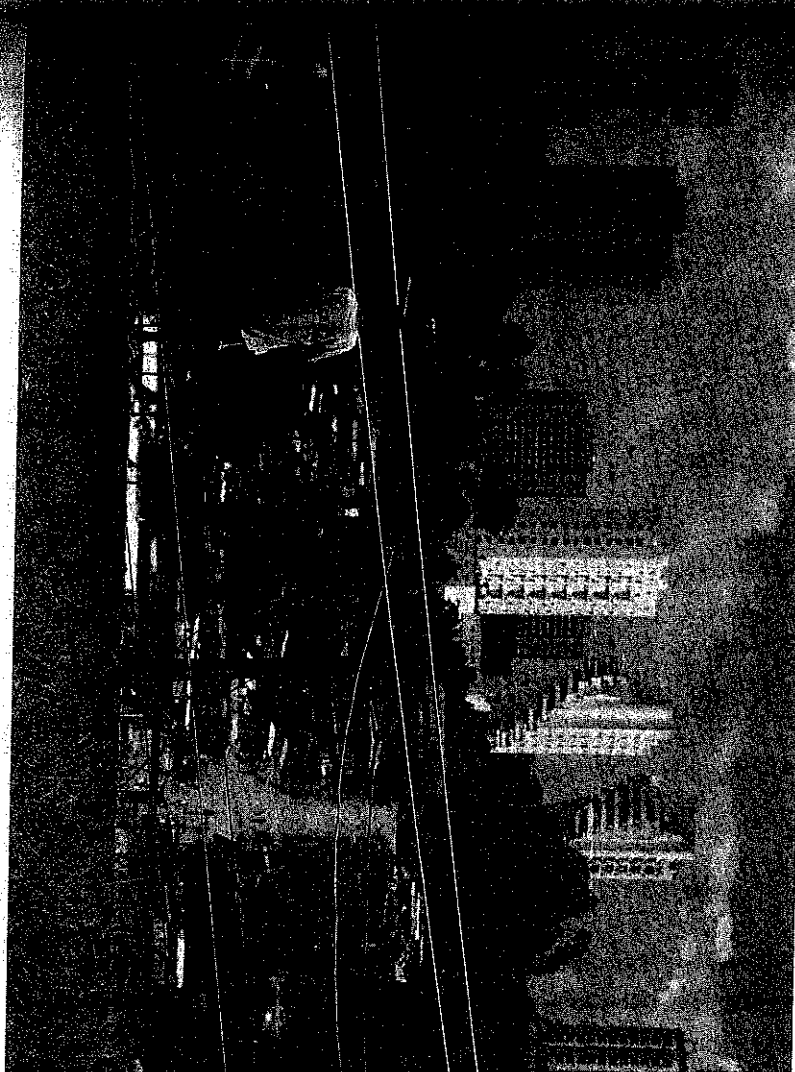76. Hans Fuchs, newly appointed president of the North Rhine province under the Allied occupation, quoted in Konrad H. Jarausch, *After Hitler: Recivilizing Germans, 1945–1995* (New York: Oxford University Press, 2006), p. 20.

77. Jarausch, *After Hitler*, p. 45.

78. Pol O'Dochartaigh, *Germany since 1945*, (New York: Palgrave, 2004), p. 41.

79. Lowell Turner, *Democracy at Work: Changing World Markets and the Future of Labor Unions* (Ithaca, NY: Cornell University Press, 1991).

80. See Timothy Smeeding, "Poor People in Rich Nations," *Journal of Economic Perspectives*, Vol. 20, No. 1 (2006), pp. 69–90. See Table 9.2: Absolute Poverty Rates Using Official US Poverty Standards in Nine Rich Countries at the Turn of the Century.

81. OECD/HRDC, *Literacy in the Information Age: Final Report of the International Adult Literacy Survey*" (Paris: Organization for Economic Cooperation and Development; and Ottawa: Human Resources Development Canada, 2000), p. x.

82. *Literacy in the Information Age*, p. xiii.

83. *Governance Matters 2009* at info/worldbank.org/governance/wisc_chart.asp. Accessed January 30, 2009.

Less Developed Countries and the Good Society

INTRODUCTION

Almost a quarter of the 541 members of the lower house of India's national parliament elected in 2004 had criminal charges against them. Criminals also run for office in some of India's states on the assumption that once they are elected they can use their authority to conduct criminal activities without interference from the police. In some states "corruption, criminality, murder, and kidnapping" are regular occurrences during election campaigns. In large parts of rural India and in urban slums, poor Indians cannot count on judges, police, or politicians to defend them and "the rule of law means little."[1] They are at the mercy of powerful landlords or gangs. India is the world's most populous democracy, but the quality of its democracy is much lower than in advanced democracies such as Sweden or less developed countries such as Costa Rica.

In these circumstances, poor Indians cannot use elections to choose political leaders who will improve their capabilities or those of their children. Public elementary and secondary schools are often spectacularly bad. Teachers do not come to class or come late, sell rice that is meant for children's lunches, and do not teach basic skills in reading and arithmetic. Public schools "have become reserves of children at the very bottom of India's social ladder," whose parents cannot afford to pay for private schools.[2]

The state of Indian democracy is a reminder that there are degrees of democracy. Individuals' ability to use competitive elections to improve their capabilities and those of their children varies greatly from country to country, and within countries. This chapter examines differences in degrees of democracy among less developed countries and the consequences for citizens' lives.

