

DEMOCRATIC CONSOLIDATIONS: Some Broad Comparisons and Sweeping Arguments*

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- ELITES AND DEMOCRATIC CONSOLIDATION IN LATIN AMERICA AND SOUTHERN EUROPE.* Edited by John Higley and Richard Gunther. (New York: Cambridge University Press, 1992. Pp. 354. \$49.95 cloth, \$16.95 paper.)
- THE THIRD WAVE: DEMOCRATIZATION IN THE LATE TWENTIETH CENTURY.* By Samuel P. Huntington. (Norman: University of Oklahoma Press, 1991. Pp. 366. \$24.95 cloth.)
- DEMOCRACY AND THE MARKET: POLITICAL AND ECONOMIC REFORMS IN EASTERN EUROPE AND LATIN AMERICA.* By Adam Przeworski. (Cambridge: Cambridge University Press, 1991. Pp. 210. \$39.50 cloth, \$12.95 paper.)
- CAPITALIST DEVELOPMENT AND DEMOCRACY.* By Dietrich Rueschemeyer, Evelyne Huber Stephens, and John D. Stephens. (Chicago, Ill.: University of Chicago Press, 1992. Pp. 387. \$45.00 cloth, \$19.95 paper.)

These four ambitious books address similar concerns and raise several questions in common. First, they move beyond the analysis of transitions to democracy to focus on consolidation. Second, three of them make lengthy arguments about the relationship between economics and regime change. How do these arguments advance our understanding of the causal links between politics and economics? Third, the authors of these books are prominent proponents of different methodologies: Samuel Huntington is an institutionalist of long-standing, Adam Przeworski uses game theory, the essays in the collection edited by John Higley and Richard Gunther focus on elites, and *Capitalist Development and Democracy* relies on “analytic induction” and concentrates on classes and states. The different overall projects and dependent variables in these books rule out strict tests of competing methods but not a selective assessment of some of the strengths and weaknesses of each methodological tradition. Last of

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all, these books compare Europe (Eastern, Southern, or Western) and Latin America. Huntington goes even further in considering all cases of recent democratization. What do these interregional comparisons contribute to theory building?

This review essay will first summarize core arguments in each book, especially concerning consolidation, before moving on to discuss contrasts among them in terms of political economy, methodology, and the lessons of comparisons across continents. Along the way, several general points will be raised about the state of comparative analysis of democratization. To begin with, "regime consolidation" is a clumsy concept and needs to be disaggregated if not discarded. Second, the association between economic development and democratization has been more firmly established but that between economic crisis and the breakdown of democracy so far has not. Third, structural analyses focusing on the state and classes as well as rational choice arguments concentrating on individuals and agency would benefit from paying closer attention to organizations that mediate relations between state and society. Fourth, many broad intercontinental comparisons of democratization have yielded meager theoretical results due in part to their emphasis on convergence.

The Arguments

All four books adopt conventional procedural definitions of democracy.¹ Beyond the definitional convergence, however, the major arguments on democratization differ. The books present numerous arguments, and thus the following sketches are necessarily selective.

Przeworski advances two core arguments on the consolidation of democracy in *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*. The first is that consolidation requires spontaneous, self-interested compliance: political actors come to view democratic procedures as serving their long-term self-interest (pp. x, 26). The goal for theorizing is twofold: to generate an argument based purely on interests and the rational pursuit thereof, and then to employ recent developments in game theory to show that the future of democracy is not as gloomy as Mancur Olson led scholars to believe in the 1960s (p. 25n). According to Przeworski, recent developments in game theory "all add up to the message that cooperation can be spontaneously enforced in systems with decentralized self-interested punishments" (p. 25). Such

1. The other authors under review here would generally agree with Rueschemeyer, Stephens, and Stephens that democracy entails "first, regular, free and fair elections of representatives with universal and equal [male] suffrage, second, responsibility of the state apparatus to the elected parliament . . . , and third, the freedoms of expression and association as well as the protection of individual rights" (p. 43). Przeworski, following Robert Dahl, thinks the definition is simpler: "contestation open to participation . . . is sufficient to identify a political system as democratic" (p. 10).

cooperation is likely in repeated games: political actors accept short-term losses in a democracy if they expect some future payoff.

Przeworski's second core argument is more sobering: that the economic transformation resulting from market-oriented reforms can undermine consolidation. Much of his analysis of the politics of economic transformation focuses on the limitations that democratic procedures impose on reformist governments. The link to democratic consolidation is his claim that regimes that cannot get the reformed or reforming economy to grow, cannot secure self-interested compliance, and therefore cannot be consolidated. Economic transformation necessarily hurts many groups and can encourage their self-interested defection.

