

ENTREPRENEURS AND
ECONOMIC BEHAVIOR:
A New Approach to the Study of Latin American Politics

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Central to research on Latin American politics has been the pursuit of an explanation for both the stability and the instability of its various systems. Two general modes of analysis on Latin America have emerged. One, developed on the foundations of sociology and anthropology, has evolved as structural-functional analysis and its partner, behavioralism. The second mode grew out of an economic perspective and is having a profound effect on contemporary studies. This article will give a brief review of some of the analyses that have their bases in economics and will specifically apply assumptions of human behavior drawn from microeconomic theory to the problem of explaining systems of political competition and their resultant structures.

The political economic approach has brought forth major studies such as Charles W. Anderson's *Politics and Economic Change in Latin America*, and Albert O. Hirschman's *The Strategy of Economic Development and Journeys Toward Progress*.¹ Most of this literature has been limited by the artificial division between political science and economics. Analyses such as these have noted that political behavior exhibits an exchange mechanism similar to that found in economic behavior and have therefore perceived politics on the basis of costs, benefits, payoffs, and coalitions.² Warren F. Ilchman and Norman T. Uphoff have explicitly adopted the economic approach in *The Political Economy of Change*, in which they develop a rational choice model for the study of economic development. Addressed to the problems faced by politicians and planners in developing countries, Ilchman and Uphoff extended their work by editing *The Political Economy of Development*, which includes a number of articles with Latin American case studies.³ None of these analyses goes the further step of erasing the division between political and economic behaviors so as to treat both in terms of economic theory and variables.

Economic theory has been used in several new works that describe politics in and about Latin America. Most such studies build on concepts

borrowed from organization theory as developed by Herbert Simon, Richard Cyert, and James March.⁴ One of the first of these was Graham Allison's *Essence of Decision: Explaining the Cuban Missile Crisis*. Model II of Allison's book derives its analysis directly from this source⁵ and views political decision making as competition between conflicting bureaucratic interests that seek to "satisfice" their utility. This is a form of "bounded rationality" based on the assumption of *homo economicus* and the maximization of profit.⁶

Another use of organization theory has emerged in the study of public administration and bureaucracies. Peter S. Cleaves's *Bureaucratic Politics and Administration in Chile* places his analysis firmly in the area of political economy, tracing the origin of his research strategy back to the works of Anderson and Simon. Policies are tied to questions of resources available to the actors. Cleaves specifically rejects both the cultural-socialization and the "development administration" approaches to the study of bureaucracy.⁷ Extension of economic theory to its more general form, game theory, has opened up additional approaches. Guillermo O'Donnell redefined the Argentine political system into variables applicable to game theory, producing an explanation of politics based on payoffs and coalition formation.⁸

The fullest use of such theory requires not only the translation of political variables into their economic counterparts, but the recognition that the relationship between government and polity is a producer-consumer relationship in terms of goods. That recognition, among some political scientists, has brought out the concept of the political entrepreneur.

POLITICAL ENTREPRENEURS

If a public values a collective or public good more than the cost of supplying the good, then a potential profit exists for the individual (or group of individuals) who can organize the resources necessary to supply it. A public good can be defined as one the public consumes collectively and which involves government expenditure (such as security, monetary and legal systems, highways, and education). A political entrepreneur is one who seeks profit from the production and supply of public goods.

The concept of the political entrepreneur runs counter to the mainstream of traditional American political thought, built on the belief that democratic government is the creation of the governed. The economic approach to political theory "clearly departs from that part of contemporary social theory in which social systems are viewed as the result of shared beliefs, aspirations, and values."⁹ Joseph Schumpeter formulated

what may well be the first analysis of the link between democratic politics and political profits: "The social meaning or function of parliamentary activity is no doubt to turn out legislation and, in part, administration measures. But in order to understand how democratic politics serve this social end, we must start from the competitive struggle for power and office and realize that the social function is fulfilled, as it were, incidentally—in the same sense as production is incidental to the making of profits."¹⁰ Later, Anthony Downs hypothesized that "the men in government achieve their own goals by carrying out those government actions which most please voters, just as entrepreneurs make profits by producing things people want."¹¹

