRALAG: SUM of TRANSITIONS to AUTHORITARIANISM in a country. If a country experienced a transition to authoritarianism before 1950, STRA was coded 1 in 1950. Variable is lagged by one year.

WTOLAG: Classification of countries based on membership in WTO (or GATT prior to 1995). Dummy variable coded 1 for GATT/WTO members and 0 for nonmembers. Accession year is coded as 1. Variable is lagged by one year.

AGEW: Age in years of membership in GATT/WTO. The year of accession is coded as 1.

As expected, the strongest predictor of regime type is the level of per capita GDP. The variables relating to WTO membership, both alone and in combination with the GDP per capita, also perform well.

The regression model employed to test the robustness of the association between GATT/WTO membership and regime type is as follows:

$$\text{REGIME} = B_0 + B_1 * \text{LEVLAG} + B_2 * \text{GLAG} + B_3 * \text{STRALAG} + B_4 * \text{WTOLAG},$$

where REGIME is the regime type of a given country in a given year, according to each of the different measures of democracy discussed above, in turn. The following table illustrates the regression results.

Table 3: Regression Analysis of Regime Type

<i>Democracy Measure</i>	PACL	POLITY	CL	PL
N	4,439	4,039	2,800	2,800
<i>Variable</i>	<i>Coefficient (S.E.)</i>	<i>Coefficient (S.E.)</i>	<i>Coefficient (S.E.)</i>	<i>Coefficient (S.E.)</i>
Constant	2.421 *** (0.080)	-5.978 *** (0.194)	5.693 *** (0.056)	5.853 *** (0.066)
LEVLAG	-0.0003 *** (0.00001)	0.001 *** (0.00002)	-0.0002 *** (0.000007)	-0.0003 *** (0.000008)
GLAG	-0.006 (0.005)	0.021 (0.015)	-0.013 ** (0.004)	-0.011 ** (0.005)
STRALAG	-0.353 *** (0.052)	0.561 *** (0.144)	-0.161 *** (0.038)	-0.157 *** (0.045)
WTOLAG	-0.026 *** (0.003)	3.503 *** (0.218)	-0.745 *** (0.062)	-0.747 *** (0.072)

* = significant at .10 level

** = significant at .05 level

*** = significant at .001 level

No matter which measure of democracy is used, WTO membership has a significant effect on the probability that a country will be classified as a democratic regime in any given year. The findings of this analysis also hold when fixed effects are included for countries and years.

It seems clear that there is some relationship between WTO membership and democratic regimes. Nevertheless, the direction of causality is still unclear. It could be the case that WTO membership makes authoritarian countries more likely to democratize. Alternatively, it could be the case that democratic countries are more likely to seek to join the WTO. To better understand this relationship, additional tests are needed. First, I test whether the length of WTO membership is associated with a higher probability of democratic regimes. If expanded trade does generate social and political changes that make democracy more likely, it seems reasonable to hypothesize that the longer a country has been a WTO member, the stronger such effects will be. As illustrated above, the variable indicating length of WTO membership has good predictive ability with respect to regime type. Second, the next section focuses not on the probability of democracy among WTO members, but on the probability of regime change.

The following regression analyses are identical to those above, except that instead of a dummy variable representing WTO membership, a variable indicating the number of years of WTO membership is used.

Table 4: Regression Analysis of Regime Type—Using Length of WTO Membership

<i>Democracy Measure</i>	PACL	POLITY	CL	PL
N	4,439	4,039	2,800	2,800
<i>Variable</i>	<i>Coefficient (S.E.)</i>	<i>Coefficient (S.E.)</i>	<i>Coefficient (S.E.)</i>	<i>Coefficient (S.E.)</i>
Constant	2.080 *** (0.068)	-4.796 *** (0.171)	5.537 *** (0.050)	5.728 *** (0.058)
LEVLAG	-0.0003 *** (0.00001)	0.001 *** (0.00003)	-0.0002 *** (0.000007)	-0.0003 *** (0.000008)
GLAG	-0.008 (0.005)	0.028 * (0.015)	-0.015 *** (0.004)	-0.013 ** (0.005)
STRALAG	-0.297 *** (0.051)	0.462 ** (0.148)	-0.130 *** (0.039)	-0.119 ** (0.045)
AGEW	-.0969 *** (0.078)	0.094 *** (0.009)	-0.026 *** (0.002)	-0.029 *** (0.003)

* = significant at .10 level
 ** = significant at .05 level
 *** = significant at .001 level

Again, for all measures of democracy, the length of membership in GATT/WTO has a significant effect on the probability of a democratic regime in any given year.

Regime Change

Przeworski et al. (2000) have done extensive investigations into the factors affecting the probability of regime change. Among their findings, transitions from authoritarianism to democracy are less likely in the poorest and richest countries, but are more likely at intermediate income levels (between US \$1,001 and \$7,000 per capita). But, while economic development does not have a strong independent influence on transitions to democracy, it does have a strong effect on the survival of democracies, once they are established. The question here is whether data on a country's membership in the WTO can add anything to this analysis.

Appendix 2 presents basic data on the timing of democratic transitions in relation to WTO membership. The Appendix includes data for 138 countries that were classified as authoritarian at some point from 1948 (or year of independence) and 1999. In 20 countries, a democratic transition occurred before GATT/WTO accession. An additional 34 countries had democratic transitions after becoming GATT/WTO members, and 7 countries had democratic transitions without any membership in the trade regime. A glance at these data suggests that WTO members are somewhat more likely than nonmembers to undergo regime change from authoritarianism to democracy. Of the authoritarian countries among nonmembers 42 percent experienced democratic transitions. In contrast, 49 percent of the authoritarian countries among GATT/WTO members experienced democratic transitions.⁵

There are two flaws in this simple analysis. First, it does not account for the time lag between the hypothesized cause and effect. If membership in the international trade institution does influence domestic political structures, one should expect this effect to appear within a reasonable amount of time after accession. The shortest time lag between accession and democratization occurred in Peru. Peru joined the GATT in 1951, and became democratic

in 1956. In 1962, however, Peru reverted to an authoritarian regime, and has experienced four more regime transitions since then. The next shortest time lag occurred in the Philippines, with seven years between GATT accession and democratization. Nevertheless, many countries had much longer gaps between accession and democratization. For example, Greece had a time lag of 24 years, and Indonesia had a time lag of 49 years. In such cases, it seems hard to make an argument that membership in the trade institution was a significant cause of democratization. Appendix 3 illustrates regime changes within ten years after accession to GATT or WTO. Most countries experienced no change in regime. Out of 97 countries with at least ten years membership, three changed from authoritarian to democracy, and six changed from democracy to authoritarian.