In *The Third Wave: Democratization in the Late Twentieth Century*, Huntington focuses primarily on the transition to democracy and waves of democratization. For Huntington, "a wave of democratization is a group of transitions from nondemocratic to democratic regimes that occur within a specified period of time and that significantly outnumber transitions in the opposite direction" (p. 15). His core question on the third wave is not "Why?" but "Why now?" (p. 34). Huntington makes no pretense at parsimony and worries little about theoretical overdetermination (p. 37). His goal is to explain, and he employs any cause or argument useful to full explanation. Overall, the causes of democratization in any country are multiple, with the combination of causes varying across countries, across waves, and within waves (p. 38).²

Huntington's explanation of the third wave focuses primarily on five factors that in some combination influenced the thirty countries that became democracies between 1974 and 1989: legitimacy problems, economic growth, the Catholic Church, the policies of external actors, and demonstration effects (p. 45). Authoritarian regimes had generic problems with legitimacy because the hegemonic ethos after World War II was democratic. These regimes also had more immediate problems because they tied their legitimacy to their economic performance.³ Fortunately for democrats, this performance-based legitimacy declined whether the dictators succeeded or failed (pp. 54–55). Economic growth facilitated democratization in several ways that will be discussed subsequently. The growing opposition of the Catholic Church to authoritarian regimes was one

2. In the first wave occurring between 1828 and 1926, thirty-three countries became democratic, at least temporarily. In the second wave from 1943 to 1962, forty countries adopted democratic forms of government (*The Third Wave*, pp. 13–16). The factors propelling these waves differed from those pushing the third wave.

3. Huntington admits that "legitimacy is a mushy concept that political analysts do well to avoid. Yet it is essential to understanding the problems confronting authoritarian regimes in the late twentieth century" (p. 46). Przeworski is less tolerant: "explanations of regime breakdown in terms of legitimacy are either tautological or false" (p. 54, n. 2). For him, "what is threatening to authoritarian regimes is not the breakdown of legitimacy but the organization of counterhegemony . . ." (p. 54).

of the new factors in the third wave, as were the changing policies of the superpowers. The snowball or demonstration effect had the greatest impact on weakening authoritarian regimes as, to mix metaphors, the wave crested.⁴

In *Elites and Democratic Consolidation in Latin America and Southern Europe*, Michael Burton, Gunther, and Higley focus on political elites (Higley and Gunther are the volume editors, but Burton, Gunther, and Higley wrote the overall conceptual and theoretical chapters that are the main focus in this review). Consolidation occurs through an endogenous process of consensus building among these elites “about rules and codes of political conduct and the worth of political institutions” (p. 4). Elites must also be “unified structurally by extensive formal and informal networks that enable them to influence decision making and thereby defend and promote their factional interests peacefully” (p. 4).⁵ Elites can come to a consensus either by settlement or convergence. Settlement occurs through explicit pacts between previously disunified elites, as shown in examples ranging from the Glorious Revolution in seventeenth-century England to pacts in Colombia and Venezuela almost three centuries later. In unconsolidated democracies, elite convergence is more nebulous and can take a generation or more. According to Burton, Gunther, and Higley, convergence is achieved when the opposition drops its antisystem discourse, wins elections, and exercises power according to established democratic procedures. The paradigmatic case is France during the thirty years following the founding of the Fifth Republic in 1958.

The point of departure in *Capitalist Development* is Barrington Moore’s *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (1966). Indeed, an apt subtitle for the newer work would be “On Beyond Lords and Peasants.” Moore’s dictum was “no bourgeois, no democracy,” which Dietrich Rueschemeyer, Evelyne Huber Stephens, and John Stephens qualify by noting that bourgeois democracy permitted contestation but did not extend the franchise to the masses. A comparable dictum from *Capitalist Development* would be “no working class, no mass democracy.” Beyond adding the primary variable of power relations among classes, *Capitalist Development* also brings in state structures and transnational power relations to explain the emergence of democracy. Where states dominate civil society, they pose a threat to democracy. According to Rueschemeyer et al., transnational power relations can have

4. Huntington does not analyze in detail the interaction of these five factors but does weight the factors implicitly by suggesting that “the logo of the third wave could well be a crucifix superimposed on a dollar sign” (p. 85).

5. Burton, Gunther, and Higley admit that this is a tall order to fill and that few countries approximate the ideal type. Even the governments of Spain and Britain are not fully consolidated in the 1990s because of their respective terrorist opponents, and France did not achieve consolidation for a century or so until the socialist governments of the 1980s.

several different effects on democratization. In a war, they can either mobilize and empower workers who subsequently push for participation, as in Europe during World War I, or such relations can strengthen a nondemocratic military, as in Central America and Asia (pp. 70–71). In a situation of economic dependence, transnational relations can thwart democracy by strengthening the antidemocratic landed elite. In general, according to the authors, capitalist industrialization promotes democracy because it weakens the agricultural elite, strengthens the bourgeoisie, strengthens the working class, and bolsters civil society vis-à-vis the state.

Each of the four core arguments makes a distinctive contribution to the discussion of democratization. Burton, Gunther, and Higley remind analysts insistently that politics and leaders matter. Huntington provides no new theory but rather an exhaustive set of explanations that any new theory must take into consideration. Przeworski offers a game-theoretic perspective on the consolidation of democracy and provides systematic analysis of the dilemmas confronting leaders in new democracies who are undertaking simultaneous economic and political transformations. The most significant and probably lasting contribution, however, is made by *Capitalist Development*. Its arguments are novel—Huntington lists twenty theories on democracy, but not one of them is based on the strength of the working class (p. 37). Sophisticated class analysis has been rare in the recent study of the political economy of Latin America. Moreover, Rueschemeyer, Stephens, and Stephens manage to salvage some of the better parts of dependency theories that were thrown out with the bathwater in the 1980s. Overall, *Capitalist Development* sets a new standard for studies in comparative political economy.

