

Sociology 924/Geography 918 WEEKLY READING INTERROGATIONS #3
Adam Przeworski, *Democracy and the Market*
September 26, 2005

1. Peter Brinson

What is the take-home message of the final chapter in *Democracy and the Market*, entitled “The Political Dynamics of Economic Reform”? In the chapter, Przeworski is primarily concerned with showing the potential economic changes and dynamics that can accompany the transition from a command to a capitalist economy and the political dynamics that are inextricably tied up in the process. Though he is specifically concerned with whether or not such changes can occur in a democracy (vs. an authoritarian regime), his discussion of the issue reduces its complexity and makes so many assumptions as to make his models inapplicable. . **[JAP: OK, but how much “complexity” should we allow, and how should we conceptualize it? Could we acknowledge that this analysis points to tendencies and immanent possibilities that ought to be taken into account, whatever the level of contingency in the analysis (for example, concerning the sober evaluation of the potential for centralized planning, or the calculations of some strategic actors concerning the desirability of democratic channels of politics)? Do we declare it inoperable by virtue of its limiting assumptions?]**

In this criticism, I focus mostly on the section of the chapter that is named “Political dynamics of reforms: a model.” In this section, Przeworski advances a model that shows that, given an alternative between a radical reform strategy and a gradual reform strategy, “radical programs are more likely to advance reforms farther under democratic conditions even if voters would have preferred to start with a more gradual strategy” (174). Unfortunately, the model is too simplistic to be plausible.

In the model, one must assume that all individuals (voters) are rational actors, willing to assume some form of risk for reform. Second, one must assume that all individuals are **fully informed** about the choices. **[EOW: A lot hinges on what precisely you mean by “fully informed” here. Przeworski certainly does not imply that actors have “perfect information” (if this is what you mean by “fully informed”) since one of the pivotal issues is the degree of “confidence” actors have in the government. Confidence is a way of talking about the extent to which you believe what the government says, or the extent to which you believe it will be able to fulfill its promises. This is variable and thus, in one sense, implies a lack of perfect information. The actors are fully informed in the sense that they know what their interests are with respect to the proposed reforms – they know if they will gain or lose from the reforms – if the reforms are successfully implemented. But this still leaves lots of uncertainty.]** Third, the model takes for granted that radical strategies accomplish results faster than gradual strategies. **[EOW: This is simply the definition of a radical strategy: it is a strategy which institutes changes rapidly, whereas a gradual reform is one that institutes the same series of reforms slowly. The contrast is not radical vs moderate – which would concern the degree of reform – but ruptural vs incremental.]** This is hardly a given. Finally, the model ignores everything else that might be going on politically or economically before and

during the reform process. **[EWO: Every model has to ignore “everything else” in order to make any predictions.]** This is ironic, given that in the previous section, Przeworski presents a bewildering array of possible economic forces and outcomes that are set in motion by any economic transformation. Not only are the outcomes of a reform dependent upon what happens economically, but they are also dependent on large-scale political and social changes or disruptions. What happens, for example, if the people revolt and simply replace the old government with a new one? What happens in the case of a military coup? What happens if there are other significant changes in the global political or economic realm, such as a stock market crash? Przeworski’s model takes into account none of these possibilities. **[EWO: These objections could be made to any explanation or model since there are always an indefinite number of “what ifs” that could change the parameters of the model.]** And given his assumptions of fully informed, rational actors who are willing and able to make the necessary economic sacrifices (all of which, I would argue, are untenable assumptions), the model seems useless. **[JAP: Can we read this as a kind of advocacy for (the rationality of) “shock treatment” approaches? What have been the political consequences of shock treatment reforms?]**

My question, then, is what the take-home message of the chapter is? Is my critique overly harsh? Do the models actually give us a different message aside from the one Przeworski explicitly lays out? And in general, what would we expect if we were to compare empirical cases of radical and gradual reforms? **[EWO: I do think you are being overly harsh here. The way to evaluate a model like this is to ask whether or not it would direct your empirical research to look at specific aspects of a process that otherwise you might miss. For example, in this chapter one of the interesting themes is the “point of no return” problem – making structural reforms that cannot be reversed. This would only be an issue if you had reason to believe that reforms are a good chance of being reversed if they are introduced in a slow manner. What would you believe this? Prz gives reasons for this expectation. If you think the complications you think are missing would change this expectation, then you should show why this is the case.]** **[JAP: And what do we make of the relative performance of transition economies in meeting the (economic and political) requirements for EU membership? (Why) did some transition economies manage to go “West,” while others apparently went “South”? And if there is evidence of *divergence* here, can we explain this in terms of Przeworski’s model, or should we instead look to more “conventional” explanations, like the structure and orientation of national economies, their articulation with the world system, longer-run continuities in political cultures, the path-dependent evolution of institutional structures? Does it help us understand the (re)turn to authoritarianism in Russia?]**

2. Adam Slez

With the “fall of communism” serving as his historical backdrop, Przeworski outlines a set of arguments intended to address questions about the possible futures of the then-newly-democratized Eastern European countries. Put simply, Przeworski asks, “Will the

postcommunist countries find their way to democracy and to prosperity, to the ‘West’? Or will they find themselves struggling against misery and oppression, like billions of people inhabiting the ‘South’?” (Przeworski, 1991: x). In the course of addressing this larger set of issues, Przeworski argues that, “The central question concerning transitions is whether they lead to consolidated democracy” (Przeworski, 1991: 51). The defining characteristic of “consolidated democracy” is that it is “self-enforcing,” meaning that “no one can imagine acting outside the democratic institutions,” even if acting under the constraints of these institutions entails the possibility of being a “loser” in the short-run (Przeworski, 1991: 26). In other words, actors are willing to voluntarily submit themselves to a situation in which all interests are subject to competition, and the “uncertainty” of political outcomes becomes institutionalized (Przeworski, 1991: 14).). **[JAP: Do you think that the model also works “in reverse,” in the sense of what we might see as the de-consolidation of mature democracies, in which alienation and practical disenfranchisement from the mainstream political process lead to increased incentives to operate outside the democratic system? The approach reads like a strongly transition-centric one to me—quite tightly focused as it is on strategic calculations of key actors at the moments of extrication and the initial stages of constructing democratic institutions. This produces a disciplined focus on the challenges of consolidating democratic institutions, and the strategic behaviors associated with this, but what issues fade from view in this approach?]**

If Przeworski’s argument holds true, there is a fundamental theoretical conflict between democracy and the functioning of an ideal-typical market economy. More specifically, according to Przeworski:

The market is a mechanism in which individuals cast votes allocation with the resources they own and in which these resources are always distributed unequally; the state is a system that allocates resources it does not own, with rights distributed differently from the market outcome (Przeworski, 1991: 112).

There is nothing inherent to these “mechanisms” that would cause them to produce equivalent outcomes. Furthermore, by “equalizing the right to influence the allocation of resources,” democracy “exacerbates” the potential for “divergence.” Essentially, democracy affords market losers an opportunity to “find redress via the state,” allowing for a situation in which the collective preferences of public are at odds with the allocations produced through the market. Thus a defining feature of the “irrationality” of capitalism is that it cannot produce outcomes which accord with “the democratically chosen allocation” (Przeworski, 1991: 112).