The second drawback to just comparing ratios of regime transitions among GATT/WTO members and nonmembers is that this approach cannot account for other variables known to cause regime transition. A dynamic probit analysis is able to measure the impact of GATT/WTO membership in the context of other economic and historical variables. The first step is to look at all the observations with an authoritarian regime in the previous year. Then, the factors that influence whether each country will continue to have an authoritarian regime, or transform into a democratic regime may be analyzed. The following table illustrates the probabilities of authoritarian regimes continuing in any given year.

Table 5: Dynamic Probit Analysis of Regime Transitions: Probability of Authoritarian Regime Continuing

<i>Democracy Measure</i>	PACL	PACL
N	2,648	2,648
<i>Variable</i>	<i>Coefficient (S.E.)</i>	<i>Coefficient (S.E.)</i>
Constant	2.2515 *** (0.1073)	2.2693 *** (0.0977)
LEVLAG	-0.000003 (0.00002)	-0.000005 (0.00002)
GLAG	0.0217 ** (0.0081)	0.0214 ** (0.0081)
STRALAG	-0.3840 *** (0.0561)	-0.3735 *** (0.0567)
WTOLAG	-0.0880 (0.1168)	
AGEWLAG		-0.0067 (0.0047)

* = significant at .10 level

** = significant at .05 level

*** = significant at .001 level

The data show that WTO membership does not have a significant effect on the probability of regime transition. By far the most important variable in determining the probability of regime transition from authoritarianism to democracy in any given year is political history (STRA). The more regime transitions a country has undergone in the past, the more likely additional transitions become.

For the second half of this analysis, one must examine all the countries with a democratic regime in the previous year. The following table illustrates the probabilities of authoritarian regimes emerging in any given year.

Table 6: Dynamic Probit Analysis of Regime Transitions: Probability of Authoritarian Regime Emerging

<i>Democracy Measure</i>	PACL	PACL
<i>N</i>	1,795	1,795
<i>Variable</i>	<i>Coefficient</i> <i>(S.E.)</i>	<i>Coefficient</i> <i>(S.E.)</i>
Constant	-1.3664 *** (0.1497)	-1.3956 *** (0.1346)
LEVLAG	-0.0002 *** (0.00003)	-0.0002 *** (0.00003)
GLAG	-0.0378 ** (0.0126)	-0.0380 ** (0.0127)
STRALAG	0.1683 ** (0.0789)	0.1739 ** (0.0785)
WTOLAG	-0.0799 (0.1531)	
AGEWLAG		-0.0017 (0.0060)

* = significant at .10 level
 ** = significant at .05 level
 *** = significant at .001 level

Again, the data show that WTO membership does not have a significant effect on the probability of regime transition. In the case of transitions from democratic to authoritarian regimes, the most important variable in determining the probability of regime transition in any given year is level of GDP per capita. Higher levels of GDP make such transitions much less likely. Growth rates and political history are also significant.

It is possible that this finding is influenced by the measure of democracy used. The PACL regime variable is a conservative measure of democracy. Any country that does not meet all criteria for democracy is classified as an authoritarian regime. Therefore, the PACL measure does not detect political liberalization that falls short of full democratization. In contrast, the Polity and Freedom House variables measure democracy along a continuum. The regression analyses above using these variables suggested that membership in GATT/WTO is associated with more democratic political systems, as compared to nonmembers.

Appendix 4 illustrates trends in regime scores based on the Polity variable. The patterns of improving scores shown by Egypt, Mexico, Tunisia, and Zambia are fairly typical. As in Mexico and Tunisia, GATT or WTO accession may not result in dramatic rapid change, but is often associated with a process of gradual political liberalization. While neither of these countries meets the PACL definition of democracy, there has been substantial improvement in their political systems. Mexico has moved from a Polity score of -3 at its GATT accession in 1986 to a score of +6 by 1999. Zambia illustrates another pattern. The country maintained a Polity score of -9 from GATT accession in 1982 to 1990, then jumped to +6 in 1991. Nevertheless, it is hard to see any connection between the timing of GATT accession and the

beginning of political liberalization. Countries that are not members of GATT/WTO, such as Algeria, also exhibit improving Polity ratings. An examination of trends in the Freedom House variables measuring civil liberties and political rights brings similar results.

For a more rigorous test of the relationship between GATT/WTO membership and the change in democracy ratings, I created three new variables. ChangePOLITY equals the Polity score for the current year minus the Polity score for the previous year. ChangeCL and ChangePL are calculated in the same way. Regressions based on these dependent variables found that neither WTO membership nor length of WTO membership had a significant effect on the change in democracy ratings.

Conclusion

Although GATT/WTO membership does have a strong association with democracy, there is little evidence that WTO membership in itself can promote democratic transition. Furthermore, there is little evidence that WTO membership is an important factor ensuring the survival of democratic regimes when they do emerge. Writers like Dorn (1996) who make ideological connections between free trade and democracy are oversimplifying a highly complex and contingent process.

The data show that WTO members are more likely than nonmembers to have democratic regimes. Furthermore, the longer a country has been a WTO member, the more likely it is to have a democratic regime. The relationship between WTO membership and democracy is robust across the four measures of democracy used in this study. These findings, however, do not prove that WTO membership makes authoritarian countries more likely to democratize. Instead, it appears to be the case that democratic countries are more likely to seek to join the WTO. There is no relationship between WTO membership and regime change, using any of the four measures of democracy.

While membership in the international trade regime is not a sufficient condition for the emergence of democracy, it is often associated with a process of political liberalization. To gain a clearer understanding of the conditions under which WTO membership can promote political change, as well as the limits of this capacity, it is necessary to turn to case studies. Case study analysis would be a useful complement to the statistical analysis of the global data set. While regression analysis can delineate the general pattern of relationships between trade and democracy, careful examination of case studies could help to illustrate the mechanisms through which these relationships are accomplished.

Notes

¹ The General Agreement on Tariffs and Trade (GATT) was in effect until 1994. On January 1, 1995, the GATT was replaced by the World Trade Organization (WTO).