Consolidation

One advantage of studying transitions to democracy was that they were relatively simple to define, operationalize, and identify. Consolidation is a more difficult subject, and none of the books offer a fully satisfying and empirically serviceable definition. For Burton, Gunther, and Higley as well as for Przeworski, consolidation basically means that political actors agree to abide by democratic rules. Anything so straightforward in the social sciences usually teeters on the brink of description or tautology. In this instance, it would be easy to slide into the argument that the longevity of a democracy is a good indicator that citizens value it. Burton, Gunther, and Higley worry about the tautological perils of their definition and offer a way to gauge consensus empirically through surveys, interviews, and participant observation.⁶

6. But Burton, Gunther, and Higley never operationalize a threshold, nor do the essays by other contributors attempt to measure consensus, except for that on Uruguay by Charles

Huntington measures consolidation more simply with the two-turnover test, in which the government loses an election to the opposition and the successor government subsequently loses (p. 266). Burton et al. also use a similar but less precise measure of one big turnover where in cases of elite convergence, the antisystem opposition moderates and wins power. Both measures seek to pinpoint the moment when all major political actors in a country accept democracy. But the operational advantages of these measures may be outweighed by the problematic classification of particular cases: Japan barely met the two-turnover test in the 1990s, the United States did not meet it until 1840 (Huntington, p. 266), and Chilean democracy was consolidated in 1970, only shortly before collapsing.⁷

Rueschemeyer, Stephens, and Stephens do not devote much attention to pinpointing the moment of consolidation. When they do address the issue in *Capitalist Development*, it is mostly in negative terms of an absence of threats to democracy, particularly from antidemocratic classes. As will be discussed further, the key to consolidating democracy in Latin America is eliminating the threat from the bourgeoisie by guaranteeing it adequate representation. But this definition too is hard to operationalize (how do we know whether economic elites feel adequately represented?) and hence susceptible to tautology.

Other authors also emphasize rightly the negative aspects of consolidation. If the costs of failing to overturn democracy are high and the probabilities of success minimal, actors will stay in the game no matter how much they hate it. Huntington emphasizes the weakness of historical alternatives to democracy in maintaining the third wave. For Przeworski, democracy is consolidated when it “becomes the only game in town, when no one can imagine acting outside the democratic institutions” (p. 26). Self-interested actors (especially workers and other subordinate groups) may get little or nothing from democracy yet still not attempt to subvert it because their chances of success or probabilities of getting something more from a nondemocratic regime are so low. But even this negative definition suffers because analysts lack independent indicators of the extent of this self-interested resignation.

A promising way to sidestep these problems of definition and measurement is to disaggregate the composite concept of democratic regime and focus the analysis on how the component parts operate rather

Gillespie. Huntington notes that explanations that focus on the beliefs and values of political elites may not be patently tautological but are rarely satisfying (p. 36).

7. The concept of consolidation also suffers from teleological connotations. Although it is true that after World War II political systems in the rich countries evolved into stable democracies, that outcome does not mean that analysts should expect the same result in developing countries. As Huntington argued in the 1960s, any discussion of political development must also consider political decay. Some essays in *Elites and Democratic Consolidation* do discuss “deconsolidation,” but this neologism is clumsy enough to encourage relying on other terms and concepts.

than trying to assess whether the political system overall is consolidated. Two longtime students of democratization have recently devised new ways to disaggregate and differentiate new democracies. Guillermo O'Donnell (1993) offers a bottom-up topographical disaggregation of democracy in terms of the effective exercise of citizenship. Some political systems that meet procedural definitions of democracy do not in practice allow effective opportunities for many of their supposed citizens to exercise their political rights. Argentina, Brazil, and Peru are key examples of democracies that in effect disenfranchise large groups in their societies. Philippe Schmitter (1992) breaks democracy down into five "partial regimes" (clientelism, concertation, elections, representation, and pressure politics) in order to analyze the consolidation of these component "interest systems." He emphasizes the variable roles played by associations in representing interests in different types of democracies and affecting government performance. While these works merit more discussion than is possible here, my point is merely to identify examples of other conceptualizations that offer more precise analytic tools for exploring the strengths and weaknesses of new democracies than do most formulations of regime consolidation.

These kinds of disaggregation have several major advantages in the comparative study of new democracies. First, it is easier to conduct compelling empirical research on the institutionalization of a "partial regime" than it is to gauge the consolidation of an entire multifaceted political system, especially when this gauging requires examining the values and commitments of all major political actors. Second, disaggregation highlights differences among apparently consolidated democracies. To the extent that everyone is "going democratic," future comparative research is likely to focus more on such differences.

Third and relatedly, discussing how well a democracy is working and whether it will survive particular challenges requires disaggregating the political system. In the past, scholars have identified numerous factors as contributing to or precipitating the breakdown of democracy: economic crisis, leaders' foibles, political polarization, international pressures, war, and so forth. Such pressures do not all come to bear on the same parts of the political system, and some democracies will be better able to meet the same kinds of challenges than others. For instance, some electoral systems are better at containing political polarization, while more institutionalized arrangements for concertation (bargaining among representatives of labor, business, and the state) may be better suited to overcoming economic crises. In sum, while the concept of consolidation may be a useful heuristic tool, good reasons exist for not making it a primary focus of research.