The affluent democracies discussed in the previous chapter have many things in common. They are all wealthy, highly urbanized societies with high labor productivity and postindustrial occupational structures. Developing countries in Africa, Central and South America, the Middle East and Asia are more diverse. Some, such as Chile, have per capita incomes approaching those of lower-income Western democracies. Others, such as Iran, are middle income countries, while still others, such as Nigeria, are mired in deep poverty and many of their citizens live on less than two dollars per day. Developing countries also vary greatly in levels of labor productivity and technology. In some developing countries, modern conveniences such as electricity and indoor plumbing are common, whereas in other countries many people live much as their ancestors did. In some countries, many people commute to their job at an office in the city, while in others a majority of people still make their living toiling in the fields growing crops. Finally, developing countries differ in levels of urbanization. In some upper-middle-income countries, over 80 percent of the population lives in cities while in most low-income countries less than 50 percent do so.[3]

As might be expected from all this economic and social variety, less developed countries are also highly diverse politically. In some countries their political systems reflect the various types of authoritarianism we reviewed in Chapter 6. Some are governed by monarchies, others by military juntas, a few by political parties that have no opposition, and many by ruling elites that allow multiparty elections that the opposition has no real chance of winning. Just as less developed countries have adopted different models of authoritarianism, so are different models of democracy also evident among them. Some ... [text continues off page]

A few developing countries earn the highest possible Polity IV score of +10, indicating that formal democratic rules exist and are basically followed by political leaders and citizens. Chile and Costa Rica are examples. But only a small number of developing countries meet these criteria. Consequently, this chapter will concern itself with developing countries that fall below this demanding standard. It will examine weak democracies that fall far short of the criteria, electoral democracies that meet many of them but not all, and electoral authoritarian regimes that combine elements of authoritarianism and democracy. The chapter will outline the characteristics of weak democracies, electoral democracies and electoral authoritarian regimes and offer case studies of countries that represent each of them. Nigeria exemplifies a weak democracy, Brazil an electoral democracy, and Iran a case study of the dilemmas electoral authoritarianism can create for ruling elites.

We have chosen these three countries for four reasons. First, they have large populations. Brazil has the largest population in Latin America, Nigeria the largest in Africa, and Iran has the second largest population in the Middle East after Egypt. Their governments' policy choices affect the capabilities of tens of millions of people. Second, they represent different levels of economic development. Brazil is an upper-middle-income country, Iran is a lower-middle-income country, and Nigeria is a low-income country. Third, they are from different regions of the world with Brazil in South America, Nigeria in sub-Saharan Africa, and Iran in the Middle East. Finally, they are important to the United States and other advanced democracies. Nigeria is an important oil supplier to the United States and attracted security concerns in 2009 when one of its citizens with connections to Al Qaeda attempted to blow up an American passenger plane. Brazil is important commercially for the United States and Europe and is likely to become an increasingly important supplier of oil supplies when recently discovered offshore oil fields come on line. Iran is set squarely between Iraq and Afghanistan in a volatile part of the world and is strongly suspected of working to gain nuclear weapons.

WEAK DEMOCRACIES

Weak democracies have regularly scheduled elections in which leaders of political parties compete to hold the most powerful political offices by seeking citizens' votes, but democracy is weakly institutionalized. Personal relationships and winning office often matter more than following formal rules.[4] Political rights to free and fair elections are often violated. Ballot boxes are stuffed, votes are bought, and candidates' supporters are intimidated at voting booths. Minorities' rights and civil liberties are violated. Democracy is relatively young in many weak democracies and political elites are not firmly committed to it.

Political parties in weak democracies tend be based on personality and patron-client relations rather than programs. Instead of designing policies that appeal to broad cross sections of the population, political parties design political parties to benefit individuals and narrow groups of supporters. Political parties are usually electoral vehicles for individual politicians, not organizations rep-

Weak democracies also have weak states with little autonomy or capacity. They lack autonomy because many state officials have clientelist ties with individuals or small groups in society and work on their behalf rather than on behalf of broader publics. Many officials are not recruited on the basis of merit or insulated from direct political pressures. They do not work in accordance with clear guidelines or serve the public interest with a sense of professionalism. The temptations to behave in corrupt ways are strong because the rewards for doing so can be large, and the chances of getting caught and being punished are small.

This is not true of all officials. In some of these countries, officials in the central bank and financial ministries are highly capable. This has enabled presidents in some weak democracies to push through changes in economic policies that have improved economic growth rates. Such changes require the advice and cooperation of only a few officials. On the other hand, improving education for children requires the cooperation of tens of thousands of teachers and public school administrators spread across a country and it is difficult to achieve such cooperation. This makes improvements in education much tougher than cutting interest rates or strengthening requirements for banks. The lack of state capacity also makes improvement in health and safety difficult. States in weak democracies often lack the capacity to implement their decisions effectively throughout their territory. In many areas local political bosses, landlords, warlords, or criminal gangs are in control, not officials from the central government.