How do we reconcile this set of arguments with the notion that, at least in Western countries, democracy has been **the primary** “mechanism” through which the material requirements of capitalist “hegemony” have been achieved?**[EOW: This is a pretty strong claim – that it is democracy as such that is the primary mechanism for establishing the material requirements of capitalist hegemony. There are several issues here: (1) the state is much more than “democracy” – it is also a bureaucratic/regulatory/administrative system, and this is also crucial for satisfying the material conditions for hegemony. (2) the pivotal mechanism for the material conditions of capitalist hegemony is capital accumulation itself and the dependency of all agents on capitalist profits. The state supports this, helps reproduce it, but I don’t think it is quite right to say that the state as such – or democracy –**

is the primary mechanism.] On the one hand, democracy supports the functioning of the capitalist system, serving as a means of reproducing “consent” through “class compromise” (Przeworski, 1985: 140); on the other hand, it appears to undermine the functioning of the market (Przeworski, 1991). **[EOW: Prz does not say that democracy necessarily “undermines the functioning of the market”, but simply that it can counteract some of the effects of the market. Where does he say that democracy necessarily undermines the market?]** It appears that the economic and political requirements of the capitalist system are at odds with one another. **[JAP: and isn’t this question somewhat reduced to a set of concerns regarding differential incentives and orientations in this analysis, rather than, say, structural conflicts. The latter are breezily dismissed as “so what?” questions. Can we leave it at that?]** What role does the state play in resolving this tension? What happens if this tension goes unresolved? Also, Przeworski (1985) is careful to note that democracy is not the only means by which the material requirements of hegemony can be achieved. If the use of democracy as a mechanism of hegemony is associated with a particular level of economic development in the capitalist system, what are the implications for the development of democratic institutions in states operating in the context of an underdeveloped economy? In such a context, is there an increased potential for the states in question to abandon the development of democratic institutions in favor of establishing non-democratic systems of hegemony (e.g. “autonomous dictatorship”(Przeworski, 1985: 140))? **[Prz certainly believes that democracies are much more difficult to consolidate under conditions of underdevelopment, since elites are much more likely to rely on repression as the way of ruling out certain kinds of alternatives. This is the central point of his discussion of the conditions under which democracy becomes a self-enforcing institution in chapter 1. Those conditions are much less likely to hold in poor countries.]**

3. Joseph Harris

Adam Przeworski envisions democracy as an organized and institutional commitment to a process where outcomes are uncertain (from 14, 33). Atul Kohli calls democracy a process that “institutionalizes hope,” since by definition it offers the losers the chance to become winners at some later point in the future. Is Przeworski’s game theoretic analytical approach a good framework for understanding how democratic stability exists? One might argue that such an analysis cannot be effectively played out in game theoretic fashion because the factors that each political choice are based on are too numerous and too nuanced. **[EOW: Are you simply saying here that NO theory is possible because every situation is unique and irreducibly complex? If you are not saying this, then why is game theory any worse than any other theory in the face of “complex factors.”?]** **[JAP: And so might we argue that the kinds of deep case studies developed by Chibber and Evans represent a more appropriate way to deal with the multicausal, contingency-soaked complexity of state/economy restructuring? Or are these kinds of analyses prone to become “slaves” of the cases themselves? You get the impression that Przeworski is drawing on a colossal amount of contextual knowledge, but in the final analysis the question must be whether this theoretically essentialized**

interpretation is compelling.] In this way, a credible tree of real choices can never be constructed, since some crucial factors that affect the overall portrait of reality will always be neglected. Furthermore, it is arguable that choice made both by state actors in power and political opposition are rarely as logical as Przeworski paints them, but rather might be viewed as specific responses to continually changing social climates and political circumstances. **[EOW: Przeworski allows for all sorts of nonrational elements – beliefs can be distorted, information can be incomplete, etc. What he argues is that given the beliefs and information, then people act strategically and that interesting implications follow from this. In what precise sense are you saying actors make “illogical” choices and that this better explains the stability or instability of democracy than does the kind of model Przeworski proposes?]** **[JAP: I agree. I found myself wondering what Przeworski would say if he had been consulted as a special advisor to some Eastern European state! Would this kind of analysis be credible to the actors involved? To what extent are political pathways really ever constructed out of rational calculation? Don’t unintended consequences, “events, dear boy, events,” muddling through, passion and anger, dumb mistakes etc. all have an enormous role too? Can we really parameterize all of this? Alternatively, what difference does it make that many of these regimes were focused on a similar destination—some kind of market economy? Even if this “stark utopia” is ultimately unattainable, pressing in a single direction can have the effect of disciplining political behavior, to a degree. In such contexts, there will likely be a lot of emulation (of “success stories”) and policy borrowing, not to mention the effective imposition of certain policy packages by multilateral agencies and “the financial markets,” which could be read as a shared, rational outcome, or even convergence, when it is nothing of the sort.]** Therefore, are probability models an effective way of talking about these problems, or at some point must one contend with individual histories (a point Przeworski rarely does, choosing instead to speak in broad brushes)? At root, do maps of choices that Przeworski creates (like those on page 172) bear out empirically, or is this simply an ungrounded theoretical exercise? **[EOW: The book is filled with many many concrete historical examples of decisionmaking contexts of actors whose strategies Przeworski interprets within this framework. His explanations may be less adequate than some rival, but I don’t see how you can say that it is “ungrounded”. You are right that he does not place emphasis of individual biography (if this is what you mean by “individual history”) because he thinks that does not explain much about the phenomenon he is studying. But he pays a lot of attention to the concrete strategic contexts and implications of different kinds of strategies of historical situations.]** If so, what value does it hold?

Przeworski’s analysis is also riddled with a number of assumptions and findings worth further examination, some worth challenging. His definition of “political pacts” is one troubling example, since he says they “protect embryonic democratic institutions by reducing the level of conflicts about policies and personnel” (90). One might argue instead that such political pacts actually set democratic stability at a “false equilibrium,” since such pacts by nature are fragile and likely to be undermined. Or to argue more forcefully, that the use of such political pacts in a society indicate that real democracy is not real functioning at all since the degrees of freedom of those who govern have so been reduced as to remove the latitude of choices and outcomes that makes a democracy a democracy. **[EOW: Pacts only reduce the latitude of choice to the extent that they correspond to actors interests in excluding certain issues from the table, since they are not enforced by third parties – they are not “bargains” in Przeworski’s framework. I**

don't see why that inherently renders a system undemocratic: democracy vs nondemocracy is not a dichotomy, and in these transitional situations the only way to establish certain institutions may be to agree to not fight politically over certain issues.]