Political Economy

Three of the four books make several major arguments linking democracy and economics. They further substantiate two familiar arguments: that economic growth (Huntington) or capitalist development (Rueschemeyer, Stephens, and Stephens) creates over the long term conditions conducive to democracy; and that shorter-term booms or busts undermine authoritarian regimes and trigger transitions to democracy. These books also posit two further arguments that recent experiences in Latin America seem to contradict: that ineffectual management of economic transformation prevents the consolidation of new democracies; and that inadequately represented capitalists pose a threat to democracy.

Huntington emphasizes the correlation between medium per capita income (one to three thousand dollars per year) and transitions in the third wave. High growth in the 1950s and 1960s moved many countries into this range, and according to Huntington, "in considerable measure, the wave of democratization that began in 1974 was the product of the economic growth of the previous two decades" (p. 61). Huntington also offers five causal hypotheses about the relationship between growth and democratization: economic development enhances a civic culture, raises literacy, provides resources for distribution and accommodation, opens economies up to international trends and democratic ideas, and expands the middle class (pp. 65–66). The first four are permissive variables that facilitate democratic governance and bolster democratic forces. Only the last factor, the middle class, is really a causal agent.

In Huntington's summary analysis, this middle-class agent is hard to identify and its motives and strategies are opaque. Huntington uses the term *middle class* in contrast to landowners, workers, and peasants (p. 67), and thus it presumably includes what Rueschemeyer et al. would call "the urban bourgeoisie" as well as professionals and better-paid white-collar workers. As Huntington notes, this amorphous class is not inherently democratic because it supported previous coups in some Latin American countries. It apparently becomes democratic when it no longer feels threatened by radical groups. Hence consolidation requires making democracy safe for the middle class (pp. 66, 235).

Rueschemeyer, Stephens, and Stephens agree that classes are the link between growth and democracy. Capitalism and democracy go together not because markets and democracy reinforce each other, as liberals argue, nor because the conquering bourgeoisie was democratic but because "capitalist development . . . transforms the class structure, strengthening the working and middle classes and weakening the landed upper class. It was . . . the contradictions of capitalism that advanced the cause of democracy" (p. 7). The agent of democratization in early industrializers is the working class. In late capitalist development, in contrast,

the working class is smaller (and democracy therefore generally more precarious) and the middle class becomes pivotal.⁸ The middle class is not always democratic but when it is, it becomes the major ally of the working class. In early development, the middle class could be more democratic in favoring restricted democracy where it was included but workers were excluded. In the twentieth century, formally restricted democracies were hard to build, and consequently, the middle class had to make a starker choice between mass (and sometimes threatening) democracy and authoritarianism.

Capitalist Development glances only briefly (and skeptically) at democratization in the 1970s and 1980s in Latin America (pp. 213–16), and therefore the book cannot fully respond to Huntington's claim that the working class did not lead the third wave, except in Poland (p. 67). Another important contrast is that Huntington looks at growth while Rueschemeyer, Stephens, and Stephens focus on capitalism, with the result that their framework cannot be applied to postcommunist transitions. In a sense, Huntington sacrifices agency for broader coverage while Rueschemeyer et al. restrict their coverage in order to better identify the class carriers of democracy.

Capitalist Development also brings back in the best kind of dependency analysis, although the authors prefer less charged terms like "transnational structures of power." Rueschemeyer, Stephens, and Stephens avoid the error of many analysts by focusing not on the aggregate dependence of the country as a whole but on the impact of international economic ties on class structure. In Latin America, export agriculture strengthened non-democratic landowners, while capital-intensive industrialization limited the growth of the democratically inclined working class (p. 8).⁹ Although Huntington does not evince the same sympathy for dependency analysis, he agrees that "landowners and primary resource extractors" have historically provided "the social basis for military coups" (pp. 234–35).

In the shorter term, high levels of development combined with a short-term economic downturn have proved to be "the economic formula most favorable to the transition from authoritarian to democratic government" (Huntington, p. 72; see also Remmer 1993; Richards 1986). Recession causes political change not in poor countries but in countries where

8. Rueschemeyer, Stephens, and Stephens are much more specific in their definition of the middle class, which in Latin America included "urban professionals, state employees and employees of the private sector, [self-employed] artisans and craftsmen, and small entrepreneurs, sometimes joined by small and medium farmers" (p. 185).

9. By these class criteria, Korea and Taiwan should have robust democracies. World War II and subsequent land reform in these countries eliminated antidemocratic landed elites, and labor-intensive manufacturing subsequently created a large working class. Rueschemeyer et al. do not examine these or other Asian cases in depth but note how the strength of the state and industrial capitalists as well as authoritarian features of cold war containment all inhibited democratization (p. 294).

getting richer has become an expectation, one fed ironically by authoritarian leaders. In other cases, however, Huntington found that economic and other successes undermined the authoritarian regime: “by achieving its purpose, it lost its purpose” (p. 55, see also p. 59). Democratic opponents thus can take heart from the fact that developmentalist dictators are damned if they don’t and damned if they do. Social scientists, however, should be wary of simple, one-sided arguments about the relationship between economic crisis and the breakdown of authoritarian regimes.