Finally, weak democracies have weak foundations in society. They lack essential raw materials for building strong opposition parties and civil society organizations. They are usually located in low-income countries in which a high percentage of people still live in rural areas and the middle class is small. The private business sector is weak and small and cannot offer much funding for opposition parties. Civil society organizations are small and limited mainly to the cities. Weak democracies are often the product of what the political scientists Steven Levitsky and Lucan Way call "rotten door transitions." They emerge after a weak authoritarian regime collapses, not because there is a strong demand for democracy from groups in society, strong support for the rule of law, a vibrant civil society, or a political culture supportive of democracy. Political elites and groups in society are only weakly committed to democracy as a means of winning and holding power. Examples of weak democracies include Kenya, Haiti, and Nigeria. Their Polity IV scores range from +4 to +7.

NIGERIA

Historical Background

Nigeria is Africa's most populous country and the eighth most populous coun...

...of fertile soil. When it gained independence from Britain in 1960, many people expected it to become one of the developing world's success stories. Instead, it remains one of the poorest countries in the world. In 2005, close to 70 percent of its people lived below the absolute poverty level of $1.25 per day.[5] More than 65 percent of adults are illiterate, and almost 10 percent of infants die before their first birthday.[6] Life expectancy at birth is only 47 years. These failures are in large part attributable to the complexity of ethnic and religious divisions in Nigeria, and the inadequacy of its political institutions for meeting the challenge these divisions present. Since 1999, when it became a democracy after years of military rule, it has improved its economic performance and made some headway in improving citizens' capabilities.

Nigeria is an artificial country created by British colonialism. The colonial borders enclosed more than 250 ethnic groups that had never been ruled by the same state. Thus, Nigeria lacked a history of common political institutions to which its people had some degree of loyalty. There was no agreement among its multiple ethnic groups over the rules of politics.[7] Nor did the British attempt to create such rules. They governed their Nigerian colony "on the cheap," relying on local leaders to maintain order and collect taxes. The northern part of the country was left in the hands of Muslim rulers, or emirs, under loose British supervision, while chiefs in the southern part of the country were under direct British control. The British made little effort to recruit and train a professional Nigerian civil service.[8]

Colonialism left four damaging legacies for Nigeria. One was a weak sense of nationhood. The Hausa-Fulani, Nigeria's largest ethnic group, dominate the north, while the Yoruba, the second largest, live mainly in the southwest, and the Igbo, in third place, live in the southeast. These ethnic divisions are overlaid by religious differences, because the Hausa-Fulani are predominantly Muslim while the Igbo and Yoruba are predominantly Christian. The center of the country is a mix of Muslims, Christians, and practitioners of traditional religions.

A second damaging colonial legacy was the "divide and rule" tactic that the British employed to pit ethnic groups against each other. The policy heightened ethnic awareness, and helped ensure that ethnicity would be the main line of political cleavage after Nigeria became an independent country. The third unfortunate legacy was a system of personal rule based on "big men" rather than the rule of law based on well-trained civil servants recruited through competitive examinations.[9] The chiefs who worked with the British colonial state did so "in the name of tradition" but without the checks on their power provided by traditional norms. They used personal relationships with British field administrators to accumulate wealth and power.[10] This form of rule, which relied on a hierarchy of local "big men" linked to superiors through personal connections and held together by a strong executive at the top, became the model for politics in independent Nigeria.[11]

The final dama...

activity in Nigeria takes the form of **rent seeking**, or seeking to gain access to the rents provided by oil revenues. One of the easiest ways for a businessperson to make money in Nigeria is to get state contracts for constructing roads, bridges, or schools, or supplying the state with products ranging from office stationery to office equipment. In return politicians and civil servants granting the contracts get political support, monetary kickbacks, and shares in the company receiving the contract.

One reason for all this rent seeking is that Nigeria has not created institutions that provide incentives to invest in industry or manufacturing. Institutions do not provide secure property rights, effective regulation of markets to prevent cheating, or necessary infrastructure, such as reliable electrical power. Most astonishingly, Nigeria suffers from unstable fuel supplies. Its state-managed refineries have antiquated equipment and produce well below capacity. Most petroleum products are imported and the state-managed distribution system is riddled with corruption, inefficiency, and mismanagement.[31]

There has been economic progress in recent years. The transition to democracy has created greater political stability, which has in turn given businesspeople more confidence about investing in new businesses. In addition, President Olesegun Obasanjo, who served from 1999 to 2007, oversaw several reforms in the banking and financial sector of the economy. He chose a team of **technocrats**, or highly educated and skilled officials, to take over key institutions, including the ministry of finance and the central bank. These technocrats implemented reforms that have reduced inflation, strengthened banks, and increased transparency so that businesspeople have accurate economic information. Competitive bidding on state contracts was introduced and reduced the cost of these projects "by an average of 40 percent."[32] Finally, over 100 inefficient state enterprises were **privatized**. These reforms contributed to GDP growth rates of over 7 percent per year between 2003 and 2007. Economic consultants estimate that 24 percent of this growth was the result of world oil prices rising from $20 a barrel in 1999 to $145 a barrel in 2008, but most of the growth was in whole-sale, retail, transportation, telecommunications, and manufacturing.[33] Nigeria has a long way to go, however, to create institutions that can sustain economic growth over the long term.

It is not clear whether Nigeria can sustain democratic politics or even survive as a country. The abysmal failures of previous military regimes helped revive democratic prospects by discrediting military rule. Larry Diamond, one of the world's foremost authorities in the study of democracy, writes that Nigeria still remains "one of the most predatory societies in the world."[34] Quite possibly increasing ethnic and religious violence will outrun the capacity of Nigeria's institutions to constrain it.

