

Markets and Democracy in Latin America

As of 1/23/14

Amherst College
Political Science 489, Spring 2014
Tue and Thu 2:30-3:50pm (with longer sessions some days)
Course website: moodle.amherst.edu
<http://www.amherst.edu/~jcorrales>

Prof. Javier Corrales
Clark House
x2164
jcorrales@amherst.edu
Office Hrs: Tue 4:30-5:30p
or by appointment

Description of the Course

In the 1980s, an unprecedented change took place in Latin America: nations began to turn toward democracy and the market. In the 2000s, some countries moved in the opposite direction, toward less democracy or less market orientation, or both. This seminar will examine the literature on the evolution of market democracies in Latin America since the 1980s. During the first two thirds of the course, we will focus on the following questions: To what extent are markets and democracy mutually reinforcing? Why did Latin America maintain an inward-oriented economic model for so long (in contrast to East Asia)? On the second third of the course, we focus on why transitions to market economies are politically difficult, examining different hypotheses that might explain the capacity of countries to move forward with both democracy and market reforms. In the last third of the course, we look at more general themes. Why was there a backlash in some countries and not others? Who gained and who lost from market reforms? Is there a connection between the type of political parties and the type of economic change? What explains the rise of anti-market and leftist presidents in the 2000s.

This is a course that seeks to introduce students to three separate literatures in comparative politics: 1) political economy of development; 2) quality of democracy; and 3) country-specific literature.

Readings

This seminar relies heavily on reading assignments. The readings will average 180 pages per week during the first three months, and about 140 pages per week during the last month. It is essential that you complete the reading assignments prior to class. There are no formal lectures and no in-class final exam.

Some of the readings are highly technical (i.e., they may include econometrics/mathematical tools or political science jargon). Do not be put off by this. This course is not intended for the specialist, even if some of the authors that we will read wrote for a specialized reader. Just make sure that you understand the overall point of any highly technical piece. Pay most attention to the "apolitical" issues associated with the points that authors are making. Feel free to raise questions in class about issues that you did not understand.

Other readings are less technical, but are empirically very rich (i.e., they are full of examples from many cases). It is important to absorb as many empirical details as possible, but you should not let the level of empirical detail overwhelm you. The most important requirement is that you understand the overall points, appreciate the strengths and weaknesses of the arguments, and identify crucial events.

Most of the readings are contained under the library's e-reserves database. Only officially registered students will have access to these readings. You will need to login, access the site for this course, download the readings, and print them.

In addition, the following required books are available **for purchase** at Jeffrey Amherst Bookstore in town:

Corrales, Javier. 2002. *Presidents Without Parties*. Penn State University Press.

Frieden, Jeffrey, Manuel Pastor Jr., and Michael Tomz, eds. 2000. *Modern Political Economy and Latin America. Theory and Policy*. Boulder, CO: Westview Press.

Weyland, Kurt, Raúl Madrid, and Wendy Hunter, eds. 2010. *Leftist Governments in Latin America*. Cambridge University Press.

Domínguez, Jorge and Michael Shifter, eds. 2013. *Constructing Democratic Governance in Latin America*, **4th edition**, Johns Hopkins University Press (be sure not to get an earlier edition).

Two useful texts providing historical or supplementary background about both the region as a whole as well as individual Latin American cases are:

Skidmore, Thomas and Peter Smith. 2009. *Modern Latin America*. Oxford University Press.

Levine, Daniel and José Molina. 2011. *The Quality of Democracy in Latin America*. Lynne Rienner.

Requirements and Grading:

- | | |
|---|------------|
| • Participation (including 2-page papers) | 35 percent |
| • Oral Presentation | 20 percent |
| • Paper: First Draft (Outline/Bibliography) | 10 percent |
| • Paper: Final Draft | 35 percent |

Participation and Expectations

Participation is a fundamental axis of this course (35 percent of your grade). Students are expected to be prepared for every class. This means completing the reading, thinking critically, remembering arguments, forming associations with other arguments studied in class, and evaluating competing arguments.

Class meetings provide a chance to discuss the readings, work through the arguments, review cases, evaluate competing arguments, and engage in lively exchanges. Attendance is mandatory. Attendance, however, is not the same as participation. The latter is the extent to which you make a qualitative contribution to the discussion in progress. It entails addressing the issues raised by me **and** fellow students, as well as raising your own issues.