In *Democracy and the Market*, Przeworski also concentrates on the linkages between capitalism and democracy but from the perspective of recent events and negative correlations. On the one hand, new democracies are not likely to be effective in promoting economic transformation to strengthen or establish capitalism; on the other, economic transformation poses the greatest threat to lasting democracy (p. x). Przeworski devotes most of his attention to the first relationship, beginning with the familiar problem that economic reform reduces consumption in the short run. The conventional wisdom used to be that elected politicians would stall reforms or adopt less painful ones. In fact, leaders in many developing countries adopted radical and costly programs. Przeworski shows why leaders and voters initially prefer radical, bite-the-bullet reforms. Political leaders want the transition to be short so they can reap the support in time for the next election. The general public, if confident that the government can succeed, wants the transition to be short in order to reap the benefits of expected post-reform prosperity sooner. Once reforms are adopted, however, confidence falls, sacrifice intensifies, and leaders and voters choose to moderate the reforms to lessen the pain. Yet voters as well as leaders will support radical reforms at the outset, knowing full well that they will moderate them later. Hence economic reform in new democracies is likely to be costly and ineffective and to advance in erratic stop-and-go cycles (pp. 162–74).

The idea that socially costly economic reforms are threatening to democracy is a commonplace that Przeworski endorses: “the durability of the new democracies will depend . . . to a large extent on their economic performance” (p. 189).¹⁰ It is plausible that government ineffectiveness would reduce self-interested compliance, but Przeworski is vague on exactly how reforms endanger democracy. He discusses the destabilizing effects of economic reform in the penultimate chapter but does not tie this discussion to the analysis of self-interested compliance launched in the beginning of the book. In Chapter 1, stability and consolidation depend on powerful actors, especially the military and the bourgeoisie (p. 31). The subsequent discussion of economic reform, however, focuses less on

10. Burton, Higley, and Gunther also feel that economic crisis can prevent consolidation, although their causal argumentation is scant (p. 341).

powerful groups than on “the people.” In Latin America, the surprising record of the 1980s and early 1990s was one of radical economic reform with punishing social costs yet without a wave of collapsing democracies. “The people” in most countries were worse off after economic reform, yet democracies survived because powerful groups like business and the military were either doing fine or were unwilling to attempt to overthrow democracy.

Except for *Capitalist Development*, these books largely neglect the economic elites that have been core conspirators in past collapses of democracy, especially in Latin America.¹¹ Rueschemeyer, Stephens, and Stephens argue that in Latin America, “democracy could only be consolidated where elite interests were effectively protected either through direct influence of elite groups on the state apparatus or through electorally strong political parties” (p. 156). Further, effectiveness depends on “close articulation” between political and economic elites and on the capacity of pro-business parties to attract a mass following (p. 169; see also Gibson n.d.). Przeworski seems to concur, although his formulation is vaguer: “a stable democracy requires that governments be strong enough to govern effectively but weak enough not to be able to govern against important interests” (p. 37). Przeworski does not make the specific argument, but one way economic reform could undermine democracy is that adversely affected capitalists would attempt to subvert it.

In the 1980s and early 1990s, big business was surprisingly democratic or at least rarely antidemocratic (see Conaghan 1990; Payne 1994; Bartell and Payne n.d.). But pro-business parties seemed little stronger than in previous democratic periods. By the mid-1990s, the political representation of big business in Latin America was probably most institutionalized in Chile and Mexico through parties as well as business associations. Yet Chile had an incomplete democracy, and Mexico had barely begun a transition in which an opposition victory was threatening to the very channels that business had come to rely on. In other countries (especially Brazil), pro-business parties were weak and nonparty articulation between economic and political elites was ad hoc at best, corrupt at worst. Even in some cases where business was much more active in parties and elections, as in Argentina and Peru, this new electoral and party muscle was not the primary reason for government attentiveness to business interests.¹²

The major source of self-interested compliance by big business was

11. Burton, Higley, and Gunther include economic elites in their definition of the elite (p. 8), yet business is rarely mentioned in *Elites and Democratic Consolidation*. Przeworski alludes to the bourgeoisie occasionally (pp. 31, 68), but it is not a central concern of his study.

12. Several populist or centrist parties such as the Peronistas in Argentina, the Partido Revolucionario Institucional in Mexico, and the major parties in Venezuela have courted economic elites and adopted positions uncharacteristically favorable to business. But the reliability or “adequacy” of these new channels of representation, sometimes opened by previously antagonistic parties, is not yet clear.

more the fact that governments in the crisis years of the 1980s had little choice but to favor business interests.¹³ What if increased structural leverage of business over the state now compensates for still inadequate instrumental power? If the short-term costs of any challenge to property rights are so high and the medium-term benefits so uncertain, then no rational government would ever challenge them. In the 1980s, economic crisis dramatically increased state dependence on the private sector for providing investment (the debt crisis had bankrupted the state), financing the public deficit, and servicing the international debt. Moreover, much of the new international investment in the 1990s flowed into mobile portfolio investment. Policy options that will not undermine business confidence and provoke capital flight are limited.¹⁴ This structural dependence would also constrain a nondemocratic regime, and thus losers like workers and other subordinate groups would have no reason to attempt to subvert democracy (see Przeworski, p. 31). Economic crisis, international financial integration, and neoliberal reform may have mitigated the problems of compliance by economic elites and their representation. The interpretation that economic crisis and underrepresented capitalists dim the prognosis for democracy may be more the lesson from the last wave of authoritarian takeovers and less an accurate predictor for the survival of current democracies.