ELECTORAL DEMOCRACIES

The second prevalent type of democracy in less developed countries is electoral

Political scientists use the concept to make the point that while all democracies have elections, the quality of democracy depends not just on having regularly scheduled elections, but on how free and fair they are and how strongly political and civil rights are enforced. Electoral democracies are an intermediate category of democracies between full and weak democracies. They have universal suffrage for all citizens, competitive political parties that can campaign mainly without intimidation, and that have access to important media. They also conduct regular elections using secret ballots without "massive voter fraud."[35] They have freer and fairer elections and better enforcement of political and civil rights than weak democracies such as Nigeria, but their elections are not as free and fair as those of full democracies such as Chile and Costa Rica. Nor is their enforcement of civil and political rights as effective. Citizens' civil and political rights are frequently violated by local strongmen in poor neighborhoods in cities and in rural areas.

The quality of democracies depends on the kinds of political parties countries have as well as on free and fair elections. Political parties in electoral democracies tend to rely heavily on patronage, or appeals to racial and ethnic identity, rather than presenting policy alternatives to voters. India's Congress Party, which has dominated the political scene since independence, was achieved in 1948, started out with a socialist platform, but transformed itself into a party organized mainly on patronage networks. Brazil's Workers Party is an exception with its programmatic approach to politics.

Electoral democracies also have stronger states with higher autonomy and capacity than weak democracies. While many officials have clientelist ties with individuals or small groups in society, there are also substantial numbers of officials who are recruited on the basis of merit, and insulated from direct political pressures. These officials work in accordance with clear guidelines or serve the public interest with a sense of professionalism. The states also have greater capacity to implement their decisions throughout their territory than do those of weak democracies.

Finally electoral democracies have stronger societal foundations for democratic politics than weak democracies. They tend to be located in lower- and upper-middle-income countries that have a strong private business sector, organized labor unions, and numerous civil society organizations. Nevertheless, it can be difficult to make substantial improvements in capabilities for low-income citizens in electoral democracies. In many electoral democracies there are large inequalities in wealth and political power among citizens. Wealth tends to be concentrated in the hands of owners of large commercial and agricultural firms, urban professionals, and executives in domestic business firms or multinational corporations.

Economic inequality is reinforced by inequalities based on ethnicity and race. When countries have several major languages, religions, and ethnic groups, it can be very difficult for broad-based interest associations and political parties to form. Groups are challenged to organize beyond their specific region and eth-

to upper-income groups.[36] Even though lower-income citizens have more votes than upper-income groups, their influence is diluted by clientelism, ethnic and religious conflict, and the manipulation of democratic institutions.

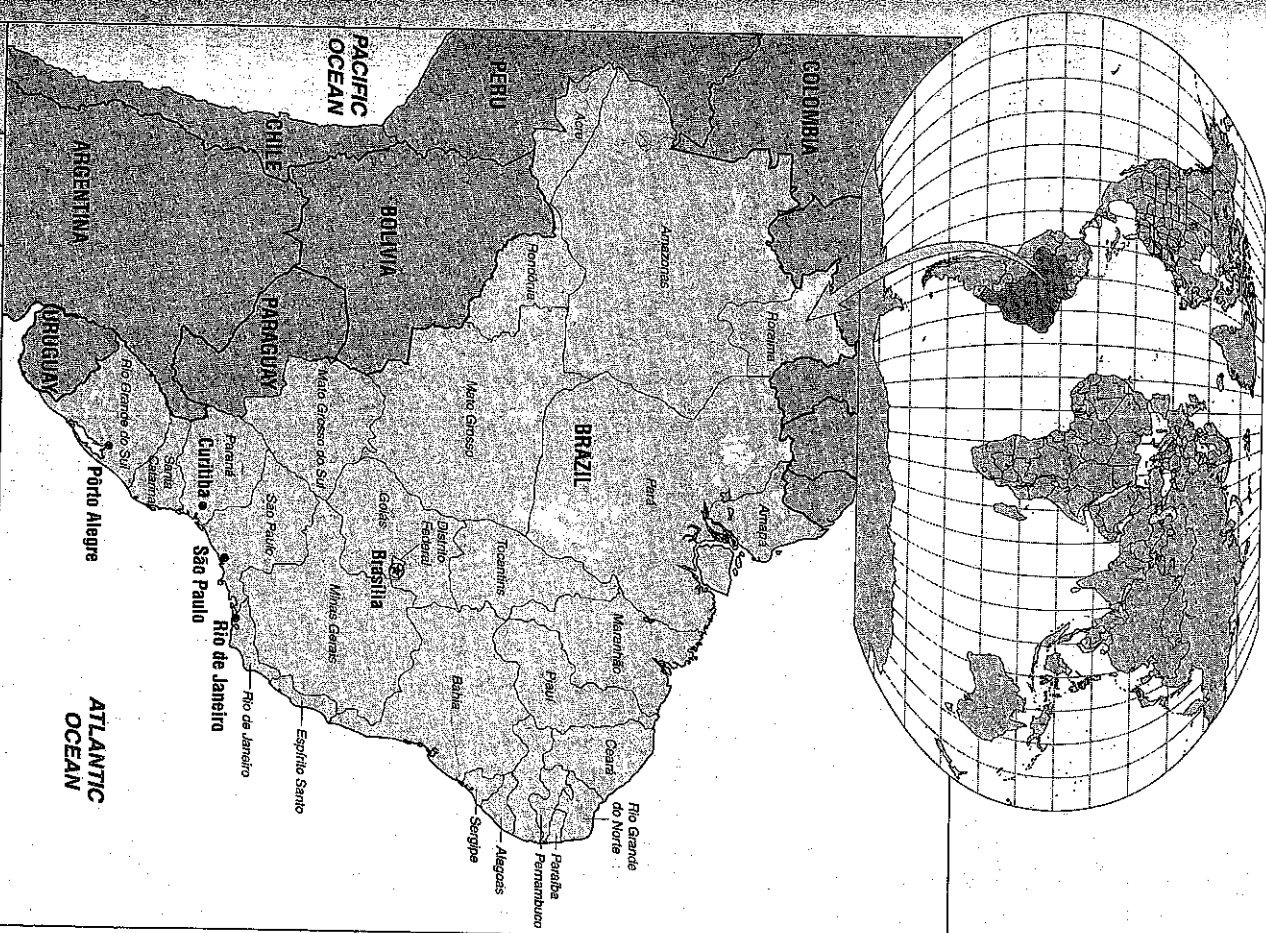Democracy specialist Larry Diamond lists Brazil, Mexico, India, and Indonesia as examples of electoral democracies.[37]

