

THE POLITICS OF ECONOMIC REFORM

Government 496

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Time: MW 11:40-12:55
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Overview of the Class:

In recent years, the struggle to advance political liberalization and democracy have become interwoven with economic issues, particularly the quest to build market economies in Eastern Europe and the Third World. This process has revived a central debate in political science: to what extent does democracy depend on the evolution of market economies? Does economic reform require democracy, or as some have argued, is economic reform more effectively achieved in advance of political reform? Moreover, how do political alliances, institutions and state-society relations affect this dynamic? We shall see that there are no straight-forward answers to these complex questions. On the contrary, the post-Cold War world presents new challenges and circumstances. Because these circumstances are novel or historically conditioned, the evolution of theories about economic and political reform is an evolving and often messy affair. In this class we will familiarize ourselves with some of the competing theories of reform, and then apply them to case studies of political and economic reform in Eastern Europe, the Middle East, and South Asia. In doing so, we seek to gain a better sense of how to analyze the relationship between politics and economics in general, and political and economic reform in particular. Hopefully, the analytical tools and skills we develop in this class will prove useful as students pursue careers in the academic or policy world.

Requirements: One mid-term take-home exam, one final take-home exam. Several in-class presentations depending on the size of the class.

Required Books:

Stephan Haggard and Robert Kaufman, The Political Economy of Democratic Transitions (Princeton: Princeton University Press, 1995).

Haggard and Kaufman, (editors), The Politics of Economic Adjustment, (Princeton: Princeton University Press, 1983).

T.J. Pempel, The Politics of the Asian Economic Crisis, (Ithaca: Cornell University Press, 1999).

PART ONE: THE GLOBAL POLITICS OF ECONOMIC CRISIS AND REFORM

Class Introduction: January 17

Class One/January 22: What is "Economic Reform?"

Iliya Harik, "Privatization: The Issue, the Prospects and the Fears" in Denis Sullivan and Iliya Harik (eds.) Privatization and Liberalization in the Middle East (Bloomington: Indiana University Press, 1992) pp. 1-23.

Class Two/January 24: When and Why Did the Politics of Economic Reform Become a Global Issue?

Joan Nelson, "The Politics of Long-Haul Economic Reform" in Nelson, et. al. Fragile Coalitions pp. 3-26

Joan Nelson, "The Politics of Adjustment in Developing Nations" in Nelson, (ed.) Economic Crisis and Policy Choice (Princeton: University of Princeton Press, 1990) pp. 3-31

Class Three/January 29: International and Domestic Causes of Economic Reform

Barbara Stallings, "International Influence on Economic Policy: Debt, Stabilization and Structural Reform," in Haggard and Kaufman, Politics of Economic Adjustment pp. 41-88.

Stephan Haggard and Robert Kaufman, "The Political Economy of Authoritarian Withdrawals" in Haggard and Kaufman, (eds.) The Political Economy of Democratic Transitions (Princeton, Princeton University Press, 1995) pp. 22-44.

PART TWO: LIBERAL THEORIES vs. "BUREAUCRATIC AUTHORITARIANISM": THE RISE AND FALL OF A PARADIGM

Class Four/January 31: Lineages of Linear Theory: From the Inevitability of Democracy to the Promise of Authoritarianism

**Seymour Martin Lipset, "Economic Development and Democracy, Chapter 11, in Lipset, Political Man: The Social Bases of Politics (New York: Doubleday,) pp. 46-76.
(Available at: Third World Politics 377)**

David Collier, "Overview of the Bureaucratic-Authoritarian Model" in Collier, (ed.) The New Authoritarianism in Latin America Princeton University Press, 1981), pp. 19-32. (Available at: Third World Politics 377)

Class/Five: February 5: The Cracking of BA Regimes

Guillermo O'Donnell, "Tensions in the Bureaucratic Authoritarian State and the Question of Democracy" in Collier, New Authoritarianism pp. 285-31. (Available at: Third World Politics 377)

Class/Six February 7: From Bureaucratic Authoritarianism to "Limited Democracy"?

Adam Przeworski, "Some Problems in the Study of the Transition to Democracy," in Guillermo O'Donnell, et.al. (eds.) Transitions from Authoritarian Rule: Comparative Perspectives (Johns Hopkins University Press, 1986) pp. 47-63. (Available at Third World Politics 377)

_____. "Democracy as a contingent outcome of conflicts" in J. Elster and R. Slagstad, Constitutionalism and Democracy" (Cambridge: Cambridge University Press, 1988) pp.59-81.

Robert Kaufman, "Liberalization and Democratization in South America: Perspectives from the 1970s" in Guillermo O'Donnell, (ed). Transitions from Authoritarian Rule: Comparative Perspectives (Baltimore, Johns Hopkins Univ. Press, 1986) pp. 85-107.

Class Seven/February 12: Testing the "Limited Democracy" Hypothesis

Haggard and Kaufman, "Economic Adjustment and the Prospects for Democracy" in Haggard and Kaufman (eds.), The Politics of Economic Adjustment pp. 319-350.

Re-read: Haggard and Kaufman, "The Political Economy of Authoritarian Withdrawals" in Haggard and Kaufman, (eds.) The Political Economy of Democratic Transitions (Princeton, Princeton University Press, 1995) pp. 22-44.

Class Eight/February 14: Critical Distinctions: The Crisis Cases (The Paradox of Failure)

Haggard and Kaufman, The Political, Chapter Two, "Economic Crisis and Authoritarian Withdrawal" pp.45-74.

Class Nine/February 21: The Non-Crisis Cases (The Paradox of Success)

Haggard and Kaufman, *The Political*, Chapter Three, "Surviving Crises, Withdrawing in Good Times," pp.75-108.