Methodological Differences

For Rueschemeyer, Stephens, and Stephens, the central methodological puzzle is that quantitative studies of large numbers of countries regularly find positive correlations between democracy and various facets of capitalist development, while comparative historical studies are generally pessimistic about the causal connections. To reconcile these findings, the authors of *Capitalist Development* expanded the number of cases in their historical analysis and came to an optimistic conclusion about the association between capitalism and democracy. They claim, however, that their argument differs from and is superior to those found in quantitative studies because their method of “analytic induction” allows them to actually trace out the causal connections (pp. 31–33). Rueschemeyer et al. would find Huntington’s analysis of the correlation between growth and democracy dissatisfying precisely because he lists five possible causal connections without tracing them out fully and contrasting them over time.

13. Karen Remmer first suggested this line of analysis in a seminar held at Princeton University several years ago (see Remmer 1993, 105–6). See also Stokes (n.d.).

14. Remmer highlights the role of conditionality imposed by the multilateral banks and the intellectual hegemony of neoliberalism as central constraints on policy options (1993, 105–6). For the larger countries of Latin America and the 1990s, I would stress capital mobility.

Methodological tensions also arise when comparing the class and statist analysis in *Capitalist Development* with Przeworski's game theory in *Democracy and the Market*. The issues of contention are familiar: structure versus agency, background conditions versus destination, and analysis of classes or organized collectivities versus methodological individualism. Rueschemeyer, Stephens, and Stephens attribute differences in method in part to differences in dependent variables. Those who focus on shorter-term changes, as Huntington and Przeworski do, emphasize voluntaristic factors like leadership and choice because they can then take structure largely as given (p. 33).

Przeworski is less tolerant of alternative methods and attacks comparative sociology head on. In one of several dismissive passages he writes, "I know that hundreds of macrohistorical comparative sociologists will write thousands of books and articles correlating background conditions with outcomes in each country, but I think they will be wasting their time, for the entire event [the collapse of communist governments in Eastern Europe] was one single snowball" (p. 3). Przeworski attacks analyses like the one by Barrington Moore (1966) that focus on initial conditions because typically in such formulations, the "outcome is uniquely determined by conditions, and history goes on without anyone ever doing anything" (p. 96).

Rueschemeyer, Stephens, and Stephens take their inspiration directly from Moore and carry out a macro-historical comparative study. But they are not dealing with snowballs, nor are the outcomes they want to explain "uniquely determined." They avoid the excesses of vulgar class and structural analysis by arguing that classes are socially constructed (pp. 5, 53–57). They identify three levels of class analysis: "1) the class structure grounded in the organization of production. . . , 2) the ideas and attitudes of the members of a class, and 3) the determination and pursuit of collective goals through organized action . . ." (p. 53). The social construction of class interests depends on institutional and political factors such as relations between leaders and members, inter-organizational ties, the state's engineering of organizations, international factors, and past decisions. These variables are crucial to explaining the "deviant" non-democratic actions of the working class in Latin America and to understanding variations in middle-class behavior. Where such deviations and variations are common, as discussed in the chapter on South America, analysis of the factors affecting the social construction of class interests often overshadows more traditional class analysis.

Przeworski acknowledges the impact of both institution and agency, but *Democracy and the Market* fails at important junctures to integrate fully institutional and game-theoretic approaches. For example, according to Przeworski's analysis of democratic management of economic transformation, "whether or not democracy survives adverse economic condi-

tions is a joint effect of conditions and institutions. . . . [S]ome institutional frameworks are more resistant than others to economic crisis" (p. 33, see also p. xii). Yet conditions in Eastern Europe and Latin America were pretty similar in Przeworski's view (p. 144). Moreover, institutions are not prominent in his model of the political dynamics of reform (pp. 162–80) and receive only brief attention in the concluding section to the chapter on the political consequences of economic reform (pp. 180–87).

The discussion is similarly ambivalent on the role of organizations. Przeworski starts with an often neglected point: "democratic societies are populated not by freely acting individuals but by collective organizations that are capable of coercing those whose interests they represent" (p. 12). Moreover, "only organized political forces have the capacity to undermine the democratic system" (p. 28). Yet Przeworski does not follow up with a primary focus on organizations in the process of democratization or in his modeling of economic reform. For instance, he argues that the choice among radical reform, gradual reform, and no reform depends on the attitudes of "technocrats, politicians in office, and the population." Przeworski assumes that "people want to eat, technocrats want to succeed, and politicians want to enjoy support" (pp. 163–64). He makes no mention of organized social groups, just an undifferentiated population. Przeworski subsequently acknowledges the importance of unions in settling distributional conflicts (pp. 181–85), but he does not consistently analyze society as a constellation of variably organized groups.¹⁵

The arguments of both *Capitalist Democracy* and *Democracy and the Market* would benefit from fuller and more consistent analysis of preference formation. For Rueschemeyer, Stephens, and Stephens, the fundamental basis for preferences is class position; for Przeworski, it is individual rationality (although his previous work deals extensively with class interests, as in Przeworski 1985). Both books further admit that organizations of social groups are, in Przeworski's words, "capable of coercing" their members. Rueschemeyer et al. agree and offer specific examples in Latin America where individual leaders (like Juan Perón) hijacked class organizations for their own political gain or where states imposed corporatist restrictions. For all the authors, the interests of various social groups cannot be simply aggregated, yet their books do not provide full analyses of where and how organizations influence preference formation and expression, although *Capitalist Democracy* at least identifies a set of factors that one should consider (pp. 53–57).