BRAZIL

Historical Background

"Brazil is the country of the future. And it always will be." For decades this cynical witticism reflected Brazil's failure to live up to its considerable potential. But there are signs it may finally be ready to deliver on its promise. For the past decade it has had very strong economic growth. In 2007, it discovered large new offshore oil fields that promise to make it a major oil exporter once they are on line. It has also received increasing international recognition. Rio de Janeiro was selected to host the 2016 Olympics. In several respects, however, Brazil remains the country of the future. It has one of the most unequal income distributions in the world. Its public education system is woeful, and violent crime linked to the drug trade is rampant. Two weeks after Rio de Janeiro was awarded the Olympics, drug traffickers shot down a police helicopter one mile from the stadium where the Olympic opening and closing ceremonies will take place.[38]

Brazil's path to its current set of politics, policies, and institutions began with its colonization by Portugal in the 1500s. The population was divided between a small European elite that owned large sugar plantations and a large number of slaves who had been brought from Africa to work on them. Independence from Portugal in 1822 brought little change to the social structure, as the same land-owning elite continued to dominate Brazil's politics for several decades. By 1900, however, the sugar barons were eclipsed politically by cattle ranchers and coffee growers. While this shift among landed elites moved the locus of power from the northeast, where the sugar plantations were based, to the southeast, where ranching and coffee growing predominated, it made little difference to most Brazilians, who remained poor, illiterate, and powerless.[39]

By 1930, with the presidency of Getulio Vargas, a new coalition with a different program took power. Instead of depending on landed elites, Vargas relied on industrialists, the middle class, industrial workers, and the military to promote rapid economic development through state-led industrialization. Vargas's imperious rule produced growing discontent and the military forced him out in 1945. But Vargas left a legacy that was to influence Brazilian politics for the next 40 years: state-led industrialization featuring cooperation between state officials and businesspeople; control of labor through corporatist practices; and the distribution of state benefits to key political constituencies. The 1960s were marked by rapid industrialization, but also by growing...

Country	Population	Infant Mortality	Life Expectancy	Adult Literacy	Capital City	GDP Per Capita (PPP)	Labor Force (Occupation)
Brazil	201,103,000	21.86 deaths per 1,000 live births	72.26 years	88.6%	Brasilia	$10,100 (2009 est.)	Agriculture: 20% Industry: 14% Services: 66%

against businesses. In 1964, the Brazilian President João Goulart sided with the peasants and workers and proposed major reforms that frightened elites. In 1964, the military overthrew the government and ruled until 1985.

Military leaders were intent on promoting rapid economic development through state-led industrialization. They offered businesses tariff protection, subsidies, and tax benefits, created hundreds of state-owned enterprises, repressed labor unions, and reduced social spending. Left-wing political parties were banned, and their leaders were driven out of the country, or arrested, imprisoned, and tortured.

Military leaders assumed that a rising standard of living would generate legitimacy for their rule. Between 1968 and 1974, the economy grew at more than 10 percent a year, and admirers began to refer to the "Brazilian miracle." But in the early 1980s Brazil plunged "into a prolonged period of economic stagnation" known as "the lost decade."[40] As economic difficulties mounted, criticism of the military regime grew, even among business elites and middle-class Brazilians who had formerly supported it. The army finally allowed a return to civilian rule in 1985. In 1988, a new constitution went into effect, and a year later, for the first time since the coup d'etat of 1964, there was direct, popular election of a president.

The State

The Brazilian state is relatively strong, compared with those in other less developed countries and much stronger than the Nigerian state. It is able to maintain its authority across Brazil, collect taxes needed to fund government programs, and implement many policies effectively. Recent presidents have been successful in ending chronic inflation and indebtedness. Brazil has one of the most effective anti-HIV/AIDS strategies in the world. Although many state agencies are staffed with patronage appointees with little training, key economic agencies are run by skilled professionals. But in other respects, the Brazilian state has not performed well. It has not been as successful as other countries at its income level in promoting literacy, improving health care, or controlling crime and violence.