A significant conceptual breakthrough appeared in a review article by Richard E. Wagner in which he identified the political entrepreneur as necessary to Mancur Olson's analysis of collective action.¹² Olson had shown that common interest was not sufficient for common action.¹³ Alvin Rabuska and Kenneth A. Shepsle expanded Wagner's idea in their theory of political stability by including entrepreneurship as a necessary condition for making a "plural society" out of a "pluralistic" one, through the process of developing natural cleavages into "politically salient" issues.¹⁴ In applying their theory to empirical realities, Rabushka and Shepsle use Guyana as one of their case studies. At present, the fullest development of the concept of political entrepreneurs can be found in the work of Norman Frohlich, Joe A. Oppenheimer, and Oran Young,¹⁵ who moved toward a theoretic framework that explains a significant number of political problems.

The concept of political entrepreneurship remains an undeveloped tool in the analysis of Latin America, although it has surreptitiously intruded into side comments of a few scholars. Philippe C. Schmitter, after extensive analysis of Brazilian interest groups and their relationship to the political system, found that hypotheses about the relationship between development and associability do not hold. He explains away this "deviant" outcome by reliance on the variables of public policy and political culture, then concludes that he is "dissatisfied" with these explanations of "deviant" patterns, and goes on to say that: "At several points in preceding chapters, I noted that the empirically observable pattern of differentiated interests and attitudes is not a sufficient guide to the pattern of associational emergence. What seemed to provide the necessary and sufficient condition was an element of entrepreneurship triggered by actual or anticipated conflict with other latent or organized interests."¹⁶ At the heart of Schmitter's perception is the reality also recognized by Wagner in his review of Olson's book—entrepreneurs are necessary for interest aggregation and articulation.

William P. Glade, writing on "Approaches to a Theory of Entrepreneurial Formation," notes that: "An intriguing field for comparative inquiry exists in the possibility of parallels between entrepreneurial formation and the type of political leadership involved in the processes of political modernization."¹⁷ Wayne Cornelius adapted the concepts of political entrepreneurship, power contenders, and reformmongering in his analysis of Lázaro Cárdenas's coalition-building strategy.¹⁸ Cornelius's study of urban *caciquismo* in Mexico, while not explicitly employing the concepts of political entrepreneurship, gives an excellent case study of its reality. An urban cacique is described as an individual who uses "his leadership position to advance his own financial interest." Holding this position is contingent on his ability to supply public goods to his community and to repress competitors who would seek to replace him.¹⁹

Empirical evidence for the reality of political entrepreneurship appears in Claude Lévi-Strauss's study of primitive societies in Brazil.²⁰ In certain tribes, the chief and sometimes the witch doctors are the only persons allowed multiple wives. These latter help shoulder the chief's burdens and provide prestige and pleasure; they are given to the chief in return for "the collective security which it [the group] expects from Authority." The chief "offers to guarantee the group in times of danger or need. . . . [Collective security] is offered to the group as a group."²¹ Lévi-Strauss explains that the "forms of the State" do not derive from an analogy of family life, but that "political relations may be reduced to a kind of arbitration between, on the one hand, the talents and authority of the chiefs and, on the other, the size, coherence, and good will of the group. All these factors exert a reciprocal influence upon each other."²²

James Petras and Hugo Zemelman Merino, studying Chilean peasant revolt, make a number of revealing observations that highlight the importance and methods of operation of political entrepreneurs.²³ They describe a peasant leader "N," who "is able to appreciate political incentive and shows a certain capability in interpreting politics." On reading of President Jorge Alessandri's agrarian reform, N called his *compañeros* together and explained its significance to them. The authors describe N as combining a "rebellious and nonconformist behavior with a strong profit motive" and as having "entrepreneurial tendencies."²⁴ An interview with "C," a member of N's group, reveals the tie between authority and the supply of benefits. C, born and raised on a *fundo*, lives under the authority of the *patrón*. In exchange for C's labor, the patron provides *regalías* in the form of land for cultivation. Reduction of the *regalías* by the *patrón* caused C to turn from the authority of his *patrón* to support of N. As the authors state, "the power of the *patrón* is not a function of the paternalistic image and strength of prestige, but of the

owner's capacity to satisfy the *regalía* demands of the peasant. . . . When these *regalías* are no longer forthcoming, the patronal figure loses all its effective authority, just as the existence of good *regalías* reinforces his authority."²⁵