² In fact, two decades of economic reform in China have already induced far-reaching changes in the Chinese media. Substantial elements of state control do remain—for example, criticism of top leaders is not permitted, heavy self-censorship is apparent around sensitive anniversaries,

and newspapers that exceed the boundaries of acceptable political content are shut down. But for all these limitations, the changes have been dramatic. The Chinese media now exposes corruption among local cadres, gives voice to ordinary people, and is funded increasingly through advertising revenues rather than by the state. See Chan (2001) and Li (2001).

³ I am grateful to José Cheibub for providing me with the updated version of this data, covering 199 countries, and extending the regime classifications from 1946 through 1999.

⁴ Unless noted otherwise, all analyses of regime type are based on the Przeworski et al. (PACL) binary REGIME variable.

⁵ These percentages were calculated as follows.

- Transition among nonmembers = (20 cases of transition before accession + 7 cases of transition without accession) / (20 + 7 + 37).
- Transition among members = (34 cases of transition after accession + 4 (Argentina, Brazil, South Korea, and Thailand experienced regime transitions both before and after accession)) / (34 + 4 + 40).

Appendix 1. Dates of Accession to GATT or WTO

Country Name	Country Code (PACL)	Accession Year	Notes
Afghanistan	142		
Albania	143	2000	
Algeria	1		
Andorra	195		
Angola	2	1994	
Antigua	144	1987	
Argentina	66	1967	
Armenia	145		
Australia	129	1948	
Austria	101	1951	
Azerbaijan	147		
Bahamas, The	49		
Bahrain	136	1993	
Bangladesh	78	1972	
Barbados	50	1967	
Belarus	149		
Belgium	102	1948	
Belize	51	1983	
Benin	3	1963	
Bhutan	148		
Bolivia	67	1990	

Bosnia-Herzegovina	150		
Botswana	4	1987	
Brazil	68	1948	
Brunei	151	1993	
Bulgaria	103	1996	
Burkina Faso	5	1963	
Burundi	6	1965	
Cambodia	152		
Cameroon	7	1963	
Canada	52	1948	
Cape Verde	8		
Central African Republic	9	1963	
Chad	10	1963	
Chile	69	1949	
China	79	1948	* After 1949 revolution, gov't on Taiwan withdrew from GATT
Colombia	70	1981	
Comoros	11		
Congo	12	1963	
Costa Rica	53	1990	
Cote d'Ivoire	21	1963	
Croatia	153	2000	
Cuba	154	1948	
Cyprus	187	1963	
Czech Republic	155	1993	
Czechoslovakia	104		
Denmark	105	1950	
Djibouti	13	1994	
Dominica	157	1993	
Dominican Republic	54	1950	
East Germany	109		
Ecuador	71	1996	
Egypt, Arab Rep.	14	1970	
El Salvador	55	1991	
Equatorial Guinea	158		
Eritrea	160		
Estonia	159	1999	
Ethiopia	15		
Ethiopia2	194		
Fiji	130	1993	
Finland	106	1950	
France	107	1948	
Gabon	16	1963	
Gambia, The	17	1965	
Georgia	161	2000	
Germany	191	1951	*West Germany joined in 1951

Ghana	18	1957
Greece	110	1950
Greek Cyprus	188	
Grenada	56	1994
Guatemala	57	1991
Guinea	19	1994
Guinea-Bissau	20	1994
Guyana	72	1966
Haiti	58	1950
Honduras	59	1994
Hungary	111	1973
Iceland	112	1968
India	80	1948
Indonesia	81	1950
Iran, Islamic Rep.	82	
Iraq	83	
Ireland	113	1967
Israel	84	1962
Italy	114	1950
Jamaica	60	1963
Japan	85	1955
Jordan	86	2000
Kazakhstan	162	
Kenya	22	1964
Kiribati	163	
Korea, North (Dem. Rep.)	164	
Korea, South (Rep.)	87	1967
Kuwait	137	1963
Kyrgyzstan	165	1998
Laos PDR	88	
Latvia	166	1999
Lebanon	167	
Lesotho	23	1988
Liberia	24	
Libya	193	
Liechtenstein	196	1994
Lithuania	168	
Luxembourg	115	1948
Macedonia	169	
Madagascar	25	1963
Malawi	26	1964
Malaysia	89	1957
Maldives	170	1983
Mali	27	1993
Malta	116	1964
Marshall Islands	197	
Mauritania	28	1963

Mauritius	29	1970
Mexico	61	1986
Micronesia, Federated States of Moldova	189	
Mongolia	171	
Mongolia	90	1997
Morocco	30	1987
Mozambique	31	1992
Myanmar	91	1948
Namibia	172	1992
Nauru	146	
Nepal	92	
Netherlands	117	1948
New Zealand	131	1948
Nicaragua	62	1950
Niger	32	1963
Nigeria	33	1960
Norway	118	1948
Oman	138	2000
Pakistan	93	1948
Palau	198	
Panama	63	1997
Papua New Guinea	132	1994
Paraguay	73	1994
Peru	74	1951
Philippines	94	1979
Poland	119	1967
Portugal	120	1962
Qatar	139	1994
Republic of Yemen	190	
Romania	121	1971
Russia	173	
Rwanda	34	1966
San Marino	199	
Sao Tome and Principe	175	
Saudi Arabia	140	
Senegal	35	1963
Seychelles	36	
Sierra Leone	37	1961
Singapore	95	1973
Slovak Republic	156	1993
Slovenia	176	1994
Solomon Islands	133	1994
Somalia	38	
Somaliland	177	
South Africa	39	1948
Spain	122	1963
Sri Lanka	96	1948

St. Kitts and Nevis	179	1994	
St. Lucia	174	1993	
St. Vincent	180	1993	
Sudan	40		
Suriname	75	1978	
Swaziland	41	1993	
Sweden	123	1950	
Switzerland	124	1966	
Syrian Arab Republic	97		
Taiwan	98		*Withdrew from GATT in 1949, rejoined in 1965, withdrew in 1971
Tajikistan	181		
Tanzania	42	1961	
Thailand	99	1982	
Togo	43	1964	
Tonga	184		
Trinidad and Tobago	64	1962	
Tunisia	44	1990	
Turkey	125	1951	
Turkmenistan	182		
U.S.S.R.	127		
Uganda	45	1962	
Ukraine	183		
United Arab Emirates	141	1994	
United Kingdom	126	1948	
United States	65	1948	
Uruguay	76	1953	
Uzbekistan	185		
Vanuatu	134		
Venezuela	77	1990	
Vietnam	186		
West Germany	108	1951	
Western Samoa	135		
Yemen Arab Republic	100		
(North, Sana) Yemen PDR	178		
(South, Aden) Yugoslavia	128	1966	*After 1991, Fed. Rep. of Yugoslavia and other successor states have observer status
Yugoslavia2	192		
Zaire	46	1971	
Zambia	47	1982	
Zimbabwe	48	1948	*Became a GATT member before independence in 1965

Appendix 2. Timing of Democratic Transition

1. Democratic Transition before WTO Accession (20 cases):

Albania
Bolivia
Bulgaria
Colombia
Costa Rica
Czech Republic
Ecuador
El Salvador
Grenada
Guatemala
Honduras
Mali
Mongolia
Slovak Republic
Panama
Venezuela

Argentina*
Brazil*
Korea, South (Rep.)*
Thailand*

*Multiple regime transitions, both before and after WTO accession. Countries are currently democracies.