Two-page papers: As part of your participation grade, you are required to submit **four** two-page papers by 10am the day of any of our class meeting. These papers should be based on the readings assigned for the day that you submit your paper. You decide which day to submit a paper. You should try to write about aspects from the readings that you found insightful, puzzling, contradictory, debatable, remarkable, etc. **Comparing arguments** or applying arguments to cases is always an excellent idea. I will read the papers before class and use them to prepare discussions. The papers will not be graded in the conventional way, but they will be part of your participation grade.

NB: The first two two-page papers are due before mid October.

Oral Presentations

All students are required to do an oral presentation based on any of the countries identified in the syllabus: Argentina, Brazil, Bolivia, Chile, Cuba, Ecuador, Peru, or Venezuela. These presentations will be done as team work. Each team should have 2 to 4 students. The teams will cover the material listed on the syllabus, and at least 2 additional readings, to be approved by me. The presentation will include at least two charts depicting some aspect of the country's political economy of development, comparatively (either through time or in relation to other countries).

Research Papers

You have four options for your final paper:

- 1) A literature review (an expansion of a topic discussed in class, attempting to synthesize, analyze, and integrate at least 10 more theoretical pieces on the subject).
- 2) Assisting me with one of my research papers (probably working with a team).
- 3) Your own research paper due at the end of exam period.
- 4) A summer Internship project (more on this later).

Attendance: You are allowed to miss one class; additional absences will affect your grade.

Communication: The primary means of communication is via email (rather than texting or phone calls). You should check your email regularly.

PS89: List of Assignments

(P) = For Purchase

Date	Readings	
Part 1: On Markets and Democracy: Theory		
Thu Jan 23	<p>Introduction to the Course Theory: Democracy and Markets Friedman, Milton with the assistance of Rose D. Friedman. 1962. <i>Capitalism and Freedom</i>. Chicago University Press, pp. 7-21. Lindblom, Charles. 1982. "The Market as a Prison." <i>Journal of Politics</i> 44:324-336. Schmitter, P. and Terry Lynn Karl. 1991. "What Democracy is...and is Not." Domínguez, Jorge. I. 1998. Free Politics and Free Markets in Latin America. <i>Journal of Democracy</i> 9, 4, (read only 70-74, and 80-84).</p>	
Tue Jan 28	<p>More Theory: Democracy, Markets, and Growth Robinson, William. 2006. "Promoting Polyarchy in Latin America: The Oxymoron of 'Market Democracy,'" in Eric Herschberg and Fred Rosen, eds., <i>Latin America After Neoliberalism</i> (New York: The New Press), pp. 96-119, 325-327. Easterly, William. 2007. <i>The White Man's Burden</i> (Penguin Press), pp. 60-78; 100-101; 112-129.</p>	
Part 2: Statism and State Failures		
Thu Jan 30 Until 4:30p	<p>Statism, ISI and Populism: Latin America from 1930s to 1970s Thorp, Rosemary. 1998. <i>Progress, Poverty and Exclusion</i>. Inter-American Development Bank, 127-141, 159-178, 201-225. Green, Duncan. 1995. "State versus Market: The Rise and Fall of Import Substitution." <i>Silent Revolution</i>. Baer, W. 1972. "Import Substitution and Industrialization in Latin America. Experiences and Interpretations." <i>Latin American Research Review</i> 7, 1 (Spring):95-111.</p>	
Tue Feb 4	<p>Statism, ISI, and Populism II: Rent-Seeking Krueger, Anne O. 1974. "The Political Economy of the Rent-Seeking Society." <i>American Economic Review</i> 64, pp. 291-303. (P) Krueger, Anne O. in Frieden et al., pp. 10-17. (P) Cardoso and Helwege in Frieden et al., pp. 155-164. Kaufman, Robert and Barbara Stallings. 1991. "The Political Economy of Latin American Populism." In Rudiger Dornbusch and Sebastian Edwards., eds., <i>The Macroeconomics of Populism in Latin America</i>. The University of Chicago Press, pp. 15-34. (P) Corrales, Javier. 2002. <i>Presidents Without Parties</i>, pp. 77-94.</p>	
Thu Feb 6 Until 4:30	<p>Why No "Asian Tigers" in Latin America? (P) James E. Mahon, in Frieden et al., pp. 165-172.</p> <p>Did the problem start in the 19th century: Institutions v. Structures</p>	