Another example of the very conscious calculation of benefits by individuals can be found in the Zapatista rebellion of Mexico: "When Madero initiated the revolution in November 1910, Morelos rural leaders did not flock to his cause without weeks of hard reckoning and calculation. And when they did join him, it was for conscious, practical reasons—to cover village lands and establish village security."²⁶

THE MOTIVATIONS OF POLITICAL ENTREPRENEURS

Political entrepreneurs are assumed to seek office for the profit they can obtain. How that profit is expressed depends on the existing system of governing and on the utility that a political entrepreneur receives from the kind of profit that can be collected. Downs says that "politicians . . . are motivated by the desire for power, prestige, and income and by the love of conflict, i.e., the thrill of the game common to many actions involving risk," and uses this to support his axiom of vote-maximizing.²⁷ But for Downs, vote-maximizing is obviously derivative of more primary motivations.

Monetary profit, one of the most obvious motivations for political entrepreneurship, is adopted in the analysis of Frohlich, Oppenheimer, and Young.²⁸ The list of Latin American leaders known to have found profit in political position is long and is especially exemplified in Cuba, where "the social system . . . perpetuated the Spanish legacy that public office should be made a source of private profit. Politics become the key to social advancement, and so little more than a squabble between factions for the ownership of the government."²⁹ Following the fall of Carlos Prío Socarrás in 1952, the Cuban magazine *Bohemia* published a quotation from the Mexican scholar and statesman José Vasconcelos: "He fell like a rotten fruit, almost by his own weight, victim of his own intrigues, of his uneven ambitions and of his contempt for public opinion. . . . Like other climbers, he recognized public office only as a ladder for rapid enrichment and he recognised his closest collaborators only as helpers to make a fortune."³⁰ A similar attitude as to the perquisites belonging to the Cuban presidency was held by Batista's closest supporters in 1940, who believed "that they had a right to all the profits of the administration."³¹

But other evidence suggests that monetary profit may not be the only basis of utility maximization for political entrepreneurs. A politician may desire to extend his tenure of office. As such, his motivation may be

security and result in choices that heighten the probability of remaining in office. This may dictate a policy of a low level of financial profit.³² The economic analog could be the small merchant who is satisfied to run a neighborhood business and maintains a moderate living as a result. The Stroessner regime of Paraguay may typify this basis of political entrepreneurship.

A third motivation is ambition—to go to the top of the political ladder. This requires that the position be a stepping-stone for advancement and that the political entrepreneur maximize upward mobility.³³ Evidence suggests that Fidel Castro may be an example of a highly successful, ambition-motivated leader, having become both the prime minister and the *líder máximo* of Cuba. Furthermore, whether by design or by circumstance, Castro is the best known contemporary Latin American leader, a global figure who has reached the pinnacle of success.³⁴ The multidimensional motivational basis for political entrepreneurship remains ill-defined, but the use of the concept is a powerful tool in the development of a theory of political competition.

ECONOMIC VERSUS POLITICAL ENTREPRENEURSHIP

Evidence suggests that economic entrepreneurship and political entrepreneurship are intimately tied together and may be only different expressions of the same phenomenon. The existence of such a tie should be expected since recent work has defined politics as a subset of economic behavior. An example can be seen in Mexico, where the “lawyers and intellectuals, scions of the professional class, . . . sought political office both to advance their principles and to assure themselves of a livelihood, if not a fortune.” In both New Spain and early independent Mexico, political leadership served to confer elite status and to control the allocation of resources.³⁷ In Northwest Mexico during that era, “politics and government . . . seemed more of a prize to be won than a responsibility to be fulfilled. . . . To some, the prize was the power and the remuneration of office.”³⁸ A major family in the area, the Vegas, controlled government positions in order “to further their commercial interest” and they “filled public offices with their cousins, in-laws, and cronies.”³⁹ David Brading says that in colonial Mexico, political rather than economic entrepreneurship was favored. “The creole wanted to be a viceroy, a governor, a bishop, a general, a high court judge. It was from the exercise of political power that he aspired to obtain both prestige and profit. Denied access to such positions he did not, unless driven by extreme necessity, engage in economic enterprise; instead he lived off his estates, took up a profession, and consumed his inheritance.”⁴⁰ John Womack calls Generals Alvaro

Obregón and Plutarco Elías Calles “entrepreneurial characters,” and describes Francisco Villa’s motivation as one of “spoils.” In a similar way the presidency of Miguel Alemán Valdés is marked as the beginning of a second generation of nationalist entrepreneurs.⁴¹ Womack’s analysis basically ties Mexican politics, especially during the 1920s and post-Alemán, to an entrepreneurial motivation.