Note: Transition defined according to PACL (2000) REGIME variable.

2. Democratic Transition after WTO Accession (34 cases):

Bangladesh
Benin
Central African Republic
Dominican Republic
Guyana
Haiti
Hungary
Indonesia
Madagascar
Malawi
Nicaragua
Philippines
Poland
Portugal
Romania
Senegal

South Africa
Spain
Zambia

Congo*
Ghana*
Myanmar*
Nigeria*
Pakistan*
Peru*
Uganda*

*Multiple regime transitions after WTO accession. Countries are currently authoritarian.

Chile**
Greece**
Niger**
Sierra Leone**
Sri Lanka**
Suriname**
Turkey**
Uruguay**

**Multiple regime transitions after WTO accession. Countries are currently democracies.

3. Democratic Transition without WTO Accession (7 cases):

Cape Verde^a
Comoros*
Moldova^a
Nepal^a
Sao Tome and Principe^a
Sudan^a*
Taiwan^a

^aCountries currently have observer status in WTO.

*Multiple regime transitions. Countries are currently authoritarian.

4. WTO Membership with No Democratic Transition (40 cases)

*Excludes 45 countries that were democratic for the entire period

Angola
Bahrain
Botswana
Brunei
Burkina Faso
Burundi
Cameroon
Chad
Cote d'Ivoire
Djibouti
Egypt, Arab Rep.
Fiji
Gabon
Gambia, The
Georgia
Guinea
Guinea-Bissau
Jordan
Kenya
Kuwait
Lesotho
Malaysia
Maldiv Islands
Mauritania
Mexico
Morocco
Mozambique
Oman
Paraguay
Qatar
Rwanda
Singapore
Swaziland
Tanzania
Togo
Tunisia
United Arab Emirates
Yugoslavia
Zaire

*Cuba—Had transition from democracy to authoritarian regime in 1952.

5. No WTO Membership, No Democratic Transition (37 cases):

*Excludes 14 countries that were democratic for their entire existence

Afghanistan
Algeria
Azerbaijan
Belarus
Bhutan
Bosnia-Herzegovina
Cambodia
China
East Germany
Equatorial Guinea
Eritrea
Ethiopia (1946–92)
Ethiopia2 (1993–99)
Iran, Islamic Rep.
Iraq
Kazakhstan
Korea, North (Dem. Rep.)
Liberia
Libya
Republic of Yemen (1990–99)
Saudi Arabia
Seychelles
Somaliland
Syrian Arab Republic
Tajikistan
Tonga
Turkmenistan
U.S.S.R.
Uzbekistan
Vietnam
Western Samoa
Yemen Arab Republic (North, Sana) (1967–89)
Yemen PDR (South, Aden) (1967–89)
Yugoslavia2 (1991–99)

*Laos PDR

*Lebanon

*Somalia

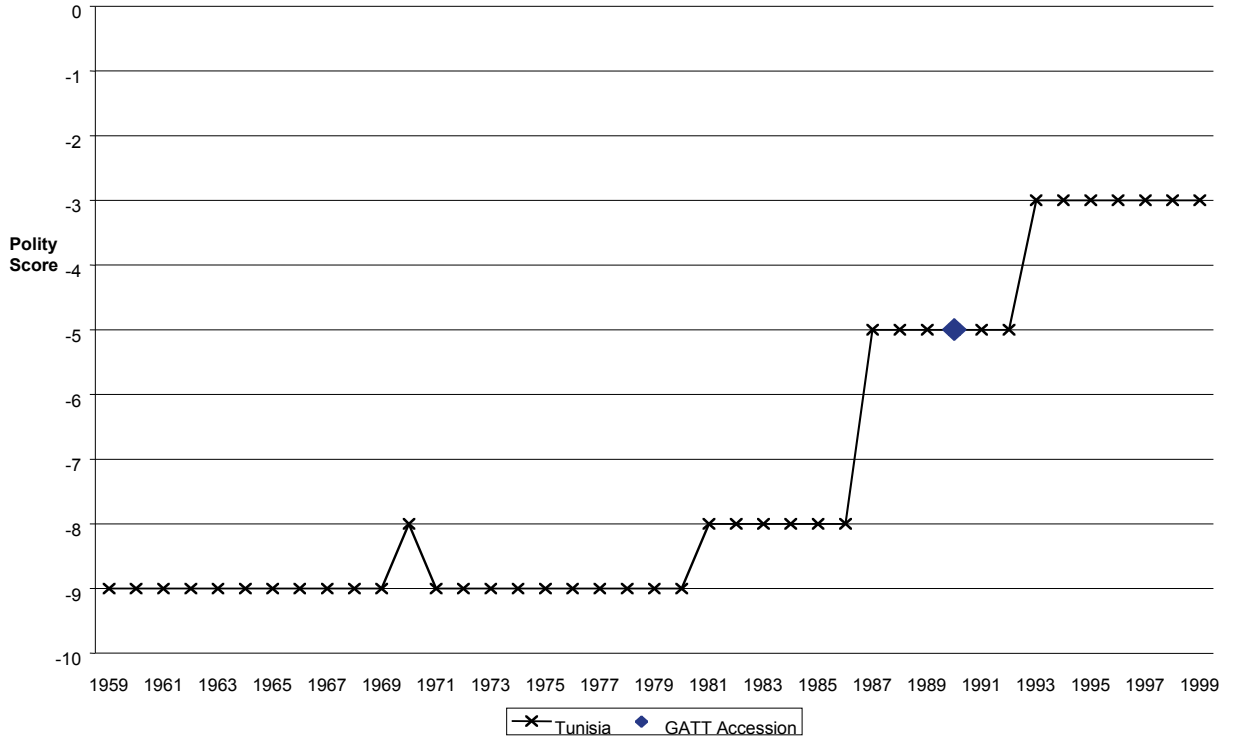
*Had transition from democracy to authoritarian regime.