Other problematic areas or points worthy of discussion: Przeworski states that “no country in which a party wins 60% of the vote two times in a row is a democracy” (95). This seems to me a disputable maxim. **[EOW: This is, admittedly, a fairly glib statement, and I am sure that he would allow for some slippage depending upon the nature of the party and the reasons for the 60% figure. His concern here is that because of what he calls the economies of scale of political power one-party dominance makes the temptation of rigging future elections/processes in such a way as to perpetuate that parties rule almost unavoidable. But this must depend upon other facts about the nature of the party system and how elections occur.]** From page 177, Przeworski argues that “redistributive measures are much easier in the country with a more unequal distribution.” I would think the viability of reforms would be more difficult if the upper classes are entrenched institutionally in the seats of power. **[JAP: And much also depends, of course, on how much growth there is to redistribute, since in slow-growth situations the politics of dividing the same sized cake in different ways are invariably fraught. It seems easier to redistribute positively during periods of strong growth (as in Atlantic Fordism), while slow-growth periods (like the leaden age of neoliberalism) tend to be associated with regressive turns. More generally, we might observe that certain balances of class forces are associated with these different “growth models,” but Przeworski seems to have no time for such intermediate concepts, pertaining to political regimes or economic models. He is operating at a higher, and different, level of abstraction.]** Finally, Przeworski’s whole book is an effort to tie together political system with economy, since he argues that democracy’s survival is linked to economic performance (from 33, 188). Although a general trend holds, I would be curious to examine individual country histories to see the specific reasons that accounted for the falling of democratic regimes from power in the statistics he cites on page 32 to see if this is true.

4. Sarah D Warren

Adam Przeworski succinctly lays out his argument about the dual transition that many countries have attempted to make – a transition of the political system to democracy and a second transition of the market. In his analysis, Przeworski starts from the assumption that the collapse of Communism in Eastern Europe has profound implications. Namely, that socialism as an economic system is no longer thought of as a viable alternative system to capitalism, although, as he points out, there is no empirical evidence to show that the socialist model has failed compared to the capitalist model (120). **[JAP: This comes with the important proviso, though, that all this depends on how you define the previous East European experience—as socialism, state socialism, communism, etc.. Certainly something failed, but clearly this does not exhaust the (theoretical and political) possibilities of socialism. This said, Przeworski is pessimistic n “technical” grounds about the feasibility of a centrally planned economy, so for him several of these avenues seem closed off.]** I am not entirely convinced that the premise from which Przeworski bases his arguments about economic reform is correct. He assumes that

the period of transition necessarily is one of suffering but that, if the reforms are eventually carried out, everyone will end up at the same level of consumption as before, with the possibility that some will be even better off. First, I am concerned with the assertion that there is *always* economic decline in transition periods. Can we think of any economic transitions of developing countries in which the country has not experienced major social and economic ills? **[EOW: Remember that in the context Przeworski is writing about these are transitions from state-run economies, or heavily state-dominated economies, to market economies. Although a similar argument could be made about transitions from capitalism to socialism – indeed he has made such arguments elsewhere – here the issue is the consequence of dismantling heavy state involvement in running the economy. The suffering claim comes from the disruptions in economic integration and allocation that occurs as state-provision is dismantled and market-provision kicks in, since – presumably – the state’s capacity to redistribute in social democratic fashion cannot instantly be created to compensate market losers.]** Next, I am uncomfortable with Przeworski’s implication that reforms, embodied in the processes of stabilization, structural adjustment and privatization, eventually lead to more stable economies with higher growth and higher levels of consumption. . **[JAP: I am not sure he was saying that this was necessarily the case—that in the long run higher growth and levels of development would be secured—but he is saying that the period of adjustment will likely be painful, whatever the ultimate outcome.]** The recent experiences of some Latin American countries might lead us to believe that these reforms often lead to greater economic downturn. While Przeworski might retort that these downturns are merely the immediate hardship experienced in the wake of the reforms and that instability is a temporary result, I find this response to be somewhat inadequate. It seems to me that governments, or more likely international financial institutions, can use this assertion to write off serious social consequences as temporary “growing pains” and make promises of an assured brighter future. But Przeworski is not clear about when that future is to come. Are there situations in which his proverbial move up the valley might not ever arrive? How can we assume that these market reforms will always lead to better, more efficient economic practices in all countries and under all international conditions? Are there other, different economic reforms that Przeworski does not consider that might be less deleterious to people and to the practice of democracy? **[EOW: I think Przeworski probably would consider social democratic reforms to be the best route, but the necessary political and structural conditions for SD may not be possible in many countries. He is definitely not an advocate of neoliberalism: he regards a purely self-regulating market as an illusion and blue-print capitalism as irrational. So he does believe in an effective state regulation and intervention. The problem he is raising is about how to reform manifestly inefficient and irrational forms of state manipulation of the economy – as in the USSR especially – and it could be that there is no smooth upward path out of those situations.]** **[JAP: He makes the case for social democratic, regulated capitalism as the best/least worst option, but does not really deal with how many Swedens there can be. Yes, surely there can be more than one, but can there be 25, and can there be more than 1 or 2 in Eastern Europe?]**

On a final note, I do, however, agree that the types of economic reforms that are currently advocated by the “free market model” can have devastating economic and social affects (witness Argentina’s crash in 2001) and that democratic transitions and economic transitions profoundly

affect one another. **[JAP: Przeworski seems to reject the notion that the Eastern European transition is fundamentally different (to the Latin American one) by virtue of the radical nature of the accompanying economic transformation. Instead, he stresses the broad similarities of the two regions and formulates his assessment of the nature of transition from this “shared” starting point. While the thought experiment is an intriguing one, is he not stretching credibility in doing this?]** This leads me to one final question: How feasible is it for countries to undergo both transitions simultaneously? Is it better for countries to try to stabilize and strengthen the economy under a different political system before attempting to undergo a transition to democracy? **[EOW: This is, of course, what defenders of China’s authoritarian path to a market economy say. The catastrophe in Russia, in this analysis, was due to the political liberalization occurring too early.]**

5. Brent Kaup

In Przeworski’s *Democracy and the Market*, he theoretically analyzes the transition processes of Eastern European and Latin American states from dictatorial and/or command and control systems to systems of capitalist democracy. While Przeworski provides an array of well-constructed agentic explanations to display the possible political and economic tracks of such transition processes, I believe his analysis could have benefited from more in-depth empirical analyses and an acknowledgement of the influence of structural conditions that contribute to all political and economic change. I also found myself quite disturbed (or possibly confused) by Przeworski’s support of what he calls “the bitter-pill” path of economic development.

While Przeworski draws from an impressive number of empirical cases and admittedly states that his analyses is “parameterized”, I found his casual engagement with such cases to lack depth, and, as a result, I was not convinced that his comparative analysis between Eastern European and Latin America states is valid. I believe this is perhaps a result of his game-theoretical approach and his dismissal of long term and macrohistorical as well as structural influences (3).). **[JAP: Every analyst has to find ways to handle contingency and messiness, but is there simply too much that is “tuned out” in this narrow-band analysis? While I have no doubt that Przeworski knows his cases, the extraordinarily selective use of evidence means that we can only be persuaded by the power of the theoretical argument, compared to Chibber’s and Evans’s demonstration through cases.]** While ground level actors may have held similar rationalities when implementing political and economic change in both regional locations, how do geopolitics, the constraints of international lending institutions, and/or ethnic conflicts affect transitions to democracy? **[EOW: Przew would say that these issues matter to the extent that they are played out in the interactions among hardliners, reformers, moderates and radicals. That is: if you invoke macro-structural factors, those factors still have to work through the strategies of the pivotal actors on the ground that are fashioning the transition, engaged in the struggles. How do you think such macro-factors would actually change the models as such, as opposed to help explain particular parameters within the model – such as the pay-offs to reformers or moderates?]** Przeworski acknowledges the importance of time (99) and space (190) in both the transition process and in

the hopes of achieving democratic stability, but he offers little to no evidence of how these factors interplay in either.

