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Intricate Links: Democratization and Market Reforms in Latin America and Eastern Europe

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of Acronyms to aid the reader in interpreting the various recognized and short-hand abbreviations used in these materials.

Overall, this compendium is well-organized, easy to use, and extremely informative for any scholar or advocate of international criminal law. As a desk-side reference, this book will save hours of valuable research time.

Sandra L. Jamison

NELSON, JOAN M., *INTRICATE LINKS: DEMOCRATIZATION AND MARKET REFORMS IN LATIN AMERICA AND EASTERN EUROPE*; Transaction Publishers, New Brunswick and Oxford (1994); (\$32.95); ISBN 156-000-1771; 225 pp. (hardcover).

Dr. Joan Nelson, a political economist, is a Senior Associate at the Overseas Development Council, an organization affiliated with the World Bank, the International Monetary Fund, and the Agency for International Development. *Intricate Links*, however, does not shamelessly support any political agenda. As the title suggests, Nelson examines the correlation between economic and political trends occurring over the past twenty years in Latin America and Eastern Europe, with the collapse of dictatorships and communism. The bulk of this book consists of four essays, written by Nelson and three other contributors: Jacek Kochanowicz, an associate professor of economic history at Warsaw University; Kalman Mizsei, from the Institute for East-West Studies in New York; and Oscar Munoz, from CIEPLAN, a research institute devoted to economic issues in Latin America. Each essay focuses on a different aspect of the re-orientation that has occurred since the mid-70s. The authors focus on specific country cases, comparing Argentina, Bolivia and Brazil in Latin America, to Bulgaria, Hungary and Poland, in Eastern Europe, with the initial understanding that the developments in both regions are attributable to the same dynamic. These countries were chosen because they represent "dual transformation," where free-market economic reforms occurred simultaneously with democratization. And as Nelson states in the Overview, "it is not at all clear that most simultaneous transitions will reach their objectives." *Intricate Links* describes the experiences of six very distinct countries engaged in economic and political reforms, but very little else.

Munoz's "Toward Trade Opening: Legacies and Current Strategies," explores the economic and political effects of trade liberalization, from protectionist state intervention schemes toward lower tariffs and management of the exchange rate. To his credit, Munoz does not simply wave the "free trade" banner; rather, he traces the logical consequences of trade liberation to demonstrate that economic stabilization policies often cause unemployment, lower wages, and inflation, contributing to political instability, anathema to democracy. His reluctant conclusion is, therefore, that

economic "reforms" actually impair democratization because governments must impose economic austerity measures on an often unwilling population, at least in the short-term.

The essay by Mizsei, "Property Rights Reform During Democratization," examines the relationship between democratization and the development of the private sector, especially in the areas of privatization programs, banking reform, bankruptcy regulations, and new business stimulation. As with trade liberalization, Mizsei discovers the emerging tension between short-term political goals and longer-term economic reform strategies, especially in Latin America, where privatization schemes generally favor the wealthy. But the theory holds that, eventually, privatization reduces special interest group influence over political entities, paving the way for democracy.

In her contribution, "Labor and Business Roles in Dual Transitions: Building Blocks or Stumbling Blocks?" Nelson notes how free market reforms and democratization alter the role of major interest groups, notably labor and business. Labor unions have experienced a reduction of influence, while big business interests have grown even more powerful in both regions, radically so in Eastern Europe. Unlike the other authors, Nelson is more concerned with analyzing the relationship between the state and major interest groups than the correlation between economic and political reforms. Although Nelson concedes that a blanket approach to reforming the state-interest group structure will not work in every "dual transition" country, she nevertheless prescribes certain principles of achieving legitimate consensus, a building block for democracy.

In Kochanowicz's "Reforming Weak States and Deficient Bureaucracies," he attributes the economic crisis in Latin America and Eastern Europe to the overextension of the dominant state, so any solution must begin with reconstituting the state. Kochanowicz is careful to avoid simplistic suggestions (e.g. less government) while recognizing that the state plays a critical role in economic success, citing the "Asian Miracle." His prescriptions for restructuring the state are tailored to overcome the specific obstacles of each region, patronage and clientelism in Latin America, and decades of communism in Eastern Europe.

Although each essay examines a purportedly different aspect of the "dual transitions" phenomenon, the problem is that there is no there there. *Intricate Links* treats the experiences of six remarkably different countries as if they were more similar than different, capable of being identified. As if it were not difficult enough to compare Bolivia to Argentina, whose per capita GDP is six times greater, the authors attempt to compare and contrast regions as historically, culturally, and politically distinct as Latin America and Eastern Europe. Many of the conclusions, therefore, end up merely describing six different scenarios, without a coherent thesis or common prescription for action.

Isabel P. Posso