Appendix 3. Regime Changes, Ten Years after GATT/WTO Accession Regime at WTO Accession

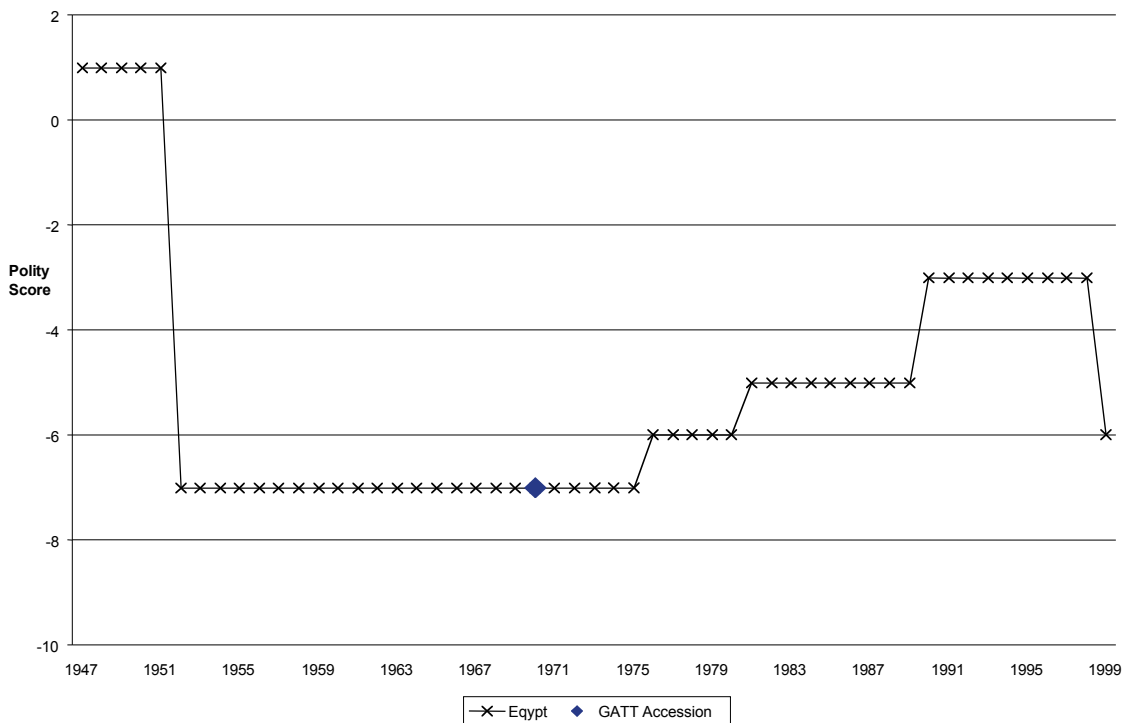
	Democracy		Authoritarian		N
Democracy 10 Years after WTO Accession	Antigua Australia Austria Barbados Belgium Belize Bolivia Brazil Canada Chile Colombia Costa Rica Cyprus Denmark Finland France Greece Iceland India Ireland	Israel Italy Jamaica Japan Luxembourg Malta Mauritius Netherlands New Zealand Norway Sri Lanka Sweden Switzerland Trinidad and Tobago United Kingdom United States Uruguay Venezuela West Germany	Peru Philippines Zambia		42
Authoritarian 10 Years after WTO Accession	Cuba Myanmar Nigeria Pakistan Sierra Leone Suriname		Argentina Bangladesh Benin Botswana Burkina Faso Burundi Cameroon Central African Republic Chad Congo Cote d'Ivoire Dominican Republic Egypt, Arab Rep. Gabon Gambia, The Ghana Guyana Haiti Hungary Indonesia Kenya Korea, South (Rep.) Kuwait Lesotho	Madagascar Malawi Malaysia Maldives Islands Mauritania Mexico Morocco Nicaragua Niger Poland Portugal Romania Rwanda Senegal Singapore South Africa Spain Tanzania Thailand Togo Tunisia Turkey Uganda Yugoslavia Zaire	55
N		45	52		97

Appendix 4. Trends in Polity Ratings by Region: Middle East / North Africa
 Note: Regime data from PACL (2000)