Turning to Przeworski's analysis of economic transition, I found his "bitter-pill" to be a bit hard to swallow. Przeworski draws straight from the Washington Consensus (147) in, what to me, appeared to be a pessimistic policy recommendation for capitalist democratic state evolution. **[JAP: I, too, was surprised by his uncritical deference to Williamson's conclusions. What about other readings of the Latin American case?]** While his transition trough argument was theoretically convincing, I again question his empirical evidence. He states that in Mexico and Bolivia, the bitter pills methods of "shock therapy" have largely been effective in preventing rapid inflation (151). Is this true? Perhaps I have history on my side, but I believe that these "shock-therapy" measures prescribed to both Bolivia and Mexico actually led to hyper-inflation during the 1990s. Also, in some places (Bolivia in particular) where "bitter-pill" strategies have been implemented to their fullest extent, political unrest has prevented any sort of long-term significant economic growth or democratic stability (in Przeworski's terms) from occurring. In regards to building a stable democratic state, are the radical economic and political prescriptions of the bitter pill really the 'best' or even most chosen developmental path? I wonder what Przeworski would say about the political and economic reforms occurring now in places such as Brazil and Venezuela? Do these countries have democratic stability and, if so, is it a result of swallowing the 'bitter-pill'? **[EOW: It is of course telling that the book was written in 1991. I suspect that on this particular score, Prz would have many more doubts today]** **[JAP: Can some of Przeworski's arguments be mobilized alongside geopolitical and structural ones, in cases like Brazil and Venezuela? His analysis is presented as if to override contextual and conjectural explanations, but what if, instead, his analysis were to be embedded within a structural one? Would the result be a more sophisticated interpretation, or a hopelessly eclectic one?]**

6. Oriol Miroso

Adam Przeworski's *Democracy and the Market* was a difficult book to read for me. The use of game theory and rational choice models to build a theory of democracy and to make sense of the dynamics of transitions to democracy and market-oriented economic reforms raised a lot of skepticism in me. The book also uses empirical evidence to make its arguments, and I had some difficulty making sense of the relationship between the more logical and the more empirical statements throughout the work. Many times, Przeworski begins his arguments with a "Suppose..." and then follows a logical argument about a given situation. Yet it was not always clear to me when the causal connections between statements were based on empirical evidence and when they merely obeyed rational expectations. Often he would present these arguments in opposition to claims by other authors, and at times it was hard to figure out whether his disagreements were based on empirical claims or just on the use of different logical processes. The generic assumptions about how different political actors will behave in given situations, or about the intertemporal calculations that are supposed to hold irrespective of specific circumstances, seem to me to be a weak and flawed way of looking at social reality. **[EOW: I think the way to think about models of this sort is to ask "in what way to concrete**

circumstances enter the model” rather than to focus on the fact that the model specifies certain relationship independently of circumstances. All models have to do that in order to count as an explanation that is not simply a restatement of all of the details of a concrete situation (=”circumstances”). Thus, for example, Prz would argue that the concrete circumstances massively affect things like (a) the level of confidence actors have about the ability of a government to follow through on a promise, or (b) the risks faced by hardliners in refusing to go along with reformers, or (c) the probability that radicals will go to the streets if the moderates form a compromise on certain issues. All of these sorts of things would be affected by “circumstances.” What is invariant is the strategic problem faced by these four categories of actors and how this bears on the problem of democratic transition.]

. [JAP: In this respect, is it fair to say that the work is radically ahistorical? Or are historical “traces” just encountered differently? The issues most in play here read to me like those of today and the short to medium term future; the similarity of the starting points and of the economic opportunities seems to be dramatically exaggerated in order to enable this analytical experiment. The experiment could still have value, however. Does it?]

Despite these issues, I took notice of Przeworski’s claim that models are not supposed to be right but helpful, and I tried to keep an open mind while reading the rest of the book. I think that some of his insights are valuable, and that thinking through, for instance, what different strategies to implement reforms are, what their social costs are likely to be, and what diverse reactions they can trigger from different actors, as well as their impact on the prospects of a democratic settlement, is a worthwhile intellectual exercise. Yet I also believe that it is important, after such an exercise has been performed, to reflect on all of its assumptions and try to see in what ways these make the analysis incomplete. In this sense, I think that the mechanisms posited by the author in trying to explain economic reform are too much based on the preferences of the national actors and they leave no room to explore supra-national constraints. The discussion about the choice between the status quo, radical reform or gradual reform seems to me to need to consider pressures of powerful countries, international financial institutions, international financial markets, and trends in the global economy in order to understand why the choice has generally been radical reform (and why in some instances it has not), and what the reactions of different actors have been. [EOW: This is potentially the right way to frame the critique within the methodological gambit of Prz’s models – i.e. by arguing that there is a pivotal category of actor in these processes that has been left out, and that this actor also has strategies with respect to the process. There is nothing, of course, in game theory that says Prz has identified the right actors, the right strategic choices they faced, or the right pay-off patterns, so this criticism need not be a criticism of game theory models as such. Prz might also reply that an actor like “international finance” is in close alliance with an actor like “the urban bourgeoisie” and thus these two may functionally have the same interests and strategies (but maybe not).] The fact that a rational choice argument concludes that radical reform is the most likely outcome, and that this is confirmed empirically, does not mean that the causal mechanisms have been properly identified, and that is why it is necessary to expand the scope of the analysis to make sure that nothing particularly relevant has been left aside. It is precisely in this sense that I found the book’s conclusion puzzling. Przeworski claims that geography is not going to make things different for Eastern Europe, that the political and economic transitions in the region will resemble processes in Latin America and that the East’s

future seems to be the same as the South's. **[JAP: Yes, geography is suddenly raised in the conclusion as some unanalyzed phenomenon “external” to the analysis, the “hope” that Eastern Europe will not slide down the route to “poor capitalism” seems to be that the benefits of geographical proximity will somehow trump Przeworski’s relentlessly logical analysis. It seemed to me a curious way to end the book: “if I am right, East will become South, but hopefully some of the factors that I have ignored will pull Eastern Europe in a different direction altogether.”]** Yet in his analysis he never addresses the geographical dimension, so it is hard for me to see how he can dismiss it. If there is no exploration of the nature of ties with the European Union, the effects of the proximity to European markets and the particular position of Eastern Europe in the global economy in relation to key actors, or the geo-strategic interests of powerful players, how can he make claims about these factors not being relevant? Again, despite all my doubts, I think that there is some value in the kind of analysis that Przeworski presents in his book, and I would be very interested to see a review of how the experience of the last 15 years in Eastern Europe (of which I know very little) matches his predictions. But I think that he forgets his statement that models are supposed to be helpful, not right, with the unsupported assertions that he slips in his conclusions.