	<p>North, Douglass, William Summerhill and Barry R. Weingast. 2000. "Order, Disorder, and Economic Change: Latin America versus North America. In Bruce Bueno de Mesquita and Hilton L. Root, eds. <i>Governing for Prosperity</i>, Yale University Press, pp. 17-59.</p> <p>Domínguez, Jorge. I. 2008. "Explaining Latin America's Lagging Development in Second Half of the Twentieth Century: Growth Strategies, Inequality and Economic Crises." In Francis Fukuyama, ed., <i>Falling Behind</i> (Oxford University Press), pp. 72-96.</p>	
<p>Part 3: Market-Oriented Reforms, 1980s-1990s</p>		
<p>Tue Feb 11 3 hrs</p>	<p>Why Are Market Reforms Politically Difficult? (P) Williamson in Frieden et al., pp. 18-23. Geddes, Barbara. 1994. <i>Politician's Dilemma</i>. University of California. pp. 24-28, 36-42, 131-142. (P) Rodrik in Frieden et al., pp. 59-71. (P) Haggard and Webb, in Frieden et al., 71-80. (P) Corrales (2002), pp. 97-117.</p>	
<p>Thu Feb 13 3 hours</p>	<p>Hypothesis 1: International Push Factors Teichman, Judith. 2001. The Politics of Freeing Markets in Latin America. Univ. of North Carolina Press, pp. 44-64. Easterly, William. 2006. <i>The White Man's Burden</i>, pp. 210-236.</p>	
<p>Feb 17- Mar 4</p>	<p>No Classes Exploring Internships Exploring Research Topics Corrales, Javier. 2008. "The Backlash against Market Reforms" in Domínguez and Shifter, eds. <i>Constructing Democratic Governance in Latin America</i>, 3rd edition (Johns Hopkins University Press). Corrales and Penfold. 2011. "Conclusion," in <i>Dragon in the Tropics</i> (Brooking Institution Press, mimeo). (P) Corrales, Javier, in Domínguez and Shifter, 2013</p>	<p>Students interested in internships meet with CCE staff</p>
<p>Thu Mar 6 3 hrs</p>	<p>Discussion of Research Options/Internships Hypothesis 2: The "advantages" of authoritarianism (P) Geddes in Frieden et al., pp. 237-246. Stallings, Barbara. 1990. "Politics and Economic Crisis: A Comparative Study of Chile, Peru and Colombia." In Joan Nelson, ed., <i>Economic Crisis and Policy Choice</i>. Princeton University Press, pp. 113-169. O'Donnell, Guillermo. 1994. "Delegative Democracy." <i>Journal of Democracy</i> 5, 1 (January):55-69.</p>	
<p>Tue Mar 11</p>	<p>Hypothesis 3: Credibility and Shock Treatments Hypothesis 4: The "Advantages" of Economic Crises Weyland, Kurt. 1996. "Risk Taking in Latin American Economic Restructuring: Lessons from Prospect Theory." <i>International Studies Quarterly</i> 40, pp. 185-208. (P) Corrales, Javier, pp. 3-75.</p>	<p>Make decisions about final project</p>

Thu Mar 13	Hypothesis 5: Political Institutions and Parties (P) Corrales (2002), pp. 97-209, 251-284 Inter-American Development Bank. 2005 (2006). <i>The Politics of Policies</i> . Pp. 27-60	
Mar 18, 20	Spring Break	
Part 4: The Post-Neoliberal Era		
Tue Mar 25 Until 4:30p	The Backlash Against Market Reforms Birdsall, Nancy et al. 2010. "The Washington Consensus: Assessing a Damaged Brand, Washington, DC. Venezuela Revisit Corrales (2008). (P) Alvarez, in Domínguez and Shifter (2013), (P) Corrales, in Weyland et al. (2010).	
Thu Mar 27 3 hour class	The Quality of Democracy Debate Levine, Daniel H. and José E. Molina. 2011. "Evaluating the Quality of Democracy in Latin America," in Daniel H. Levine and José E. Molina, eds., <i>The Quality of Democracy in Latin America</i> (Lynn Rienner), pp. 1-19. Pereira Almaso, Valia and Carmen Pérez Baralt. 2011. Venezuela," in Levine and Molina (2011), pp. 221-243. (P) Mazzuca, Sebastián, in Domínguez and Shifter (2013). Ecuador de la Torre, Carlos. 2013. Technocratic Populism of Rafael Correa. <i>Journal of Democracy</i> 24, 3 (July), pp. 33-46.	
Tue Apr 1	Bolivia (P) Gray-Molina, in Weyland et al. (2010). (P) Gray-Molina, in Domínguez and Shifter (2013).	
Thu Apr 3	Peru (P) Levitsky in Domínguez and Shifter (2013), pp. 282-315 Constitutional Change: Venezuela, Bolivia, Ecuador Corrales, Javier. chapters on Bolivia and Ecuador Negretto, Gabriel. 2013. <i>Making Constitutions</i> (Cambridge University Press), several chapters, TBA.	
Tue Apr 8	More on Constitutional Change	
Thu Apr 10	No Class	
Tue Apr 15 Until 4:30p	Chile (P) Huber, Evelyne, Jennifer Pribbel, and John D. Stephens, in Weyland et al., pp. 77-99. (P) Siavelis, in Domínguez and Shifter, pp. 204-232. Velasco, Andrés and Eric Parrado. 2013. "The Political Economy of Fiscal Policy: The Experience of Chile," in Javier Santiso and Jeff Dayton-Johnson, eds., <i>The Oxford Handbook of Latin American Political Economy</i> (Oxford University	Research Papers: first draft

