

Democracy and Markets in Developing Countries

790:395
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Organization of Course

During the past 20 years, many countries of Latin America and the former Soviet Union have simultaneously moved toward the establishment of democratic regimes and more open market economies. There is also a great debate underway about whether it is possible for countries of the Middle East to follow a similar path. This course explores the relation between democracy and markets in these three regions. To what extent have these changes been mutually supportive? What are the tensions and conflicts between the political and economic transformations? The course is divided into four parts. The first discusses the general opportunities and challenges involved in transitions from authoritarianism to democracy and in the establishment of market economies. The second focuses on Latin America, with specific attention to Argentina, Venezuela, and Colombia. The third deals with Islam and the Middle East. The fourth section focuses on politics and market reform in the former Soviet Union and Eastern Europe.

Requirements for the course

1. A 4-5 page summary and evaluation of one of the articles assigned in Part I of the course. This will be due October 22. It will be worth approximately 25 percent of the grade.
2. Class participation and discussion. All students will be expected to attend classes prepared to discuss and debate the assigned readings for the week. Participation will count for approximately 10 percent of the grade.
3. Final essay (approximately 65 percent of the grade). The topic will cover the relation between democracy and markets in one of the countries covered in the course, and will involve some additional research beyond the assigned readings. Students will hand in the final paper at the end of the semester, along with a copy of the first draft.

Books for Purchase:

James F. Hollifield and Calvin Jillson, eds., Pathways to Democracy: The Political Economy of Democratic Transitions

Frances Hagopian and Scott P. Mainwaring, The Third Wave of Democratization in Latin America

***** PLEASE NOTE:**

- All other articles assigned for the course are available online through the Sakai website, which can be found at: <https://sakai.rutgers.edu/portal>. Once you locate this website, enter your Rutgers email address (eden account) and password in the “user id” and “password” section, respectively. These sections can be found in the upper

right hand corner of the Sakai homepage. After logging in, first click on the class folder titled "01:790:395:01 Fall 09" and then click on the "Resources" icon to retrieve individual assigned readings.

- If you are unable to retrieve the assigned class articles through the Sakai website, they are all available through Rutgers University's e-journal collection. Assigned articles can be found in journals held at Alexander Library or accessed via the internet on the following website:
http://www.libraries.rutgers.edu/rul/rr_gateway/ejournals/ejournals.shtml.

Weekly Assignments

Monday, September 10: Introduction to course. What do we mean by democracy? By markets?

Part I Overview

Monday, September 17: What is Democracy? How democratic are the new regimes emerging in developing and post-socialist countries?

Hollifield and Jillson, pp. 3-73 Introduction and articles by Pye, Glade, and Macedo,

Monday, September 24: How stable are new democracies?

Hagopian and Mainwaring, pp. 1-14; 14-25; 38-63.

*Scott Mainwaring, "The Surprising Resiliency of Elected Governments," *Journal of Democracy*, 10,3 (1999): 101-114

Arch Paddington, "The Pushback Against Democracy," *Journal of Democracy* 18.2 (2007), 125-137.

*Terry Lynn Karl, "Economic Inequality and Democratic Instability," 11,1 (2000):149-156

*Reuschmeyer, "Addressing Inequality," *Journal of Democracy* 15:4 (2004)

Marta Lagos "A Road with No Return?" *Journal of Democracy*, April 2003

Monday, October 1: Democracy and Markets: Does democratization increase opportunities for market reforms? Do market reforms reinforce democratic stability?

Dominguez and Shifter, pp. 74-100 (chapter by Javier Corrales).

*Eduardo Lora and Ugo Panizza, “*The Future of Structural Reform*” Journal of Democracy, April 2003

Joseph Seigle, “Why Democracies Excel,” Foreign Affairs, 83,5.

*Karen Remmer, “Elections and Economics in Contemporary Latin America,” on Sakai website.

Matthew Cleary, “Explaining the Left’s Resurgence,” Journal of Democracy, 17,4 (October 2006).

Monday, October 8: Competitive Authoritarian Regimes: What are competitive authoritarian regimes? What do Levitsky and Way mean by “linkages?” How important are these in encouraging a transition to democracy?

*Steven Levitsky and Lucan Way, “The Rise of Competitive Authoritarianism,” Journal of Democracy, April 2002.