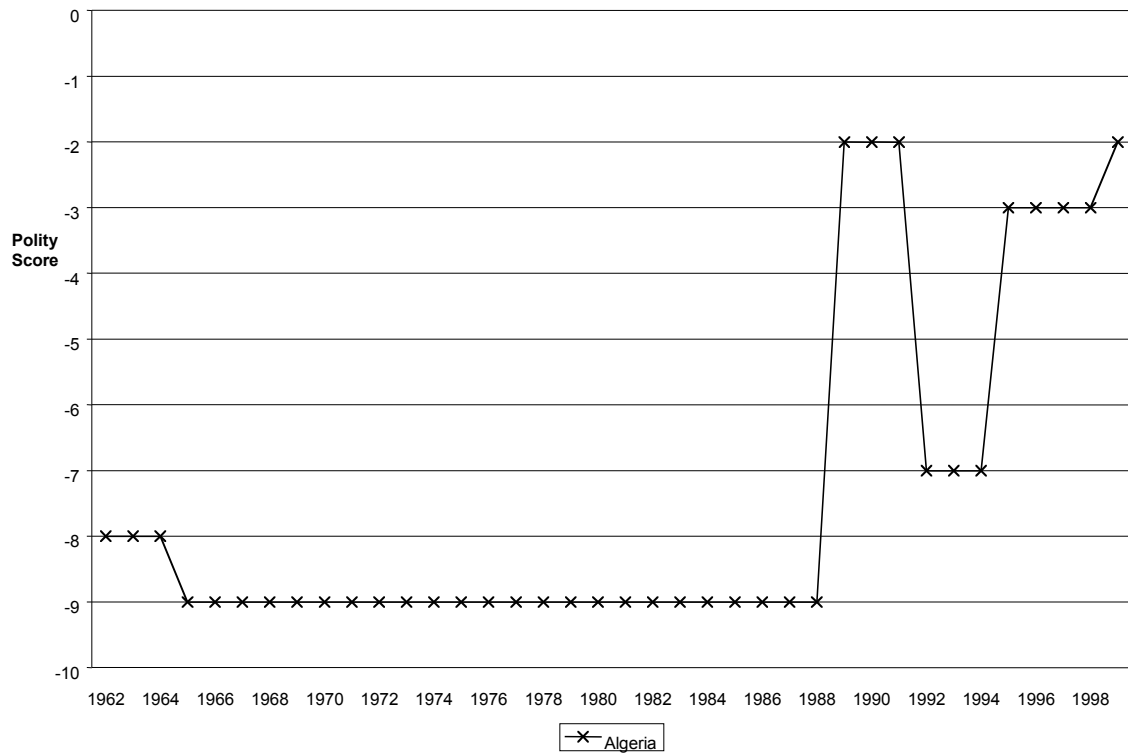
Hi b] g] U ž ' % -) - ! % - - -



9 [m d h ž ' % - (+ ! % - - -



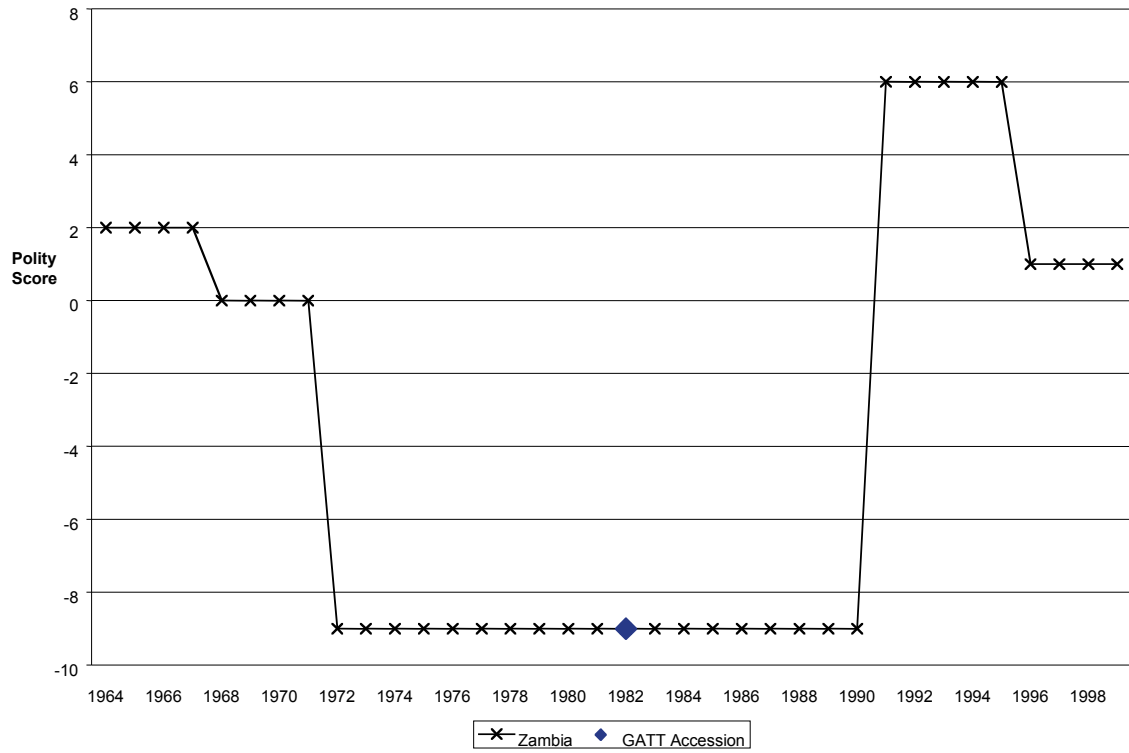
Algeria, 1962–1999



COUNTRY NAME	YEAR						WTO Member
	1950	1960	1970	1980	1990	1999	
Algeria			-9	-9	-2	-2	No
Iran, Islamic Rep.	-1	-10	-10		-6	3	No
Iraq	-4	-5	-7	-9	-9	-9	No
Syrian Arab Republic	2		-9	-9	-9	-9	No
Turkey	8		8	-5	9	7	Yes (1951)
Egypt, Arab Rep.	1	-7	-7	-6	-3	-6	Yes (1970)
Morocco		-5	-9	-8	-8	-6	Yes (1987)
Tunisia		-9	-8	-9	-5	-3	Yes (1990)
Jordan	-10	-9	-9	-10	-4	-2	Yes (2000)