So far, entrepreneurship and economic gain have been used descriptively in the analysis of Latin American political behavior. The further step is to link these concepts to a theory of politics. A major advance in this direction was Merle Kling’s “Towards a Theory of Power and Political Instability in Latin America.”⁴² His hypothesis holds that political instability in much of Latin America has its basis in the economic dominance of foreign corporations that closes off sources of personal social advancement through economic activity and results in a pursuit of political office as a means of securing prestige, profit, and power. James Malloy makes much the same point and specifically ties Bolivian politics to Kling’s hypothesis, noting that in “an economically static situation, there tends to be a point when politics becomes dominated primarily by an inter-elite struggle for office as a means of securing or gaining economic power.” He quotes a Bolivian saying, “La industria mayor de Bolivia es la Política.”⁴³ Charles Anderson also subscribes to Kling’s thesis and notes that entrepreneurship went to political rather than economic activities because the latter was not open. Politics in Latin America provided a path to upward mobility and, for some, the basis for personal fortunes.⁴⁴ The Mexican revolution “provided great personal opportunities for those long deprived of enrichment through public means” during the *porfiriato*.⁴⁵ The same connection between economic and political entrepreneurship is evident in Chile, where “in an economy of relative scarcity and limited opportunities, politics was a critical avenue for social advancement.”⁴⁶

In the case of Cuba, U.S. control of a major portion of the basic economy limited the possibilities of economic entrepreneurship for Cuban citizens. James O’Connor claims that “some segments of the middle class were demoralized by their inability to compete with efficient foreign enterprise, or privileged imports from the United States.”⁴⁷ As a result, “new social groups could acquire wealth and power only by entering the political arena.”⁴⁸ The traditional middle class in Cuba had been destroyed when the crash of sugar prices in 1920 resulted in North American corporations taking over about 75 percent of the sugar industry.⁴⁹ Consequently, in the interwar years, individuals who sought wealth and power could only fulfill their ambitions by entering politics.⁵⁰

The university has been the center for developing political entrepreneurs in Cuba. Merle Kling’s hypothesis is that students especially

involved themselves in university affairs as a training ground for later political accomplishment.⁵¹ Dictatorship in Cuba meant the restriction of student opportunities for advancement and they became the primary source of political entrepreneurs opposing every dictator.⁵² According to Roland E. Bonachea and Nelson P. Valdés, the coup of 1952 was, in part, motivated by the fact that the *Auténtico* government had been displacing Batista's associates from positions of profit: "The Batistinos wanted to keep a monopoly over the state budget. The appropriation of the national treasury always has been a major factor in Cuban politics."⁵³

The coup brought the universities once again into the leadership of opposition, for "the intellectuals, students, and professionals . . . were outside the consensus politics and the system of patronage."⁵⁴ Fidel Castro had been a political leader from student days, a founding member of Eduardo Chibás's *Ortodoxos*. In 1952, Fidel entered the race for Congress. Cancellation of the elections by Batista followed the coup, closing off a legal avenue to political gain. In his own words: "When the *coup d'état* of the tenth of March took place, everything changed radically. My idea then became, not to organize a movement, but to try to unite all the different forces against Batista."⁵⁵

Additional corroborative evidence on the connection between political and economic entrepreneurship can be found in the cases of Uruguay and Costa Rica. If the entrepreneurial sector of society can be identified in Marxian terms as the "bourgeoisie," as distinct from the landed aristocracy, then the observation of Robin Blackburn is relevant. He noted that there is a "bourgeois hegemony" in these two countries and that repression has been "light."⁵⁶ Blackburn implies that the lack of revolution in Costa Rica and Uruguay is tied to the national bourgeoisie's relative economic freedom. Both countries have traditionally been ranked by Latin Americanists as the most democratic nations on the continent, a ranking that has been altered in the case of Uruguay following its economic collapse and consequent semicoup. A parallel illustration can be seen in North America in the late nineteenth century, a period of minimal political competition and maximum economic development. At a time when wealth could be achieved in capital enterprise and cartel development, candidates and victors in the political realm tended to be persons of lesser ambitions and ability.