*Steven Levitsky and Lucan Way, “International Linkages and Democracy,” Journal of Democracy,” 16,3 (July 2006).

Steven Levitsky and Lucan Way, “Linkage and Leverage” Comparative Politics, 38,4 (July).

Ivan Krastev, “Democratic ‘Doubles’” Journal of Democracy, 17, 2 (April 2006).

Part II: Latin America

Monday, October 15: Venezuela. What caused the destabilization of the old regime?

*Mainwaring and Hagopian, pp. 289-319.

Moises Naím, “The Real Story Behind Venezuela's Woes” (Journal of Democracy, April 2001)

Scott Mainwaring, “The Crisis of Representation in the Andes,” Journal of Democracy, 17, 3 (July 2006).

Monday, October 22: Venezuela. Has Venezuela become a competitive authoritarian regime?

Michael Shifter, “In Search of Hugo Chavez,” Foreign Affairs, 85,3.

Javier Corrales, “Hugo Boss,” Foreign Policy, January/February 2006
Letters: Foreign Policy, March/April 2006.

*Javier Corrales and Michael Penfold-Becarra, "Venezuela: Crowding out the Opposition," *Journal of Democracy*, 18,2 (April 2007).

October 29: No Class: students should use this time to sharpen research plans for the final paper.

Monday, November 5: Brazil: A functioning democratic system?

Hagopian and Mainwaring, pp. 91-121.

Monday, November 12: Brazil: The rise of Lula and the turn toward the left in Latin America.

*Jorge Castaneda, "Latin America's Left Turn," *Foreign Affairs*, 85,3

*Matthew Cleary, "Explaining the Left's Resurgence," *Journal of Democracy*, 17,4 (October 2006).

Fernando Henrique Cardoso, "Seymour Martin Lipset Lecture on Democracy in the World," *Journal of Democracy*, 16/2 April 2005.

Part III. Islam and Democracy: The Case of Iraq
Islam and Democracy

November 19: Islam and Democracy – are they compatible?

*Alfred Stepan, "*Religion, Democracy, and the 'Twin Tolerations'*" *Journal of Democracy*, 11,4 (2000):37-57

*Samuel P. Huntington, *Clash of Civilizations*"

Steven Fish, "Does Diversity Hurt Democracy?" *Journal of Democracy*, January 2004.

Anwar Ibrahim, "Universal Values and Muslim Democracy," *Journal of Democracy* 17, 3 (July 2006).

Monday, November 26: Is Pact-Making a Viable Strategy?

Tessler, "What do Iraqis Want?" *Journal of Democracy* 17, 1 Ja 2006

*Steven Cook, "The Promise of Pacts," *Journal of Democracy*, 17, 1 (January 2006).

*Karen Kramer, "Arab Political Pacts: An Unlikely Scenario," *Journal of Democracy* 17, 4 (October 2006).

Steven Cook, "Mistaking Data for Theory," *Journal of Democracy* 17, 4 (October 2006).

Davis, "The Uses of Historical Memory," *Journal of Democracy* 16:3 (2005)

Monday, November 26: Prospects for Iraq.

Larry Diamond, "What went wrong in Iraq?" *Foreign Affairs* 83,5

*Rayburn, "The Last Exit from Iraq," *Foreign Affairs*, 85,2

Part IV: The Transition from Socialism: the Case of Russia

Monday, December 3: The role of International Linkages in the promotion of democracy in post-socialist countries

*Valerie Bunce and Sharon Wolchik, "Favorable Conditions and Electoral Revolution," *Journal of Democracy* 17, 4 (October 2006)

*Steven Levitsky and Lucan Way, "Linkage, Leverage, and the Post-Communist Divide," *Communist and Post Communist Studies* 27, 21 (2007).

Monday, December 10: Has Russia become a competitive authoritarian regime?

*Hollifield and Jillson, pp. 195-245 (Chapters by Remington, Berliner, and Sharmen/Kanet)

Kathryn Stoner-Weiss, "Russia: Authoritarianism without Authority," *Journal of Democracy*, 17, 1 (January 2006).

Shetsara, "The Limits of Beaucratic-Authoritarianism," *Journal of Democracy* 15:3 (2004)

*Andrei Shleiffer and Daniel Treisman, "A Normal Country," *Foreign Affairs* March/April 2004, 83,2. .