Focusing on interest organization and representation is a promis-

15. Przeworski also seems to glide too effortlessly between units of analysis and to apply the assumptions and logics of methodological individualism equally to individuals and what he calls "collective actors." Such extensions may be more warranted in the case of unorganized categories of individuals but are less so for organized groups facing different institutional constraints.

ing means for advancing, if not resolving, some of the methodological disputes mentioned in this section. Rueschemeyer et al. as well as Przeworski point clearly in this direction and invite further research.

Broad Comparisons

Cross-regional comparisons have flourished over the past decade. Comparisons of East Asia with Latin America have been especially illuminating for understanding the causes and consequences of varying development strategies (see especially Evans 1987, 1989; Haggard 1990; Gereffi and Wyman 1990). Other recent comparisons between Latin America and Europe (either industrial or developing) have been less revealing, at least for Latin Americanists, in part because the point of departure has been convergence rather than contrast.

Przeworski and Huntington both endorse a convergence perspective: despite diverse starting points, the destination for democratizing countries is the same. Rueschemeyer, Stephens, and Stephens are not as categorical but at times shade into a convergence perspective (see p. 76, for example). It may be that the world is doomed to become democratic. But focusing on the similarities poses analytic problems because the lack of variation on the dependent variable can inhibit theory building. If the outcome (democracy) is the same in a variety of cases, then in the absence of explicit methodological strategies such as a comparison of most different cases, it is usually difficult to reject competing explanations. Moreover, lumping cases together according to minimal procedural criteria takes the analysis up Sartori's "ladder of abstraction" to a level where specific causal arguments are rare (Sartori 1970, 1041–46). In contrast, comparisons among Latin American countries made O'Donnell's theory of bureaucratic authoritarianism initially so compelling. Similarly, the divergent economic performance of Latin American and East Asian countries provided the basis for innovative theorizing about the political and institutional requirements for development.

When these four books offer hypotheses about contrasts, either among democracies or between democratic and nondemocratic regimes, they are often at their most interesting but least developed. Burton, Gunther, and Higley conclude in *Elites and Democratic Consolidation* that democracies were unconsolidated in Brazil, Peru, and Argentina and hypothesize that the cause was the lack of authoritative organizations (p. 336). Had this hypothesis been the point of departure for explaining variations among democracies, the result might have had more theoretical heft. Many of Huntington's more intriguing contrasts concern the countries not joining the third wave that were poor, agricultural, non-Christian societies that had never known democratic rule. Unfortunately,

Huntington focuses mostly on the cases of transition and does not develop the contrasts.

Przeworski ends *Democracy and the Market* with this conclusion, "The East has become the South" (p. 191). His point is that the countries of Latin America and Eastern Europe (as well as other developing countries) are fundamentally similar because they have opted for paths leading to the common destination of capitalist democracy. Przeworski acknowledges some major regional differences, although less in past experience than in the immediate challenges of current economic restructuring. Ultimately, however, differences in background are not key in Przeworski's focus on generic challenges: countries in both regions must run the same gauntlet on the way to democracy and markets. Przeworski's analysis is not always so homogenizing, and when he does consider contrasts, his analysis is often more engaging. In discussing economic reform, for instance, he notes that levels of income inequality affect the political response to recession: popular opposition is less likely in the highly unequal societies of Latin America than in the more egalitarian societies of Eastern Europe.¹⁶

Extension of the core arguments in *Capitalist Development* to Latin America is an exercise in adapting a general theory to a particular set of cases (p. 39). Such adaptation usually entails adding new variables, further specifying causal relations, and generally complicating the argument. According to Rueschemeyer, Stephens, and Stephens, class structures in Latin America differ from those in Europe because patterns of economic dependence strengthened the agricultural elite, and late, capital-intensive industrialization restricted the expansion of the working class. In Latin America, states have been stronger and civil societies less dense. The book is most convincing when emphasizing these differences in order to explain the historic weakness of democratic forces in Latin America. But Rueschemeyer et al. also devise a class-based explanation for the emergence of democracy in Latin America. Given the relative weakness of the prodemocratic working classes, the middle class sometimes becomes a leader in the struggle for democracy. Parties have also played an independent role in forging democracy (p. 156). Overall, by the end of the chapter on South America, the class analysis has become fairly diluted. The arguments in the following chapter are sharper in part because they begin with contrasts between nondemocratic Central America and democratic Anglophone countries of the Caribbean. The chapter uses these different outcomes, as well as within-group anomalies such as Costa Rica and Guyana, to greater effect to reject convincingly cultural explanations in favor of *Capitalist Development's* class and institutional arguments. The

16. Among capitalist developing countries, stabilization programs were more likely to be abandoned where distribution of income was more unequal (Oliveira 1991).

argument, in a nutshell, is that British colonial rule denied landowners control of the state and permitted the organization of unions and associated parties that subsequently led the push for independence and democracy.