Classes Ten and Eleven/ February 26 and 28: Competing Paradigms

Merlee S. Grindle and John Thomas, "Linking Theory and Practice" in their Public Choice and Policy Change (Baltimore: Johns Hopkins, 1991) pp. 18-42.

Haggard and Kaufman, "Institutions and Economic Adjustment" in Haggard and Kaufman, The Politics of pp. 3-37.

Haggard and Kaufman, "Democratic Transitions and Economic Reform, in The Political Economy of 151-166.

Class Twelve/March 12: The Role of Historical-Cultural Legacies

Frances Hagopian, "After Regime Change: Authoritarian Legacies, Political Representation, and the Democratic Future of South America." Review Article in World Politics Vol. 45, No. 3 April 1993 pp. 464-500. (Available at Third World Politics 377)

Classes Thirteen and Fourteen/March 14 & 19: The State: Captured, Autonomous, Embedded

Theda Skocpol, "Bringing the State Back In: Strategies of Analysis in Current Research" in Skocpol et. al. (eds.), Bringing the State Back (Princeton: Princeton University Press, 1985) pp. 3-43. (Available at Third World Politics 377)

Peter Evans, "The State as Problem and Solution: Predation, Embedded Autonomy, and Structural Change" in Haggard and Kaufman, The Politics of pp. 139-81.

Classes Fifteen/March 21: Coalition Management, Group Interests and the Orthodox Paradox

John Waterbury, "The Political Management of Economic Adjustment and Reform" in Nelson, Fragile Coalitions pp. 39-56.

Waterbury, "The Heart of the Matter? Public Enterprise and the Adjustment Process" in Haggard and Kaufman, The Politics of pp. 182-217.

Barbara Geddes, "Challenging the Conventional Wisdom" in Journal of Democracy: Economic Reform and Democracy October 1994, pp. 104-118.

Classes Sixteen/March 26: The Eastern European Experience

Leszek Balcerowicz, "Understanding Postcommunist Transitions" in Journal of Democracy October 1994, pp. 75-89.

Anders Aslund, "The Case for Radical Reform" in Journal of Democracy, Economic Reform and pp. 63-74.

Class Seventeen:/April 2: Russia–A Macro-Look

Valerie Bunce, "Two-Tiered Stalinism: A Case of Self-Destruction" in Kazimier Z. Pozanski, (ed.) Constructing Capitalism (Boulder: Westview Press, 1992) pp. 25-44.

Robert Campell, "Economic Reform in the USSR and Its Successor States" in Shafiqul Islam and Michael Mandelbaum, (eds.) Making Markets, Economic Transformation in Eastern Europe and the Post-Soviet States (New York: Council on Foreign Relations, 1993) pp.99-142.

Class Eighteen and Nineteen/ April 4 and 9: Russia–A Micro/Institutional Look

Michael McFaul, "State Power, Institutional Change, and the Politics of Privatization in Russia" World Politics Vol. 47, January 1995 pp. 210-233.

Joel Hellman, "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions," World Politics, Vol. 50, No.2 January 1998, 203-234.

Stephen Crowley, "Barriers to Collective Action: Steelworkers and Mutual Dependence in the Former Soviet Union" World Politics Vol. 46, July 1994 pp.558-615.

Classes Twenty and Twenty-One/April 11 and 18: The Middle Eastern Experience

Alan Richard and John Waterbury, Chapter Three, "Overview of Economic Growth and Structural Change" in Richard and Waterbury, A Political Economy of the Middle East (Boulder: Westview Press, 1990) pp.52-81. (Background reading).

Giacomo Luciani, "Resources, Revenues and Authoritarianism in the Arab World" Beyond the Rentier State?" in Rex Brynen] et. al. (eds.) Political Liberalization and Democratization in the Arab World (Boulder: Reinner, 1995) pp. 211-227.

Daniel Brumberg, "Comparative Reform Strategies in the Arab World: The Transition

from Populist to Bureaucratic Authoritarianism?" in Rex Brynen Political Lib. pp. 229-259.

Steven Heydemann, "Taxation Without Representation: Authoritarianism and Economic Liberalization in Syria in Ellis Goldberg et. al. (eds.) Rules and Rights in the Middle East (Seattle, University of Washington Press, 1993) pp. 69-101.

Classes Twenty-two and Twenty-three/ April 23 and 25 The East Asian "Tigers"

Lucian Pye, Asian Power and Politics, The Cultural Dimensions of Authority, (Cambridge: Harvard University Press, 1985) pp. 9-top of 26!) (Available Third World Politics 377)

Chalmers Johnson, "Political Institutions and Economic Performance: The Government-Business Relationship in Japan, South Korea, and Taiwan," in Deyo, The Political Economy of pp. 136-165.

Re-read the above piece of Peter Evans.

Gary Hawes and Hong Liu, "Explaining the Dynamics of the Southeast Asian Political Economy" Review Article: World Politics Vol. 45, No. 4, July 1993 pp. 629-660.

Classes Twenty-four and Twenty-five/ April 30 and May 2: The Asian "Miracle" Reconsidered

Selected Readings On the Asian Crisis

"The Asian Crisis, Democracy and the End of 'Late' Development," in Pempel, The Asian Economic Crisis, 17-44.

Meredeth Woo-Cummings, "The State, Democracy, and the Reform of the Corporate Sector in Korea," in Pempel, 116-42.

Yun-Han Chu, "The Political Foundation of Taiwan's Economic Resilience," in Pempel, 184-202.

Class Twenty-Six: Globalization and Reform ("Chez Brumberg")

"The Real New World Order" Anne-Marie Slaughter, Foreign Affairs, September/October 1997, pp.183-197.

"The Eclipse of the State?" Peter Evans, World Politics, Volume 50, Number 1, October 1997 pp. 62-87.