Brazil has a presidential form of government. Presidents are directly elected by the voters for four years and are limited to serving two consecutive terms. Presidents initiate a considerable amount of the legislation, have the power to appoint many people to positions in the government, and can issue temporary emergency measures that have the effect of law.[41] But these formal constitutional powers are weakened by a fragmented party system that impairs presidents' ability to get legislation passed, and a fragmented bureaucracy that is responsive to pressure from powerful constituencies.

Members of Brazil's bicameral legislature are directly elected by voters. The upper house of the legislature is the 81-member Senate consisting of three senators from each state and the federal district. Senators, who have eight-year

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receive seats in the Chamber of Deputies in proportion to their population, but, in reality, smaller states, which are more rural, are disproportionately represented. This rural bias in the electoral system helps "explain why conservative landowners and agribusiness elites maintain positions of great influence in the Brazilian congress."[42]

The judicial system contains both federal and state courts. The Superior Court of Justice is the supreme court for most purposes. It has 33 justices, from which a smaller number are drawn to hear each case. The president nominates the members of the court from sitting Brazilian judges, and his choices must be confirmed by the Senate. After a two-year probationary period, they receive tenure for life. Brazil has a separate court to handle constitutional conflicts and questions of judicial review.[43]

Each of Brazil's 26 states elects its own governor and legislature. Because governors control a good deal of state spending and appoint large numbers of officials, they enjoy considerable power. Presidential and legislative candidates rely on the influence of governors in the states to get votes. Becoming governor of a large state is often an effective base for a presidential bid.

State and Society

Social class has been the most politically important cleavage in Brazilian politics, but in recent years race has emerged as another significant source of division. We begin with social class, and then turn to race.

Brazil is one of the world's most economically unequal societies. Social scientists measure income distribution in two different ways. One is to compare the percentage of a country's total income that goes to the top 10 percent of income earners, and the percentage that goes to the bottom 10 percent. The other is the Gini Index, which has a value from zero to 100. A Gini Index value of 0 equals perfect equality of income in which everyone receives the same share of a country's income, while a value of 100 equals perfect inequality. Table 10.1 shows how Brazil compares with other countries.

Brazil's Income Distribution in Comparative Perspective

Country	Ratio of Income of Top 10% to Income of Bottom 10%	Gini Index
Haiti (2001)	45.43	68.0
Brazil (2001)	16.25	59.0
Costa Rica (2000)	9.65	46.0
United States (2000)	6.30	38.0
Germany (2000)	3.58	28.0
Sweden (2000)	3.18	25.0

Wealth, which includes ownership of homes, businesses, land, stocks, and bonds, is even more unevenly distributed in Brazil than income. Two percent of landowners own approximately 50 percent of the country's farmland.[44] This highly unequal distribution of income and wealth results in considerable inequalities in health care, safety, and access to education.

Yet Brazilian politics is not divided into a clear-cut struggle between the few at the top and the many at the bottom. Clientelism, in which wealthy patrons provide people with jobs or other benefits in return for their vote is a common practice in rural and urban areas alike. Such personal connections tie poor people to wealthier, more powerful people, rather than to organizations of other peasants or workers.

Political leaders have also used state corporatism to divide the members of the lower classes from each other organizationally. Under President Vargas, for example, workers were separated into different unions for different economic sectors, creating a highly fragmented labor movement. These unions were established and regulated by the state to limit their power. Aspects of state corporatism were continued under military rule. As a result, when Brazil finally made a transition to democracy in the late 1980s, it was left with a divided set of unions, and organized labor was separated from the much larger number of unorganized workers in the informal sector, including street vendors, day laborers, and maids.[45] The result is a working class whose political power is diluted.

Brazil's fragmented political organizations make it much easier for upper and middle-class citizens to maintain their privileges than for poorer citizens to make changes that would improve their lives. To keep their privileges, members of the upper and middle classes need only to maintain existing institutions, while poor Brazilians need broad-based associations and political parties that enable them to capitalize on their larger numbers to change institutions and policies.[46]

Until recently Brazilian political parties were highly fragmented. Politicians readily switched from one party to another. Fragmentation has lessened in recent years, and the trend seems to be for parties to change "from loose patronage machines to programmatically coherent and distinctive groupings."[47]

Even with these recent changes the Brazilian party system makes it difficult for presidents to secure legislative backing for their proposals. Presidents are forced to rely upon coalitions of parties to accomplish their goals and sometimes purchase support by paying legislators for their votes.[48] Ministers appointed to government posts often have no real interest in supporting presidents' programs other than the specific benefits that programs bring them.[49] For presidents whose main base of support is from large landowners, business elites, and the middle classes, this is not much of a problem, because these groups can approach legislative committees or officials in the state bureaucracy for the favors they need. But formidable obstacles face presidents seeking to pass legislation that provides the poor with improved health care, better schools, and safer streets.

The major exception to these generalizations about political

movement during the years of military rule. It overcame the fragmentation introduced by state corporatism and built a strong coalition of support at the municipal and state level among union members, poor farmers, landless workers, community activists, and radical academics. Its party members are much more program oriented than the leaders of other parties. Its leader, Luiz Inácio Lula da Silva, spoke openly of class struggle; he was highly critical of capitalism and counted Fidel Castro as a friend. Lula ran for president in 1989, 1994, and 1998 before finally emerging victorious in 2002.