7. Richard Aviles

Przeworski applies game theory to develop several hypotheses explaining the endurance of democracy, the construction of democratic institutions, and the problem of economic reforms in transition societies. Separately, he defends the merits of market economies over socialist or planned economies, concluding that either social democracy or market socialism strike the optimal balance between efficiency and equality. **[JAP: Yes, he certainly draws these conclusions most vividly, but somewhat reluctantly too, it seemed to me. There is a lot of pessimism of the intellect here, but the concerns he raises about technical and political feasibility don't strike me as particularly easy to dismiss, even if one doesn't particularly appreciate the way that he arrived at them.]** The book reads like four little books compressed into one, thus making it difficult to review.

Rather than trying to expand on the many theses he proposes, I will limit my comments to one of them. In capitalist societies, democracies survive by evoking “self-interested spontaneous compliance from all the major political forces (x).” This in turn is dependent on two conditions: all political forces must have a “fair chance” to compete and have influence within the “institutional framework” (presumably meaning the state) and these frameworks, in turn, must produce “substantive outcomes.” By political forces he means not individuals but those groups who are “collectively organized,” meaning they have the “capacity to formulate collective interests and to act strategically to further them (11).” This of course means that not all potential interested political forces are either (a) organized or (b) organized equally *capable* to act strategically to further their own interests. Asymmetries of representation, organization, consciousness, and most importantly resources guarantee asymmetrical capacities and participation, particularly within advanced capitalist societies among political forces. . **[JAP: With respect to our earlier discussion, how are the “interests of business,” for example, actually secured in and around the capitalist state? By formal political organization? Offe points out that capital has the luxury of not “needing” this as much as labor, which *has* to**

organize (and change its form, solving collective organization problems) in order to advance its general interests. So what are the implications for Przeworski's analysis if the players in the game have constituencies and interests that are qualitatively asymmetrical?]

According to Przeworski, "compliance [with the institutional framework]....constitutes the equilibrium of the decentralized strategies of all the *relevant* [emphasis added] political forces (26)." But this only occurs when these institutions provide "sufficient" prospects that the interest of any political force would eventually be advanced in the future. **[EOW: it is worth noting that the issue is not that a political force that loses an election must feel that there are good prospects of winning an election, but just that the interests represented by that party are to some extent advanced by staying in the game relative to abandoning the game.]** Over time, the tendency of capitalism to produce growing inequalities in wealth and power decrease the rate of return for continued participation and compliance with the institutional framework on the part of workers and the economically and socially disenfranchised. Eventually, millions opt out and neither participate nor overthrow, but rather engage in passive noncompliance. **[EOW: passive noncompliance does not necessarily destabilize democracy unless this population constitutes a reservoir of potential subversive opposition, which may not be the case.]**

However, Przeworski dismissed the importance of such behavior with the qualification that such behavior is only threatening "when they are on a mass scale, by creating a potential for sporadic street outbursts or ephemeral antidemocratic movements (28)." But then what is the value of this so-called democracy when the players in the "democracy game" shrink to an increasingly small number? **[EOW: There is – according to Prz – quite significant "value" to Democracy even if the policies of the state do not especially advance one's interest – namely, social order and a reduction of arbitrary violence. The problem with dictatorship, in these terms, is that it exercises arbitrary violence. To the extent that the state does this for some marginalized segment of the population, then they are effectively excluded from democracy.]** What difference does it make if a democracy meets all the formal/definitional requirements and endures if the outcome is the *qualitative* disempowerment of broad sectors of society?

8. Amy Quark

Sorry I can't be at the discussion this week.

Przeworski raises a number of important questions to ask in terms of how democratic and market transitions take place and how they are mutually influencing. His analysis, however, seems too historically and empirically *ungrounded*. **[JAP: We do have references to the "traces" of past practices, but nothing really approaching a structural analysis of different kinds of regimes. In fact, the notion of distinctive regimes, associated with path-dependent processes of adjustment, is quite radically rejected, in some respects, in favor of an approach that emphasizes the similarities between Latin America and Eastern Europe, state-socialist regimes and military dictatorships. Given this, there was a little irony in the evocation of geography in the conclusion!]** Przeworski does acknowledge that each country finds itself in specific and historically contingent situations that influence the unique constellation of conflicts that allow democratic institutions, if adopted, to be consolidated. Yet, with only scattered empirical examples leaving many questions unanswered, his analysis is limited to asking interesting questions and fails to offer us many real insights into the

mechanisms by which democratic and economic transitions actually occur. . **[JAP: Yes, while the empirical knowledge that informs this analysis is clearly encyclopedic in its range, this is not an account rooted in sustained case-study analysis; but rather rigorous theorizing-plus-anecdotes-and-selective-observations.]** **[EOW: Isn't the discussion of hardliners/reformers and moderates/radicals an example of an account of mechanisms? Also the argument about liberalizers and the probabilities of various responses from the street are also examples of mechanisms. These are all discussions of strategic interaction and the consequences of different patterns of such strategies for stable or unstable configurations. I am not sure why you think these are not mechanisms. They may be unsatisfactory, and there may be other kinds of mechanisms that are more important – eg norms and moral beliefs about democracy, which he downplays – but these are still mechanisms.]** For example, he gives little attention to external influences in this process and how that shapes opportunities and constraints on transitions. What has been a particular country's position within Cold War struggles? What is the natural resource base of the country and how it is articulated with the global market? How do these things affect these unspecified interests and contingencies he notes? How does the ability of a country to balance conflicts within the transitioning state depend on the kind of international financial and institutional support a country is given? Can a broader array of actors and interests be incorporated into this approach without it becoming unwieldy? Is it already unwieldy? **[EOW: these are all good questions about potential additional strategic action contexts for the processes he is studying. It may well be that the four actor model he adopts for the study of democratization -- hardliners/reformers/moderates/radicals – is unsatisfactory. But it could be that other actors have their strategic role by virtue of their connection to these four types of actors, and therefore the simplification may be OK. It may also be the case that other issues – like natural resources, for example – matter because of the way they shape the opportunities or interests of these four categories of actors, and thus they constitute ways of specifying the model rather than modifying it.]**

Another question regarding Przeworski's methodological approach, with implications for his theoretical analysis, focuses on the issue of ideology. For example, "democracy" is a term rife with ideological implications. While I appreciate how Przeworski debunks the meaning of democracy in the first chapter, does he give sufficient attention to the effects of this strong ideology and particularly how it is promoted to externally from a wide array of institutional actors to "transitioning" states? Can this be captured in a game-theoretic analysis? **[JAP: Indeed, there is not much attention to the wider ideological alignment between "free markets" and democratization, which I would say has subsequently played an important role in the contagion of neoliberalization-with-democratization across Eastern Europe. Przeworski is very perceptive about the suboptimal forms of "equilibrium" that can be the outcomes of these kinds of political struggles, and this might be one of them. His analysis gives little play to structural factors, of course, but it could be said that he has his own ways of explaining the multinational drift toward neoliberal formations.]** **[EOW: The place where Przew discusses this directly is p24 in the text where he explains why he does not focus on normative commitments and values – democratic ideology – for understanding democratic consolidation and stability. Basically, I think, he feels that ideology is not necessary for explaining these processes; at most it reinforces these other mechanisms that are rooted in "self-interested strategic compliance." The challenge of a critic is to show**

that this is wrong, that ideology can play a role comparable to these forces in stabilizing and democratic processes.]