Trends in Polity Ratings by Region: Africa

Zambia, 1964–1999

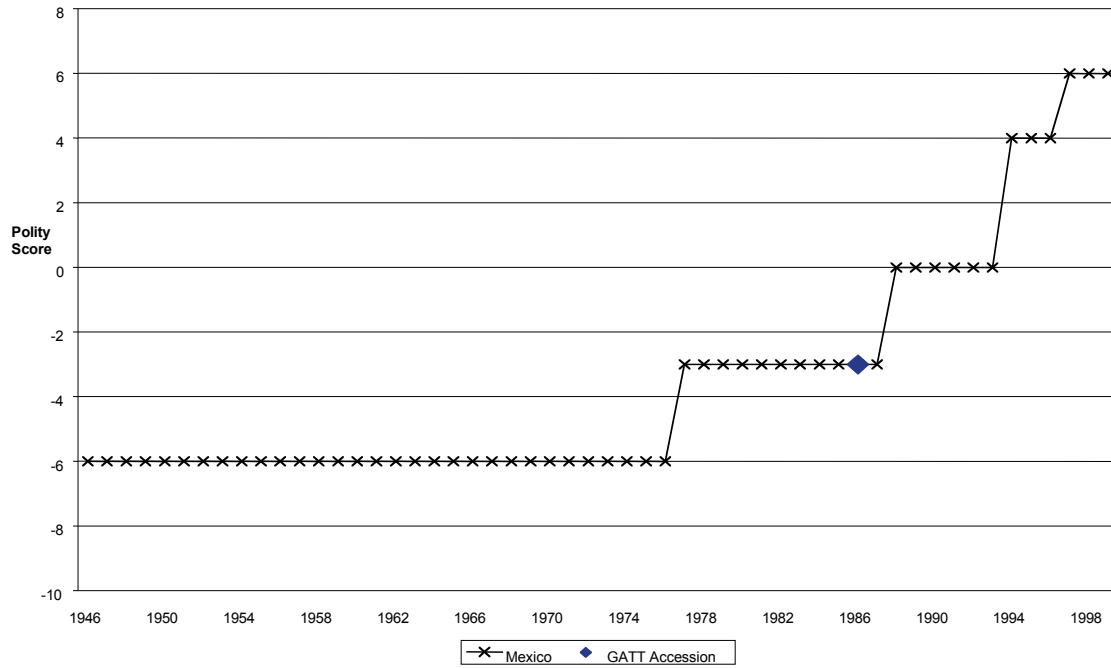


Trends in Polity Ratings by Region: Africa

COUNTRY NAME	YEAR						WTO Member
	1950	1960	1970	1980	1990	1999	
Comoros				-5	4	-2	No
Liberia	-6	-6	-6	-7		0	No
Somalia		7	-7	-7	-7		No
Sudan		-7		-7	-7	-7	No
South Africa	4	4	4	4	5	9	Yes (1948)
Zimbabwe			4	5	-6	-6	Yes (1948)
Ghana		-8	3	6	-7	2	Yes (1957)
Nigeria		8	-7	7	-5	4	Yes (1960)
Sierra Leone			1	-7	-7		Yes (1961)
Tanzania			-7	-7	-7	-1	Yes (1961)
Uganda			-7	3	-7	-1	Yes (1962)
Benin		2	-2	-7		6	Yes (1963)
Burkina Faso		-7	-4	-7	-7	-1	Yes (1963)
Cameroon		-6	-7	-8	-8	-4	Yes (1963)
Central African Republic		-7	-7	-7	-7	6	Yes (1963)
Chad		-9	-9		-7	-2	Yes (1963)
Congo		4	-7	-8	-8	-6	Yes (1963)
Cote d'Ivoire		-9	-9	-9	-7		Yes (1963)
Gabon		-7	-9	-9		-4	Yes (1963)
Madagascar		-1	-1	-6	-6	6	Yes (1963)
Mauritania		-4	-7	-7	-7	-6	Yes (1963)
Niger		-7	-7	-7	-7	4	Yes (1963)
Senegal		-1	-7	-2	-1	-1	Yes (1963)
Kenya			-7	-6	-7	-2	Yes (1964)
Malawi			-9	-9	-9	7	Yes (1964)
Togo		-6	-7	-7	-7	-2	Yes (1964)
Burundi			-7	-7	-7	-2	Yes (1965)
The Gambia			8	8	8	-5	Yes (1965)
Rwanda			-5	-7	-7	-4	Yes (1966)
Zaire			-9	-9	-8		Yes (1971)
Zambia			0	-9	-9	1	Yes (1982)
Botswana			7	9	9	9	Yes (1987)
Lesotho			-9	-7	-7		Yes (1988)
Mozambique				-8	-7	6	Yes (1992)
Namibia					8	6	Yes (1992)
Mali		-7	-7	-7	-7	4	Yes (1993)
Swaziland			0	-10	-10	-9	Yes (1993)
Angola				-7	-7	-3	Yes (1994)
Guinea		-9	-9	-9	-7	-1	Yes (1994)
Guinea-Bissau				-7	-6		Yes (1994)

Trends in Polity Ratings by Region: Latin America

Mexico, 1946–1999



COUNTRY NAME	YEAR						WTO Member
	1950	1960	1970	1980	1990	1999	
Cuba	3		-7	-7	-7	-7	Yes (1948)
Dominican Republic	-9	-9	-3	6	6	8	Yes (1950)
Nicaragua	-8	-8	-8		6	9	Yes (1950)
Peru	4	4	-7	7	8	3	Yes (1951)
Argentina	-9	-1	-9	-9	7	7	Yes (1967)
Mexico	-6	-6	-6	-3	0	6	Yes (1986)
El Salvador	-6	-3	0		6	7	Yes (1991)
Guatemala	2	-5	1	-5	3	6	Yes (1991)
Honduras	-3	-1	-1		6	7	Yes (1994)
Paraguay	-5	-9	-8	-8	2	6	Yes (1994)
Ecuador	2	2	0	9	9	8	Yes (1996)
Panama	-1	4	-7	-6	8	7	Yes (1997)

References

- “China’s WTO entry: What’s at stake?” Editorials, *Asia Times Online* May 26, 2001 (<http://www.atimes.com/editor/CE26Ba01.html>)
- Baer, M. D., “North American Free Trade,” *Foreign Affairs* 70:4 (Fall 1991), pp. 132-150.
- Blake, Charles H., “Economic Reform and Democratization in Argentina and Uruguay: The Tortoise and the Hare Revisited?” *Journal of Interamerican Studies & World Affairs* 40:3 (Fall 1998), pp. 1-26.
- Bunce, Valerie, “Comparative Democratization: Big and Bounded Generalizations,” *Comparative Political Studies* 33:6/7 (Aug/Sep 2000), pp. 703-734.
- Castaneda, Jorge G., “Can NAFTA Change Mexico?” *Foreign Affairs* 72:4 (Sep/Oct 1993), pp. 66-81.
- Chan, Alex, “A Content Analysis of the Program *Jiaodian Fangtan* in 1999 and a Snapshot on China Media Policy.” Paper presented at the Center for Chinese Studies, University of California, Berkeley, March 2, 2001.
- Diamond, L., J. Hartlyn, J. Linz, and S.M. Lipset (Eds.), *Democracy in Developing Countries*. (Boulder: Lynne Rienner, 1999).
- Dorn, James A., “Trade and Human Rights: The Case of China,” *CATO Journal* 16:1 (Spring/Summer 1996), pp. 77-99.
- Freedom House, *Freedom in the World 1999–2000*. (London: Freedom House, 2000).
- Geddes, Barbara, “What Do We Know about Democratization after Twenty Years?” *Annual Review of Political Science* 2 (1999), pp. 129-148.
- Huntington, Samuel P., *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991).
- Kaplan, Lawrence F., “Trade Barrier: Why Trade Won’t Bring Democracy to China,” *The New Republic* (July 9 and 16, 2001), pp. 23-27.
- Keohane, Robert O., “Institutional Theory and the Realist Challenge after the Cold War,” in David A. Baldwin (ed.), *Neorealism and Neoliberalism: The Contemporary Debate* (New York: Columbia University Press, 1993), pp. 269-300.
- Li, Xiaoping, “Significant Changes in the Chinese Television Industry and their Impact in the PRC: An Insider’s Perspective,” Brookings Institution, Center for Northeast Asian Policy Studies Working Paper (Spring 2001).
- Linz, Juan, and Alfred Stepan, *Problems of Democratic Transition and Consolidation*. (Baltimore: Johns Hopkins University Press, 1996).
- Lipset, Seymour Martin, “Some Social Requisites of Democracy: Economic Development and Political Legitimacy,” *American Political Science Review* 53 (1959), pp. 245-259.
- Nelson, Joan, *A Precarious Balance*. Vol. 1, Democracy and Economic Reforms in Eastern Europe. Vol. 2, Democracy and Economic Reforms in Latin America. (San Francisco: Institute for Contemporary Studies, 1994).