A THEORY OF POLITICAL COMPETITION

Extending Kling's work by combining it with explicit assumptions of microeconomics forms a more general theory of political systems, explaining why some states have succeeded in limiting such competition to

decision by voting, while others seem predisposed to coups or are maintained under authoritarian rule.

Assuming that politics can be categorized as a type of economic behavior in which political entrepreneurs supply the products of government to a consuming polity in exchange for profit, an economic theory of political competition can be developed. Microeconomic theory assumes that producers and suppliers of goods wish to maximize their profits. Political competition, then, can be characterized as that between political entrepreneurs to obtain control of the production and supply of public goods and to receive the profit accruing from that control. Since a monopoly on the supply of goods increases profit, entrepreneurs, including political ones, try to prevent competition. Dictatorship is one method. One of the most profitable and successful entrepreneurships in Latin America is that of the Somoza family. It is estimated to control 10 percent of the arable land, has major interests in the cotton and cattle industries, and, through "semi-public" corporations, runs much of Nicaragua's industry.⁵⁷

Therefore, if a political entrepreneur seeks to maximize his profit, he chooses dictatorship as the system of government.⁵⁸ Such a choice may not always be permitted by other political entrepreneurs or by the institutions of a society. Monopoly profits invite other political entrepreneurs to gain entry to the "market" for public goods. Dictatorship can only be removed by violence; hence revolution, including coups of various kinds, are organized attempts to replace an incumbent political entrepreneur by a competitor.

Another system that allows for regularized competition between political entrepreneurs is Western-style democracy. Since competition lowers the profit of the political entrepreneurs, it increases the value of the goods received by the polity. Hence members of the consuming polity seek to develop institutions, constitutions, and traditions that maintain democratic procedures. Likewise a wise political entrepreneur pledges constitutional rule and democratic procedures in situations where they have been denied by dictators. Examples of this strategy occur in the revolutionary campaigns of Francisco Madero, Bolivia's *Movimiento Nacionalista Revolucionario* (MNR), and Fidel Castro. Madero called for the creation of an opposition political party and laws against a president succeeding himself in office.⁵⁹ The MNR pledged democratic reforms and claimed that they had legally won an election competition. In Cuba, Fidel Castro called for the overthrow of a dictatorship and the return to the 1940 constitution. As with many political pledges, winners of revolutions may or may not honor campaign promises.

Repression costs, and the expense of repression reduces monopoly

profits. Dictatorial repression, being heavier, costs more than repression in nondictatorships. If the expense of repression becomes too great, then some method of regularizing competition may be a more profitable strategy. The political system of contemporary Mexico is an illustration of the successful implementation of this strategy. Low-level political competition is allowed, reducing the need and the cost of repression. Two recent studies have discussed the Partido Acción Nacional (PAN) in these terms.⁶⁰

Another method of reducing competition is to increase the value of goods to consumers and lower monetary profit levels. If this can be accomplished while repressing other sources of competition, total profit may be greater over a long run. Such seems to have been the strategy of Fidel Castro who has supplied peasants and labor with goods of increased value while allowing upper and upper-middle class dissidents to go into exile.

The economic approach to the study of political behavior is still in its infancy, but, as the review and theory presented here illustrate, the cost-benefit perspective supplied by microeconomics can provide a level of theory often missing in political analysis. Much remains to be done, but the basic work of tying economics and politics into a single conceptual whole has been accomplished.⁶¹ The framework of microeconomics and the rational choice models offer a tested theoretic basis for the development of political theory. As shown here, the explanation of democratic and dictatorial systems, as well as the incidence of revolution, can be expressed as the result of a rational, profit-maximizing strategy by political entrepreneurs constrained by levels of cost and methods of competition.