9. Jason Turowetz,

There are two issues I would like to address in this week's interrogation. The first concerns Przeworski's conception of the democratic state, and the second, the role that international forces play in domestic transitions to democracy. I found myself admittedly puzzled by Przeworski's claim that "compliance can be self-enforcing if the institutional framework [in a democratic society] is designed in such a way that the state is not a third party but an agent of coalitions of political forces" (pp. 25). In this fashion, he continues, the forces of civil society find it in their interest to "guard the guardian" and democracy becomes a form of genuine self-government, where "the distinction between rulers and ruled disappears" (pp. 26). Should this be taken to imply that in a democratic society, the state is not a strategic actor in its own right? In Evan's terms, Przeworski's democratic state is excessively embedded while lacking so much as a semblance of autonomy. . **[JAP: And doesn't this highly stylized, abstracted view of the state enable Przeworski also to sidestep the serious question of continuities with the *anciens regimes* of the two continents? He would not argue, I am sure, that the collapse of these regimes had a single cause, but he is curiously content to place all his cases in the same analytical space when theorizing transition.]** Such a conception of the state strikes me as both simplistic and analytically imprecise, to the extent that it blurs what I think remain clear lines between states as entities and interest groups (lobbyists, etc) comprised of individual agents in democratic societies. I would posit that any state, democratic or otherwise, is more than the sum of its (self-interested) parts, complete with an *esprit de corps* and set of collective interests all its own. This is not to suggest that analysis of individual motives within collective organizations are misguided; on the contrary, they allow us to identify competing projects and conflicts within entities that convey an outward impression of coherence. That said, though, it seems to me that individual interests only tell part of the story, particularly when the analyst fails to distinguish between a state official's own interests qua citizen and those attaching to the organization of which she is a member. **[EOW: I don't think that Przeworski is denying that actors in the state have distinctive interests and capacities. His whole discussion of hadliners and moderates revolves around that idea, and while he sees these state-actors as having links to civil society groups, he clearly does not see them as mere representatives of extra-state social forces. Similarly, he clearly regards to military as a distinct, separate actor with potentially a lot of autonomy. Look at his discussion on p25: "...in all democracies the state is obviously a specialized agency for enforcing compliance. Moreover...there is a perpetual possibility that it will become independent, that it will act in its own interest without effective supervision by political forces." I think the idea here, then, is that this is a perpetual tension or problem, but that to the extent the state is democratic, then the distinction between rulers and ruled begins to dissolve. This is a variable – the more democratic, the more the state is nonautonomous in this specific sense.]**

The second issue I would like to address centers on the role of international forces in the transition to democracy. Przeworski's game-theoretic analyses of the competing interests shaping the outcomes of prospective transitions to democracy, while appreciably rigorous and illuminating, leave international interest groups out of the payoff matrix. Given the extent to

which international forces, from disintegrating colonial empires in the first half of the 20th century to the United States (which certainly had vested interests in the East European states adopting a particular brand of market-oriented democracy) in the second, have impacted the political process in developing countries, it seems rather inappropriate to think about transitions in terms of closed political-economic models. **[JAP: Chibber focused quite insistently on state-capital relations within national political-economic spaces too, but did so with a much greater sensitivity to the relative positioning of his case-study countries within the international system, and with respect to colonial relations; Evans's approach seemed more to take the international division of labor as a given, but here it seems to be tuned out, except to the extent to which it impinges on the "resources" that different actors bring to the table.]** I think that adding international interests to many of Przeworski's models, while complicating them, would make them both more realistic and more informative. **[EOW: This is a legitimate objection, but the key thing is to figure out how it might affect the structure of the argument. If global forces work mainly through these internal processes – by strengthening the hands of reformers, by changing the probabilities of various payoffs, then it may not matter so much that they are not explicitly considered.]**

10. Lena Etuk

While I found the research questions pursued by Przeworski to be interesting and currently very relevant, given the recent history of many nations throughout the globe, his analysis was both difficult to penetrate and unconvincing. The author's questions regarding the ease with which a nation can transition into democracy or capitalism is answered not by referring to specific case-studies which can illuminate the internal and external conditions necessary for a "successful" transition, but by short and de-contextualized examples from history and game theoretic scenarios. By using these methods to understand the transition process, Przeworski provides explanations that rely heavily on hypothetical scenarios, care of game theory, and that are of questionable causality, due to his reliance on fragmented information about nations in Eastern Europe and Latin America. Not only is it difficult to believe an explanation that is largely theoretical conjecture, but such an argument is difficult to follow because the explanation is not grounded in a lived experience. Przeworski also fails to question the assumptions that go into deriving the outcome of a game theoretic scenario, which seems to be a crucial omission and worthy of discussion. . **[JAP: While the game-theoretic approach is clearly well suited to calculating the *probabilities* of different outcomes, once the parameters are appropriately controlled, I was also struck by the quite deterministic discussion of those outcomes. Ironically, there seems to be less room for contingency, chance, surprise, etc. in this framework (since so much of this seems to be analytically frozen at the outset). Instead, the elegant analytics result in often uncompromising conclusions, for example concerning the long-run political "benefits" of force-feeding the population with bitter pills.]**

[EOW: see my comments on some of the other interrogations which reject this kind of model altogether as being decontextualized and ungrounded in lived experience. The challenge for a critic is to show, for example, that his characterization of the trajectory of junctures faced by "liberalizers", or his account of the strategic interactions hardliners, reformers, moderates, and radicals is wrong in some instance: these are not the relevant

actors, their interests are not as described, their strategic alternatives are not as specified, etc. It is not a persuasive criticism to point out the world is more complex than the model or that the model is abstracted from concrete lived experience. These are requirements of all models, not just game theory models. If you think it is better to have explanations without any models, then you need to try to show what such an explanation would be like.]

Though I had many problems with this book I found the basic premise an informative one, and the general conclusions (however vague and detached from reality) interesting; namely that democracy can be thought of as a waiting and faith game which makes transition difficult because the positive gains are typically realized in the long run, that the decision to organize the economic system in a particular fashion (capitalism or socialism) can depend on the “rational” comparison of the two options along three dimensions: the blueprint, its feasibility, and real examples, and that any economic transition is dependent on the political context it affects and in which it is situated while the converse is also true. **[JAP: So what are we to make of Przeworski’s incredibly sobering analysis of the (dim) possibility of achieving the socialist blueprint? His analysis of the superiority of regulated capitalism as an allocative system will no doubt have seemed audacious at the time, but have we since become numbed to this “new reality”? Is he right about the technical vulnerabilities of planning and cooperative production? Is his analysis of these subject to the same critique as the remainder of his rational choice analysis?]** Though, upon reflection, the first two conclusions can be critiqued due to the assumption of all actors’ access to perfect information, and the possibility that not all nations experience their economic or political transitions this way (Przeworski seems to be making the argument that they do, but provides no empirical evidence that this is the case). **[EOW: Where does Przeworski assume that all actors have perfect information? One of the central themes of his entire argument is uncertainty, asymmetric information, strategic misrepresentation of interests, etc. I’m not sure what you are getting at here.]**

