

Democracy and Markets in Developing Countries **790:395:12**

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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 Brazil and Venezuela. 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 31. It will be worth approximately 25 percent of the grade.
2. Class participation and pop quizzes on the reading. All students will be expected to attend classes prepared to discuss and debate the assigned readings for the week. There will be six short quizzes on readings, graded on a pass-fail basis. Participation and quizzes 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*

***** 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

Wednesday, September 5: Introduction to course. What do we mean by democracy? By markets?

Part I Overview

Wednesday, September 12: 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,

Wednesday, September 19: How stable are new democracies?

Hagopian and Mainwaring (on Sakai) pp. 1-14; 14-25; 38-63.

Ethan Kapstein and Nathan Converse, "Why Democracies Fail," *Journal of Democracy*, October 2008.

Diamond, "Why Democracies Survive" *Journal of Democracy* 2011.

Wednesday, September 26: No class

Wednesday, October 3: Inequality and Democracy: Does inequality undermine democracy?

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

*Nancy Bermeo, "Does Electoral Democracy Boost Economic Equality?" *Journal of Democracy* October 2009.

*Francis Fukuyama, "Dealing with Inequality" *Journal of Democracy* July 2011

Wednesday, October 10: 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.

Wednesday, October 17: The Politics of Welfare States

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

Stephan Haggard and Robert Kaufman, "How Regions Differ," *Journal of Democracy*, October 2009.

Orenstein, "Postcommunist Welfare States," *Journal of Democracy*, October 2008

Wednesday, October 24: 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).

Part II: Latin America

Wednesday, October 31: Venezuela. The path toward a competitive authoritarian regime.

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

*Hagopian and Mainwaring, pp. 289-319.

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

*Javier Corrales, "A Setback for Chavez" (*Journal of Democracy*, January 2011)

Wednesday, November 7: Brazil: The rise of Lula and the turn toward the left in Latin America.

*Levitsky and Roberts (on Sakai), pp. 306-324

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

Weyland, in Levitsky and Roberts (on Sakai)

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

Wednesday, November 14: 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.

Diamond, "Why No Arab Democracy."

Masoud, "The Road To (and From) Liberation Square."

Wednesday, November 21: Thanksgiving

Wednesday, November 28: Prospects for Iraq

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

*Khalilzad, "Lessons from Iraq and Afghanistan," *Journal of Democracy* July 2010.

*Dawisha, "Iraq: A Vote Against Sectarianism"

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

Wednesday, December 5: The role of International Linkages in the promotion of democracy in post-socialist countries

*Valerie Bunce and Sharon Wolchik, "Post-Communist Ambiguities," *Journal of Democracy*, July 2009

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

*Dorothee Bohle and Bela Greskovitz, "East-Central Europe's Quandry," *Journal of Democracy*, October 2009.

Wednesday, December 12: Russia's competitive authoritarian regime

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

*Krstev, "Paradoxes of the New Authoritarianism," *Journal of Democracy*, April 2011.

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

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