NOTES

1. Charles W. Anderson, *Politics and Economic Change in Latin America: The Governing of Restless Nations* (Princeton: D. Van Nostrand, 1967); Albert O. Hirschman, *The Strategy of Economic Development* (New Haven: Yale University Press, 1958), and *Journeys Toward Progress* (New York: Twentieth Century Fund, 1963).
2. This is the basis of Anderson's model based on resources and of Hirschman's "reform-mongering model." See Anderson, *Politics and Economic Change*, chapters 3, 4, 5, and Hirschman, *Journeys Toward Progress*, pp. 227–97.
3. Warren F. Ilchman and Norman Thomas Uphoff, *The Political Economy of Change* (Berkeley: University of California Press, 1969), and *The Political Economy of Development* (Berkeley: University of California Press, 1972).
4. Herbert Simon, *Models of Man* (New York: Wiley, 1957), and *Administrative Behavior* (New York: Macmillan, 1947); Richard Cyert and James March, *A Behavioral Theory of the Firm* (Englewood Cliffs, N.J.: Prentice-Hall, 1963); Simon and March, *Organizations* (New York: Wiley, 1958).
5. Graham R. Allison, *Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little, Brown, 1971), pp. 69–73, 74, 298–301.

6. *Ibid.*, pp. 69–73.
7. Peter S. Cleaves, *Bureaucratic Politics and Administration in Chile* (Berkeley: University of California Press, 1974). Especially see pp. 2–21 for an outline of the cultural-socialization and “development administration” approaches, along with Cleaves’ basis for rejection and his explanation of political economy as applied to public administration.
8. Guillermo A. O’Donnell, *Modernization and Bureaucratic-Authoritarianism Studies in South American Politics* (Berkeley: Institute of International Studies, 1973), especially pp. 166–99.
9. Robert L. Curry, Jr. and Larry L. Wade, *A Theory of Political Exchange: Economic Reasoning in Political Analysis* (Englewood Cliffs, N.J.: Prentice-Hall, 1968), p. 117. Cleaves also notes Wade and Curry; see Cleaves, *Bureaucratic Politics*, p. 13, n. 22.
10. Joseph A. Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper & Brothers, 1950), p. 282.
11. Anthony Downs, *An Economic Theory of Democracy* (New York: Harper & Row, 1957), p. 292. Also see the discussion of politicians’ motives on p. 30.
12. Richard E. Wagner, “Pressure Groups and Political Entrepreneurs: A Review Article,” *Papers on Non-Market Decision-Making*, Gordon Tullock, ed. (Charlottesville: Thomas Jefferson Center for Political Economy, 1966), pp. 161–70. See especially pp. 165–66.
13. Mancur Olson, Jr., *The Logic of Collective Action: Public Goods and the Theory of Groups* (New York: Schocken Books, 1968).
14. “Political Entrepreneurship and Patterns of Democratic Instability in Plural Societies,” *Race* 12:4 (April 1971):461–76. An expanded and broader discussion can be found in the same authors’ *Politics in Plural Societies: A Theory of Democratic Instability* (Columbus, Ohio: Charles E. Merrill, 1972); quotes are from pp. 20, 60.
15. Norman Frohlich and Joe A. Oppenheimer, “An Entrepreneurial Theory of Politics” (Ph. D. diss., Princeton University, 1971), and, along with Oran R. Young, *Political Leadership and Collective Goods* (Princeton: Princeton University Press, 1971).
16. Philippe C. Schmitter, *Interest Conflict and Political Change in Brazil* (Stanford: Stanford University Press, 1971), pp. 367–68.
17. William P. Glade, “Approaches to a Theory of Entrepreneurial Formation” *Explorations in Entrepreneurial History*, 2d ser., 4:3 (Fall 1967), p. 256, n. 4.
18. Wayne A. Cornelius, “Nation Building, Participation, and Distribution: The Politics of Social Reform Under Cárdenas,” in *Crisis, Choice, and Change: Historical Studies of Political Development*, Gabriel A. Almond, Scott C. Flanagan, and Robert J. Mundt, eds. (Boston: Little, Brown, 1973), pp. 392–498.
19. Wayne A. Cornelius, *Politics and the Migrant Poor in Mexico City* (Stanford: Stanford University Press, 1975), p. 143. Chapter 6, “Community Leadership,” is a complete description of urban caciquismo. An earlier version of this study can be found in “A Structural Analysis of Urban Caciquismo in Mexico,” *Urban Anthropology* 1:2 (Fall 1972):234–61.
20. Claude Lévi-Strauss, *Tristes Tropiques* (New York: Atheneum, 1972). Translated from the French edition (Paris: Plon, 1958).
21. *Ibid.*, pp. 305–9, also see p. 350.
22. *Ibid.*, p. 308.
23. *Peasants in Revolt. A Chilean Case Study, 1965–1971* (Austin: University of Texas Press, Institute of Latin American Studies, 1972). Monograph no. 28.
24. *Ibid.*, pp. 67–68.
25. *Ibid.*, pp. 87, 93.
26. John Womack, Jr., *Zapata and the Mexican Revolution* (New York: Vintage, 1968), p. 228.
27. Downs, *Theory of Democracy*, pp. 30–31. Also see Downs, “Why the Government Budget is Too Small in a Democracy,” *World Politics* 12:4 (July 1960):542.
28. Frohlich, Oppenheimer, and Young, *Political Leadership*.
29. C. A. M. Hennessy, “The Roots of Cuban Nationalism,” *International Affairs* 39 (July 1963):346–58.
30. *Bohemia*, 16 March 1952, as quoted in Hugh Thomas, *Cuba: The Pursuit of Freedom* (New York: Harper & Row, 1971), p. 786.