11. Jae-Youl Lee

1. This book questions how the East European post-communist states would transform under the new economic and political conditions (i.e., market-oriented reform and democratization). The author envisions that political development would not be different from the west, and that economic transformation would stop far short of the blueprint (p.190). Czech, Poland, Hungary and Romania have joined the EU or become applicants, but I have no idea whether it was from their creation of self-enforcing “consolidated democracy” system like their western counterparts thanks to their proximity. Is there any East European country that this geography was an obstacle to democratization, and has this geography been a good buffer to prevent ethnic conflicts? In addition, has their economy become similar to Latin American countries? I think economic benefits (e.g., cross-border investment) from their proximity to the Western Europe have been important as much as political influences. . **[JAP: But all else being equal, might Przeworski’s analysis hold? My inclination would always be to begin with the macroeconomic and macroinstitutional location/orientation of a place, then deal with local contingencies, in what is an analytically “top down” fashion—I confess! But what happens, when like Przeworski, you look down the other end of the telescope? I find many of his observations intriguing and compelling, even if this world sounds rather upside down to me. It also brings out the economic determinist in me, since I would always want to give**

extra weight to the economic structure and development path of a country: there is surprisingly little content to “economy” here, but doesn’t it make a vast difference to political economic opportunities if a country is, say, a resource extractor, a tourist destination, or a manufacturing satellite?]

2. Przeworski seems to advocate positive outcomes of the radical “bitter pill” (p.147) strategies in which everything is done at once despite its economic and political destabilization it may lead. For example, he says, although the effects are brutal to begin with, they “should be immediate” and the recovery should set in unless government induces a recession (p.157). But, I am not so sure they really work. In reality, to my knowledge, such a wholesale reforms were just bitter (e.g., IMF package during East Asian crisis), or, if it were pill, addictive (e.g., continuous debt crisis). Even the subsequent recoveries were effective only to who have, not to who have not. By the same token, I wonder whether another “bitter pill” the Iraqi state is taking in both political and economic arena would work. How could his analytical framework be applied to this case? **[EOW: I think you are basically right on this: Przeworski assumed that it would be easier to build the new institutions than it was in the aftermath of destroying the old ones. His bitter pill analysis is also pretty vague on precisely what institutional processes are dismantled and what needs to be created. But generally these sorts of strategies have been catastrophes.] ? [JAP: Yes, his analysis certainly brings to mind the machinations over the Iraq constitution, a political negotiation largely dominated by an “external” player, of course! On the one hand, I can clearly see echoes of Przeworski’s analysis in the way that the various parties are “calculating” what there is to be gained from different forms of federal constitution, indeed from either being inside or outside the democratic process itself. On the other hand, the structural forces, which are evidently so important in this case, are not perhaps as well comprehended through such a resolutely actor-centered, rational account.]**

12. Brett Burkhardt

In Chapter 4, Przeworski identifies the tendency of governments to vacillate between top-down decrees and consensus-based pacts when attempting to implement economic reform. This tendency results from two competing dynamics. First, reformers require political support from voters, unions, employers, and opposition parties (184). Yet, second, reformers will be tempted to quickly ram through as many reforms as possible in spite of the opposition to reforms that will arise once the inevitable social costs set in. Przeworski writes, “The effect of this [vacillating] style is to undermine representative institutions (186),” meaning that democracy is merely a matter of voters and political forces either ratifying or rejecting policies or of engaging in extra-parliamentary resistance. “Authoritarian temptations (187)” then present themselves.

Przeworski sets this up as a structural dilemma, involving generic reformers and generic voters, unions, employers, and politicians, all of whom face their options on the basis of the position they hold in generic democratic society. Framing the dilemma in this way is curious after all of the emphasis that Przeworski placed on the role of institutions in democracies (mainly in Chapter

1). If we are interested in democratic consolidation (or specifically, when political forces will abide by democratic rules and governmental decisions about economic reforms and not engage in extra-parliamentary resistance), then it seems quite unhelpful, if not misleading, to discuss the potential for consolidation (or not) without reference to *specific* democratic or electoral institutions. Is it true that economic reforms will inevitably lead to social costs and protests of different sorts? Maybe. But I think that this is the wrong question to be asking. **[EOW: Is it the wrong question, or only one of a number of important questions. It would seem to me that, if it were true, it would be important to point out that economic reforms of the sort being discussed are disruptive and impose costs, since this does create problems in a democratic context. The discussion of different institutional arrangements in democracy could then help give greater prediction to the response of electorates to different patterns of those costs. But why is his question wrong?]** What seems to be of much greater importance (both in terms of real world application and the relationship between theoretical models and reality) is a line of questioning directed at the effects that specific institutions have on democratic functioning and stability. . **[JAP: One could argue that the path dependency that derives from different institutional settlements evaporates or dissipates during such path-altering moments like simultaneous democratic and market transitions, but one of the questions raised by this analysis is *does it?* Does the scale and scope of this millennial transformation level the political playing field, as Przeworski implies? Or are the kinds of transitions that different national political economies can expect much more a product of their histories and geopolitical positioning?]**

Such questions need not abandon the rational actor approach Przeworski uses throughout most of the book. **[JAP: Might we say, as the varieties of capitalism literature has it, that there are different forms of rationality, each a product of a different institutional environment? Would this be an extension or a challenge to Przeworski's unitary analysis?]** For example, he makes a general claim that people's support for a radical reform program depends on confidence and discount rate (164). This may be true, but it tells us nothing about what influences the confidence and discount rates of various types of actors in a democracy. **[EOW: I am not quite sure what your critical point is here. Prz is trying to elaborate the strategic interaction process and specifies discount rates and confidence as critical factors. You are saying here that these, in turn, need to be explained. He would heartily agree with you provided that you agree with his model in which these are important processes. Unless you know that discount rates matter, you wouldn't bother trying to explain them – thus the value of this model.]** Can these personal assessments of the future be influenced by the type of electoral systems used? The length of terms in office? The organization of the bureaucracy? The breadth of the electorate? The powers given by government to organized labor? By asking (and answering) questions like these, Przeworski might be able to make his models of democratic choice more accurate and precise. **[EOW: These are all good questions, and some of them are quite plausibly related to the discount rate – the time horizons of actors. But I would say that these would make the theory more complete rather than more accurate.]** **[JAP: Or might we observe that the present analysis is, indeed, very precise, but largely inaccurate!?!]**

13. Kevin Walsh

What exactly is Przeworski's critique of macrohistorical comparative research, and what are the differences between such approaches to understanding transition and reform, and approaches guided by theories of strategic action? Citing the work of Barrington Moore and Lipset and Rokkan, he suggests that comparative historical accounts are overly deterministic (page 96). This critique is in effect the opposite of his critique of classical political philosophy based on "state of nature" hypotheses on page 38, when he insists, quite rightly, don't account for concrete historical conditions. Does strategic action theory, as Przeworski develops it, provide a middle ground between the two? Or is more like a combination, a wavering between the two? **[EOW: I think the determinism claim just means that the macrohistorical/comparative literature does not really take into account the uncertainty of strategic interaction caused, particularly, by imperfect information. Prz believes that unless you build microfoundations of the sort embodied in game theory, you cannot have a rigorous account of such uncertainty.]** **[JAP: Or does he generate his own kind of determinism, given the analytical confidence assigned to the probabilistic outcomes (notwithstanding the earlier remarks that the discussion is partly speculative)?]**