Rueschemeyer, Stephens, and Stephens take pains to warn Latin Americanists against parochialism: "Given our present knowledge, it may be more reasonable to warn regionally specialized scholarship—such as Latin American studies—against the 'particularist fallacy' of disregarding the results of more comprehensive analyses than to press the dangers of a universalist fallacy against the claims of quantitative cross-national research" (p. 28). A high-water mark in theorizing in comparative political economy on Latin America and by Latin Americans was reached precisely with the identification in the 1970s of the universalistic fallacy in modernization theories. Dependency theories made a lasting mark by arguing that categories and theories drawn from studying advanced countries were inappropriate for studying Latin America. O'Donnell (1973) claimed in fact that some of the same variables in modernization theories that favored democracy in early developing countries promoted authoritarianism instead in Latin America. Now, according to Rueschemeyer et al., the pendulum has swung back and it is again time to compare early and late developers, but this time with sensitivity to patterns of international integration and distinct paths toward modern societies. It is no doubt wise to be on guard against both universalist and particularist fallacies. But given the increasing prominence of convergence approaches like those used by Burton, Higley, and Gunther, Przeworski, and (to a lesser extent) Huntington, the fallacy of excessive universalism may again pose the greater peril.¹⁷

Conclusion: From Regime to Representation

These books mark a significant advance in scholarship on new democracies. At the same time, they reveal some of the limitations of focusing exclusively on aggregate procedural characteristics of regimes. Future theory building on democracy, especially as it relates to substantive outcomes like political stability, economic reform, and social justice, may be best advanced by focusing on less aggregate and sub-regime factors like intermediate organizations, state-society relations, and patterns of representation generally.

Regime change has been the dominant dependent variable in the study of Latin American politics since at least the 1970s. Theorizing has been intense and stimulating but ultimately inconclusive, in part, I suspect, because the dependent variable is too aggregate. Moreover, as an

17. For a similar caution, see O'Donnell (1993, 1360).

independent variable, the impact of regime has turned out to be much smaller than expected. In economic policy, for example, where one would expect sharp changes, the differences between authoritarian and democratic regimes turn out empirically to be not that great, both within countries over time and cross-nationally.¹⁸ By disaggregating regimes and distinguishing better among subspecies, we may be able to generate better theories about the sources of different kinds of democracies and the different social and economic outcomes they generate.

The now standard procedural definition of democracy offers advantages in operationalization but may be overly homogenizing. None of the books reviewed here devote much effort to distinguishing among political systems that meet their procedural definitions for full democracies. In the future, such distinctions should facilitate progress in our theories and understanding of democracy. For example, a number of scholars have argued that parliamentary democracies are more resilient than presidential ones (see, for example, Stepan 1993; Lamounier 1991). Other analysts have emphasized differences between formal attributes and actual practice. O'Donnell (1993), for example, redefined some of Latin America's presidential systems as delegative democracies, where (among other things) presidents were unaccountable.¹⁹

These distinctions and others based on variations in corporatism or party systems depend on identifying crucial variations in patterns of representation. Typologies and definitions based on features of representation—such as the strength and internal functioning of parties, the degree to which interest associations are encompassing and internally democratic, or the porosity of the state—would be messier but may be unavoidable in further theorizing on new democracies.²⁰ The weakness of organization in civil and political society in Latin America became endemic (except in Chile), and democratization has done little to reverse that trend. These distinct kinds of polities that lack effective organizations for continuous representation of interests could be called, borrowing from financiers' argot, "disintermediated democracies." Differences

18. On continuities between Brazil's pre-1964 democracy and the military regime, see Schneider (1991). On the lack of change from the military government to the new civilian regime in terms of redistribution, see Weyland (1991). On the lack of difference among regimes in terms of stabilization policies, see Remmer (1986, 1990). In Przeworski and Limongi's exhaustive review of the state of our knowledge on the impact of regimes on growth, they argue that "political institutions do matter for growth, but thinking in terms of regimes does not seem to capture the relevant differences" (Przeworski and Limongi 1993, 51).

19. Rueschemeyer et al. hint at such a distinction in noting the weak accountability of executive branches to legislative branches in developing countries (p. 77).

20. For other recent laments on the lack of attention to intermediate organizations in the literature on democratization, see Fox (1994), Hagopian (1993), and Shapiro (1993). For a recent general discussion of these issues in industrial democracies, see the special issue of *Politics and Society* 20, no. 4 (Dec. 1992).

among Latin American countries in economic and social development may come to depend more on the effectiveness of intermediation than on regime type (see Schmitter 1992).

What about the new structural dependence of the state? Will the brute and blunt power of mobile assets render collective organization and action moot? Organizations representing the poor are essential to keep redistribution and other social welfare issues on the policy agenda. But truly powerful working-class organizations and parties might provoke capital flight and hence undermine efforts to promote redistribution. Or once in power, their leaders might feel compelled to listen more attentively to business than to those who voted for them, as did Carlos Menem, Carlos Andrés Pérez, and Fernando Collor. But for the rich, the effective organization and representation of business interests through parties and associations would provide asset holders with an alternative collective voice that might have a calming and restraining effect on their individual urges to exit. For example, the fact that the Patricio Aylwin government in Chile (1990–1994) was able to campaign for and implement a tax increase at the same time that private investment increased depended crucially on close consultation between government officials and organized business (see Silva 1993). In sum, the effective organization and representation of capitalists may now be more important for fulfilling the substantive social-welfare promise of democracy than for consolidating a democratic regime.

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