31. Thomas, *Cuba*, p. 724. See Barrera Pérez, *Bohemia Libre*, 19 July 1961.
32. James Q. Wilson, "The Economy of Patronage," *American Political Science Review* 69:4 (August 1961):369–80, proposes this model as an alternative to Downs's vote-maximization. Wilson uses examples from machine politics and stresses the use of private goods to ensure tenure in party positions.
33. Gordon S. Black, "A Theory of Political Ambition: Career Choices and the Role of Structure Incentive," *American Political Science Review* 66:1 (March 1972):144–59, presents this hypothesis along with a calculus of the politician's choice and empirical evidence.
34. "Those who knew Castro when young agree that he had always a passion for a historic role, for cutting a figure on the Latin American political scene which would echo the liberators Bolívar or San Martín. To cut a dash is so universal a desire in political life that no one should be surprised to discover it among the Cubans." Thomas, *Cuba* pp. 1052–53.
35. "The whole theory of political order became directly relevant to the demand and supply of public goods," James M. Buchanan, *The Demand and Supply of Public Goods* (Chicago: Rand McNally, 1968), p. 9; and "A state is first of all an organization that provides public goods for its members, the citizens," Olson, *Collective Action*, p. 15.
36. David A. Brading, "Government and Elite in Late Colonial Mexico," *Hispanic American Historical Review* 53:3 (August 1973):412–13.
37. *Ibid.*, pp. 405–14.
38. Stuart F. Voss, "A Tale of Two Cities: The Dynamics of State History in Nineteenth-Century Mexico" (Paper presented at the Southwestern Council of Latin American Studies, 21–23 February 1974, Waco, Texas), pp. 6–7.
39. *Ibid.*, p. 8.
40. David A. Brading, *Miners and Merchants in Bourbon Mexico 1763–1810* (Cambridge, England: Cambridge University Press, 1971), p. 211.
41. John Womack, Jr., "The Spoils of the Mexican Revolution," *Foreign Affairs*, 48:4 (July 1970):678, 680.
42. Merle Kling, "Towards a Theory of Power and Political Instability in Latin America," *The Western Political Quarterly* 9:1 (March 1956):21–35.
43. James Malloy, *Bolivia: The Uncompleted Revolution* (Pittsburgh: University of Pittsburgh Press, 1970), p. 47.
44. Anderson, *Politics and Economic Change*, p. 141, especially n. 6.
45. *Ibid.*, p. 143.
46. Paul Drake, "The Chilean Socialist Party and Coalition Politics, 1932–1946," *Hispanic American Historical Review* 53:4 (November 1973): 640, 641n. Also see Ernst Halperin, *Nationalism and Communism in Chile* (Cambridge: The MIT Press, 1965), pp. 135–44.
47. James O'Connor, "The Foundations of Cuban Socialism," *Studies on the Left* 4:4 (Fall 1964):102.
48. Rolando A. Bonachea and Nelson P. Valdés, *Revolutionary Struggle 1948–1958*, (Cambridge, Mass.: The MIT Press, 1972), p. 6.
49. Hugh Thomas, "Middle Class Politics and the Cuban Revolution," in Claudio Véliz, ed., *The Politics of Conformity in Latin America* (London: Oxford University Press, 1967), p. 251.
50. The tie between the politics of Cuba and Kling's work is noted in Bonachea and Valdés, *Revolutionary Struggle*, p. 6. During the 1940s and 1950s, Cubans repurchased a majority of the sugar industry and opportunities for economic advancement increased. But by the Auténtico's period, politics as a source of profit was established and rival groups used violence as the means to dominate various governmental bodies, extort funds, and fight for "a larger share of wealth, power and influence," *ibid.*, p. 20. Also see O'Connor, "The Foundations of Cuban Socialism," p. 98.
51. Jaime Suchlicki, *University Students and Revolution in Cuba, 1920–1968*. (Coral Gables, Fla.: University of Miami Press, 1969).
52. Bonachea and Valdés, *Revolutionary Struggle*, pp. 7–10, gives a brief history of university students organizing the anti-Machado struggle of the 1920s and 1930s.