Another question I have with this methodology concerns exogenous factors. How well can the abstraction of Przeworski's models of transition account for outside players, such as the IMF in the case of economic reforms, or the OAS in the case of democratic transitions? While his analysis of "shock treatment" in Eastern Europe could not have benefited from the hindsight of the destructive early 1990s IMF reforms in Russia and other former Soviet states, it would seem that he had plenty of evidence at his disposal of instances in which economic reforms were enforced by outside actors using a nation's foreign debt as a lever. Przeworski acknowledges these differences in his discussion of economic reforms, citing for example Czechoslovakia's lack of foreign debt in 1989, but does not fold this analysis into his modeling of the transition troughs and the choices (or lack thereof) by the various actors he is modeling. This state-centric focus leads to his appeal to workers and their centralized representatives to happily welcome austerity packages, without regard to some of the international forces who are often behind them, to in effect become marketing agents for the IMF. **[JAP: Fair enough, but we also might observe that outcomes at the national level reflect which/how actors are empowered or marginalized by their relations with "external" bodies and interests—for example, the analyses of South Africa that talk about how (parts of) the ANC has been able to "use" the apparent imposition of structural adjustment as a lever in internal political struggles. While I would be inclined to agree with you that the apparent suspension of multilateral influences is a weakness in this kind of approach, there may be insights to be derived from the analysis concerning how national "games" are being played under some circumstances. But this is a more circumscribed reading than that offered by Przeworski, of course.]**

Finally, I have a concern for Przeworski's concept of democracy, which is formulated as a kind of "end-state" condition rather than an ongoing *process* of incrementally participatory deliberation over an increasingly greater scope of society. Granted, the *stability* of this end-state is defined, somewhat ironically, by its *uncertainty*, and is therefore is at least partially "dynamic" in nature. But I find that Przeworski's stable end-state of uncertainty unsatisfactory for explaining situations in which elite actors become relatively immune to popular demands. For

example, would Przeworski characterize the United States two-party uncertainty as democratic? **[EOW: I think he would describe the US system as having the required amount of uncertainty to count as democracy, both with respect to party-victory and with respect to the translation of interests into party actions, but he might regard it has a fairly weak democracy.] [JAP: Or is this a form of “anemic democracy” as defined on p89?]**

14. Dan Warshawsky

I found this week’s reading interesting, but also puzzling in some respects as well. It seems that much of Przeworski’s analysis is based in game theory. Although I am vaguely familiar with game theory, I would like some discussion of game theory in general, especially as Przeworski employs it. It seems more common in political science (his discipline) and sociology (to some extent?), but not as much in geography. **[JAP: Indeed, there are no game theorists in Geography, as far as I know. Why would this be? Might it be because the discipline is (a) generally disdainful of rational-choice approaches, since its break with neoclassical economics in the 80s, or (b) that this narrow focus on actors’ strategic behavior effectively “freezes” those very (local) structural contexts around which we typically construct our arguments around geographical difference? While I can’t help but admire the elegance of Przeworski’s formulations, at the same time I couldn’t help but feel that much of what makes these countries what they are was fading from view in this analysis. Clearly, there is another set of problems associated with wallowing in local detail and idiosyncrasy, while failing to make any abstract connections, but the stick is bent a *long way* in the opposite direction here.]**

Secondly, I have questions regarding his basic assumptions. I understand the author’s take on state transition as the competition among actors in rational adherence to democratic political rules. In this way, I see his theory being sympathetic to rational-choice theory. I am not a proponent of rational-choice theory, so I am curious how others reacted to his very formulaic rational-choice equilibrium modeling. Among his most problematic assumptions is his conception of self-interested actor competition. I am not convinced that rational-choice theory provides the full context and enough attention to power (especially as equal access to information is considered). **[EOW: power and access to information is at the very heart of rational actor game theory models: (1) power is central to the notion of pay-offs and the ability to impose costs on others, which is what strategies do, (2) information, because actors enter strategic contexts with asymmetric information and this is massively important for their subsequent choices. This is the whole point of his discussion of the liberalization problem: if all actors had perfect information there would be no need for strategy – the outcome would be determined from the start!] [JAP: For example, how are capital-labor relations treated here? Are these formally equivalent “interest groups” with access to different resources? Or are structural asymmetries in power acknowledged?]**

On page 19, Przeworski states one of his central arguments: “...Some institutions under certain conditions offer to relevant political forces a prospect of eventually advancing their interests that is sufficient to incite them to comply with immediately unfavorable outcomes. Political forces

comply with present defeats because they believe that the institutional framework that organizes the democratic competition will permit them to advance their interests in the future” (19). First, I would like to deconstruct this thesis. To what extent did he actually support this claim? This is something that can be contested in class hopefully. **[EOW: You seem to disagree with this claim. Why? Why do you think collective actors comply with present defeats? Do you think their beliefs in the chances of success in the future rounds of the game are irrelevant?]** Also, is Przeworski emphasizing the correct processes and casual mechanisms, or are his main claims somewhat tenuous? For example, is the author’s attempt to divorce the process of strategic interaction among competing groups from the triggers of transition and international pressures a fatal flaw? The specifics of economic failure in the Soviet Union and the strong military presence in Latin America provide market liberalizers with specific choices which might be underappreciated in his study.

Lastly, I ask how dated this book is now since its publication in 1991. Obviously, it was quite influential, since we are still studying it. But, is that just because of its publication right after the fall of the Soviet Union. Beyond its theoretical and methodological assumptions which trouble me (game theory and rational-choice theory), I am not sure how strong it is in the context of contemporary transitional state literature. Ultimately, it would help me considerably to place Przeworski’s *Democracy and the Market* in both 1990-1992 (immediate fall of Soviet Union) literature and 2000-2005 (contemporary literature on state transition). **[EOW: The most robust part of the book is the discussion of transitions to democracy – liberalization, extrication from dictatorship and consolidation. I think that part of the book has stood the test of time. The discussion of economic transition is more problematic because the effects of shock therapy have often been so disastrous.] [JAP: Of course, we have the benefits of hindsight, and Przeworski is at pains throughout the text to talk about how this analysis is speculative rather than formally predictive, but it is fair to ask how far these thought experiments proved to be prescient in light of subsequent events: was political and economic change more path-dependent and regime-specific than Przeworski anticipates here? Certainly, there is a large body of work now that speaks to the distinctive experience of the “transition economies,” for example David Stark. Similarly, the period immediately following the publication of this book witnessed the rise of “varieties of capitalism” approaches, which are rooted in a set of claims about divergence, even necessary divergence, in development pathways. Interestingly, the latter has made use of game-theoretical approaches more recently, as a way to isolate some of the structural features distinguishing liberal vs. more “organized” forms of capitalism (or the US vs. a hybrid of Japan and Germany), while linking this to the micro-level behaviors of firms and the ways in which these are reciprocally embedded in (national) regulatory settlements.]**

Thus, I have four main concerns. First, I would like some more background on game theory. Second and Third, I am not convinced some of his theoretical and methodological assumptions about rational-choice theory and his lack of connections to broader international and political-economic processes outside the states in transition he mentions. Four and last, I would appreciate some background on this book’s relative position in the political science and sociology literature since its publication.