- Nye, Joseph S. Jr., "Neorealism and Neoliberalism," *World Politics* 40 (January 1988) pp. 235-251.
- Polity IV Project, *Polity IV Dataset*. [Computer file; version p4v2000] College Park, MD: Center for International Development and Conflict Management, University of Maryland, 2000.
- Przeworski, Adam, *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*. (Cambridge: Cambridge University Press, 1991).
- Przeworski, Adam, Michael E. Alvarez, José Antonio Cheibub, and Fernando Limongi, *Democracy and Development: Political Institutions and Well-Being in the World, 1950–1990*. (Cambridge: Cambridge University Press, 2000).
- Sartoro, Michael A., "Global Capitalism and the Road to Chinese Democracy," *Current History* (September 2000), pp. 263-267.
- Smith, Peter H., "The Political Impact of Free Trade on Mexico," *Journal of Interamerican Studies & World Affairs* 34:1 (Spring 1992), pp. 1-26.
- Stein, Arthur, "Coordination and Collaboration Regimes in an Anarchic World," in David A. Baldwin, (ed.) *Neorealism and Neoliberalism: The Contemporary Debate* (New York: Columbia University Press, 1993), pp. 29-59.
- Williams, Margit Besseney, "Exporting the Democratic Deficit: Hungary's Experience with EU Integration," *Problems of Post-Communism* 48:1 (Jan/Feb 2001), pp. 27-38.
- Wong, Joseph, "Dynamic Democratization in Taiwan," *Journal of Contemporary China* 10: 27 (2001), pp. 339-362.
- World Trade Organization, "Accessions: Contracting Parties to the GATT," and "The Organization: Members and Observers" (as of 30 November 2000). Obtained from <http://www.wto.org>.

Select Recent Publications of the Asia/Pacific Research Center

Research efforts at the Asia/Pacific Research Center (A/PARC) produce a variety of publications, including occasional papers, working and discussion papers, conference proceedings, special reports, and books. Occasional papers currently in print may be ordered at \$10.00 per copy (excluding postage and handling) and working and discussion Papers at \$7.50 per copy (excluding postage and handling) through A/PARC. For further information, call (650) 723-9741 or fax (650) 723-6530.

A complete publications list and the full texts of many papers are available on the A/PARC website at <http://APARC.stanford.edu>.

Special Reports/Books

To the Brink of Peace: New Challenges in Inter-Korean Integration and Cooperation. Foreword by Henry S. Rowen, Introduction by Sangmok Suh, and Keynote by William J. Perry. \$22. November 2001.

Working Papers

Andrew G. Walder. *Politics and Property in Transitional Economies: A Theory of Elite Opportunity.* April 2003.

Andrew G. Walder. *Sociological Dimensions of China's Economic Transition: Organization, Stratification, and Social Mobility.* April 2003.

Gi-Wook Shin. *The Paradox of Korean Globalization.* January 2003.

Andrew G. Walder. *Political Office, Kinship, and Household Wealth in Rural China.* December 2002.

Henry S. Rowen and A. Maria Toyoda. *From Keiretsu to Startups: Japan's Push for High Tech Entrepreneurship.* October 2002.

Andrew G. Walder. *Privatization and Elite Mobility: Rural China, 1979–1996.* July 2002.

Rafiq Dossani. *Chinese and Indian Engineers and their Networks in Silicon Valley.* March 2002.

Andrew G. Walder. *The Cultural Revolution in the Countryside: Scope, Timing, and Human Impact.* January 2002.

Andrew G. Walder. *Beijing Red Guard Factionalism: Social Interpretations Reconsidered.* January 2002.

Rafiq Dossani and Robert Thomas Crow. *Restructuring the Electric Power Sector in India: Alternative Institutional Structures and Mechanisms.* July 2001.

Henry S. Rowen. *The Growth of Freedoms in China.* May 2001

Rafiq Dossani and Martin Kenney. *Creating an Environment: Developing Venture Capital in India.* This paper also appears in the working paper series for the Berkeley Roundtable on the International Economy (BRIE), #143. May 2001.

Robert Thomas Crow. *Foreign Direct Investment in New Electricity Generating Capacity in Developing Asia: Stakeholders, Risks, and the Search for a New Paradigm.* January 2001.

Proceedings of the Walter H. Shorenstein Forum

The United States and China: A President's Perspective. An Address by the Honorable Jimmy Carter, 39th President of the United States. August 2002.

Political Change in Taiwan: Implications for American Policy. An address by Richard Bush and Roundtable Discussion on Taiwan's Historic 2000 Elections. September 2000.

The Stanford Project on Regions of Innovation and Entrepreneurship Discussion Papers

Kyounglim Yun, Heejin Lee, and So-Hye Kim. *The Growth of Broadband Internet Connections in South Korea: Contributing Factors.* September 2002.

William F. Miller. *The "Habitat" for Entrepreneurship.* July 2000.

The Urban Dynamics of East Asia Project Discussion Papers

Nicole Pohl. *Foreign Penetration of Japan's Investment-Banking Market: Will Japan Experience the "Wimbledon Effect"?* July 2002.

Douglas Webster. *On the Edge: Shaping the Future of Peri-urban East Asia.* May 2002.

Douglas Webster and Larissa Muller. *Challenges of Peri-urbanization in the Lower Yangtze Region: The Case of the Hangzhou-Ningbo Corridor.* May 2002.

Thomas P. Rohlen, *Cosmopolitan Cities and Nation States: Open Economics, Urban Dynamics, and Government in East Asia.* February 2002.

Mike Douglass. *Turning Points in the Korean Space-Economy: From the Developmental State to Intercity Competition 1953–2000.* October 2000.

Thomas P. Rohlen. *Hong Kong and the Pearl River Delta: 'One Country, Two Systems' in the Emerging Metropolitan Context.* July 2000.

Douglas Webster. *Financing City-Building: The Bangkok Case.* April 2000.