53. *Ibid.*, p. 33.
54. James O' Connor, *The Origins of Socialism in Cuba* (Ithaca, N.Y.: Cornell University Press, 1970), p. 44.
55. Fidel Castro quoted in Lee Lockwood, *Castro's Cuba, Cuba's Fidel* (New York: Macmillan, 1967), p. 140.
56. Robin Blackburn, "Prologue to the Cuban Revolution," *New Left Review* 21 (October 1963), p. 64, n. 40.
57. Anderson, *Politics and Economic Change*, pp. 142–43.
58. One of the referees of the original article pointed out that the statement about dictatorship maximizing profit is too general and needs qualification. Not mentioned is the fact that the absolute profit for a political entrepreneur is, to a large extent, a function of the basic wealth of the country. More wealth and consequently more profit is available when a country is in an economic boom, such as when the Auténticos were in power in Cuba. Similarly, a North American or Mexican leader, even in a competitive situation, can reap greater profit than a dictator in a poor country like Haiti or Paraguay. I would like to thank the referee for this addition.
59. Stanley R. Ross, *Francisco I. Madero, Apostle of Mexican Democracy* (New York: Columbia University Press, 1955), p. 64.
60. The two studies are Donald J. Mabry, *Mexico's Acción Nacional: A Catholic Alternative to Revolution* (Syracuse: Syracuse University Press, 1973), and Franz A. von Sauer, *The Alienated "Loyal" Opposition: Mexico's Partido Acción Nacional* (Albuquerque: University of New Mexico Press, 1974). The Mabry book is the most valuable in terms of analysis that supports the findings of this hypothesis. Mabry asserts that PAN performs "an important function in the maintenance of the Mexican political system. One of its greatest effects upon Mexico has been to aid the regularization of the political system by offering competition in major electoral contests. . . . The government does support PAN by allowing it to exist. . . . The destruction of PAN, however, would be dangerous for two reasons. For one, the government might provoke a strong reaction admitting in such terms that opposition parties are myths. Second, many PAN leaders would probably reorganize as an underground movement and add their experience and contact to already existing resistance movements" (Mabry, *Acción Nacional*), pp. 190–93.
61. A number of these basic works have been cited earlier: Downs, *An Economic Theory*; Curry and Wade, *Theory of Political Exchange*; Olson, *Collective Action*; Frohlich, Oppenheimer, and Young, *Political Leadership*; Buchanan, *Demand and Supply*. Other works that should be noted include Kenneth Arrow, *Social Choice and Individual Values* (New Haven: Yale University Press, 1951); Brian M. Barry, *Sociologists, Economists and Democracy* (London, Eng.: Collier-Macmillan, 1970); James M. Buchanan and Robert D. Tollison (eds.), *Theory of Social Choice: Political Applications of Economics* (Ann Arbor: University of Michigan Press, 1972); Gordon Tullock, *Toward a Mathematics of Politics* (Ann Arbor: University of Michigan Press, 1968); Norman Frohlich and Joe A. Oppenheimer, *Modern Political Economy* (Englewood Cliffs, N.J.: Prentice-Hall, 1976). Additionally there are innumerable articles and a major body of literature on game theory that should be included in such a list.