To win office Lula had to make concessions. Instead of campaigning while wearing the clothes of a worker, he appeared in business suits. More significantly, he toned down his anticapitalist rhetoric, reached out to middle-class voters, and reassured domestic and foreign business interests that he would pursue pro-market policies. Lula acknowledged that he needed the support of capitalists to sustain economic growth, which was essential to create jobs and provide revenue for his programs. Lula promised to maintain a budget surplus, restrain state spending, and keep interest rates high to attract investors and control inflation. These policies won the support of foreign investors, the International Monetary Fund, and large business managers in Brazil. But these pro-market policies strained his relations with core groups of supporters, including landless farmers and workers who expected him to do much more on their behalf. Intellectuals who had previously supported Lula criticized him, and peasants who had stopped engaging in unlawful land seizures resumed them.[50]

In addition to these concessions, Lula had to face up to the reality of Brazilian party politics. In the 2002 elections the Workers Party did not win a majority in either legislative house, requiring Lula to cobble together support from a coalition of small parties. Securing their support required him to use the same kind of tactics that presidents employed in the past. In 2005, leading officials of the Workers Party were discovered making monthly payments to legislators from other political parties in return for their support of Lula's legislative agenda.

Lula's administration and the Workers Party were tarnished by these charges of corruption. As a result, Lula was unable to win a majority of votes in the first round of the presidential election on October 1, 2006. In the second round of voting four weeks later, he won almost 61 percent of the vote, polling very well among low income voters. Despite the magnitude of his victory, the Workers Party won only a small percentage of seats in the legislature in the 2006 legislative elections. This meant Lula had to continue to rely heavily on patronage to win the support of other political parties for his legislative agenda.

Lula could not run for office again in the 2010 presidential elections because of term limits. He backed Dilma Rousseff, his chief of staff and former minister of energy and mines, as his successor, and campaigned energetically on her behalf. She had never held elective office, but on October 31, 2010, she won the presidency by a vote of 56 percent to 44 percent to become Brazil's

The same political constraints that have made it difficult to improve the lives of poor Brazilians have also made it difficult to improve the lives of Brazilians of African descent. Brazil's racial politics differ in significant ways from those of the United States. Unlike the United States, where there are sharp distinctions between black and white citizens, racial categories in Brazil "are fluid and ambiguous."51 There are many intermediate categories between black and white, and Brazilians use dozens of terms to describe one another's complexion. Brazil also differs from the United States in never having had state-imposed racial segregation. In fact, Brazilian constitutions since the 1930s have upheld racial equality, and the 1988 constitution defines racism as a crime.52 Many Brazilians believe themselves to be citizens of a "racial democracy."

Despite constitutional guarantees of racial equality, Brazil is "profoundly stratified by color."53 Citizens of African descent are more likely to live in poverty, have less schooling, and be illiterate than whites.54 These inequalities did not become a significant political cleavage until the 1990s. Before then politicians saw no advantage in raising the issue of racial inequalities, and there were no large, well-organized, Afro-Brazilian groups that pressed the issue. Constitutional guarantees of equality, fluidity of racial identity, and the absence of legalized segregation made it more difficult for Brazilians of African descent to organize around racial issues than for blacks in the United States.55

It was not until the administration of President Fernando Henrique Cardoso in 1995 that a Brazilian government directly addressed racial inequalities and initiated several affirmative action programs to improve the lives of Afro-Brazilians.56 But Brazil's pork barrel politics and fragmented political parties have made it difficult to pass affirmative action legislation, and get funding from the legislature to support it.57

Political Culture

The United States and Brazil are the two largest democracies in the Americas, but they have very different political cultures. The main themes of United States' political culture have been suspicion of a strong state, acceptance of free markets, individualism, and the promise of political equality in which all citizens are equal before the law. In many cases this promise of equality has been an ideal rather than a reality, but it has enabled African-Americans and women to use the ideal to advance their claims to equal treatment.

Brazil's political culture differs from that of the United States on each point. Most Brazilians support the need for a strong state that takes an active role in the economy. Through most of the twentieth century the state played a leading role in promoting industrialization in Brazil. Instead of embracing free markets, Brazilians have been highly skeptical of their benefits and focused more on their shortcomings.

Brazil's political and economic elites have not valued the political equality

to be the rulers. Well into the twentieth century the political elite in Brazil thought of themselves as a "political class" "with unique rights and privileges."58 The rich considered themselves above the law and could punish poor peasants and workers with impunity. This political culture of inequality was reinforced by the teachings of a very conservative Catholic Church hierarchy in Brazil.

In such a society lower class people found it very difficult to make improvements in their lives through their own efforts. Many found it prudent to act individually and find a patron to protect them. But by the early 1960s, many became imbued with radical, Marxist ideas that promoted collective action on their behalf, which alarmed wealthy landowners, industrialists, and military leaders. The rise of Marxist ideas was complemented by the emergence of liberation theology in the Catholic Church. Many priests and nuns began to focus on those parts of the Gospels that emphasized helping the poor and powerless. Some even justified the use of revolution to improve the lives of the poor. The emergence of these radical political and religious ideas led to an increasing polarization of Brazilian politics and the military coup d'etat of 1964.