	<p>Press), read only, pp. 68-99.</p> <p>Comparisons with Venezuela Corrales, Javier and Michael Penfold. 2011. <i>Dragon in the Tropics</i> (Brookings), chapter on the Institutional Resource Curse.</p>	
<p>Thu Apr 17</p>	<p>Argentina (P) Corrales (2002), pp. 211-224 (P) Calvo y Murillo, in Domínguez and Shifter (2013). Tommasi, Mariano, and Carlos Scartascini, in Santiso and Dayton-Johnson (2012), read pp. 273-284 only</p>	
<p>Tue Apr 22</p>	<p>Brazil (P) Kingstone, Peter and Aldo F. Ponce, in Weyland, et al. (2010) (P) Samuels, in Domínguez and Shifter (2013). Nassif, André and Rafael Oliva. 2012. "Industrial Policy and Economic Transformation," in Javier Santiso and Jeff Dayton-Johnson, eds., <i>The Oxford Handbook of Latin American Political Economy</i> (Oxford University Press), pp. 100-132.</p>	
<p>Thu Apr 24 Until 5p</p>	<p>Cuba Spadoni, Paolo. 2012. "Cuban Economic Policies, 1990-2010: Achievements and Shortcomings," in Santiso and Dayton-Johnson, pp. 168-190. Corrales, Javier. 2012. Cuba's 'Equity without Growth' Dilemma and the 2011 Lineamientos. <i>Latin American Politics and Society</i> 54, 3 (Fall), pp. 157-184.</p> <p>China and Latin America Gallagher, in Santiso and Dayton-Johnson (2012), pp. 233-260.</p>	
<p>Tue Apr 29 Until 4:30p</p>	<p>Pending Social Issues (P) Inter-American Development Bank in Frieden et al., pp. 287-297: (P) UNCTAD, in Frieden, et al., pp. 298-306 Birdsall, Nancy et al. 2008. <i>Fair Growth</i>. Washington, DC: Center for Global Development and the Inter-American Dialogue. Introduction, Chapter 3, Chapter 5, and Chapter 9 Lustig, Nora. 2009. "Poverty, Inequality and the New Left in Latin America." Washington, DC, Woodrow Wilson Center, Latin America Program. World Bank. 2013. Overview.</p>	
<p>Thu May 1 Until 4:30p</p>	<p>Conclusion Baker, Andy. 2009. <i>The Market and the Masses in Latin America</i> (Cambridge University Press), pp. 86-120; 152-154 (P) Domínguez in Domínguez and Shifter, 2013. (P) Weyland, Madrid and Hunter.</p>	

IGNORE:

World Bank 2011 Uncertainty: Poverty report on Latin America (see my GU Reading folder)

http://www.nytimes.com/2012/01/02/opinion/drug-policy-needs-centrists.html?_r=1&ref=opinion

Drug overdoses now outrank automobile accidents as the top cause of accidental deaths among Americans. "One might expect such news to spur politicians to explore new options for drug abuse treatment, prevention and enforcement. Instead, at precisely the wrong time, extremists on both sides have taken over the conversation," writes Sabet. He says historically, drug policy advances have been forged by moderates, but lately, the only people talking about the problem are libertarians who advocate legalization and hard-liners who advocate only incarceration. But he says "a new range of cost-effective, evidence-based approaches to prevention, treatment and the criminal justice system" now exist and should be drawn upon to find a middle ground. "Most recently, R. Gil Kerlikowske, President Obama's top drug policy adviser, introduced a sensible four-point plan to curb prescription drug abuse ... Yet his plan received little attention from the news media or Capitol Hill."