Brazilian political culture has changed in significant ways in recent decades. The military stepped down in 1985, and a new constitution went into effect in 1988. There is now more support for democracy and representative government, more emphasis on equal rights for all, greater acceptance of markets, and more criticism of bureaucratic inefficiency and waste. Economic growth, the development of a sizable middle class, and a decline in poverty rates have reduced the appeal of radical political ideas. Socialism and Marxism have lost much of their appeal. New associations and political movements have emerged to press for improvements in the lives of the poor, women, blacks, and indigenous peoples. The Catholic Church is now challenged by the rapid growth of Pentecostal Protestantism rather than by radical young priests and nuns. Yet the distinctive features that separate Brazilian political culture from the United States remain, albeit in a more muted form. Brazilians still accept a greater role for the state in the economy. A much higher percentage of Brazilians than citizens of the United States say that government should take more responsibility for ensuring that everyone is provided for and that governments should tax the rich and subsidize the poor.59 They are more suspicious of free markets, and are more conscious of class conflict. The Workers Party that elected Lula as president in 2002 and again in 2006 is not simply a Brazilian version of the Democratic Party in the United States. It is further to the left politically and many of its supporters continue to believe in socialism.

Finally, while most Brazilians support the idea that democracy is a better system of governing than any alternative, they are extremely critical of politicians and political parties. They also have exceptionally low levels of trust in one another. In a 2005 survey only 9 percent said others could be trusted while

Political Economy

For most of the twentieth century, from the 1930s through the 1980s, Brazil pursued a strategy of state-led industrialization. Many state officials and economists believed local capitalists were not up to the task of catching up to the capitalists of the developed industrial countries through their own efforts. They needed the help of the state. Brazilian leaders proceeded to allocate credit to industry through state development banks and use tax incentives, subsidies, and wage and price controls to promote industrialization. Tariffs were manipulated to protect the domestic market from foreign competition.[61]

There are four reasons why state-led industrialization was so much more successful in Brazil than in Nigeria. First, Brazil began its drive for industrialization at a much more advanced level of economic development and technology than Nigeria did. Nigeria had a tiny industrial sector, while Brazil already had a significant one by the 1930s. Second, capitalists were politically stronger in Brazil than in Nigeria. While the Brazilian state provided investment and policies aimed at stimulating industrialization, most of the economic growth was driven by privately owned firms. While state elites had a great deal of power over which individual firms received investments, they were dependent on the private sector to provide sustained growth.[62] Nigerian political elites had no such constraints, especially because oil revenues flowed into the state treasury, and reduced their dependence on the private sector. Third, the Brazilian bureaucracy was more competent and professional than its Nigerian counterpart. Finally, Brazil had a longer period of independence than Nigeria, which contributed to a stronger sense of loyalty and identification with the state.

While state-led industrialization led to rapid industrialization in Brazil, it also had two major drawbacks. One was recurrent economic crises. Brazil's industrialization required high levels of foreign borrowing and oil imports to sustain it. When oil prices increased dramatically in 1973 and 1979, Brazil paid for imported oil by borrowing from abroad. Borrowing and high oil prices led to high levels of indebtedness and raging inflation that Brazil struggled to control between 1980 and 1995.

Another shortcoming of state-led industrialization was its disregard for the welfare of Brazil's large numbers of poor people. This abated somewhat with the return to democracy. Both President Fernando Henrique Cardoso (1994–2002) and Lula championed programs that reduced infant mortality rates, increased the percentage of children attending school, and initiated anti-HIV/AIDS strategies that became a model for other countries.[63] In these efforts they were supported by unions and social movements that became much more influential after the end of military rule. New unions emerged that were not tied to the state by corporatism and were more aggressive in demanding social services. This period also saw the growth of a reform movement lobbying for universal health care.[64] A final factor that contributed to the expansion of educational opportunities and health...

political parties had incentives to seek the votes of poor people by promising to expand social services.[65]

Both Cardoso and Lula pursued policies that diverged from the previous policy of state-led industrialization. His administration sold a number of state-owned enterprises to private investors in a bid to make them more efficient and productive. These sales provoked massive protests by workers, students, and radical intellectuals, who regarded them as a sellout to global capital. But Cardoso persisted with the policy, and, as president, Lula followed suit.

The past decade has been an exhilarating one for many Brazilians. After suffering through prolonged periods of economic volatility in which the economy was ravaged by inflation and unemployment, Brazil seems to have entered a phase of sustained, stable growth. It has achieved international recognition for its economic and political successes instead of being known for debt crises, hyperinflation, and coups d'etat. Democratic politics has become more institutionalized, and the lives of many poor Brazilians have improved. Despite all these achievements problems remain. The discovery of oil promises a great increase in national income, but oil has often had very undesirable effects on countries' economies and politics. It remains to be seen how well Brazil's institutions cope with oil wealth. Brazil also faces considerable challenges in improving the welfare of its poorest citizens, controlling crime and violence, and in relieving the intense racial and economic inequalities that exist. Whether Brazil will finally redeem its considerable potential or see its current good fortune fizzle out as other opportunities have in the past is at issue.

ELECTORAL AUTHORITARIANISM

The distinguishing feature of electoral authoritarian regimes is their use of competitive multiparty elections to "mask the reality of authoritarian domination."[66] Chief executives and legislators are chosen by voters in multiparty elections, but the electoral rules are tilted so strongly in favor of the ruling party or faction that opposition parties or movements have little chance of taking power. Full political and civil rights are frequently denied to the leaders of opposition political parties and their supporters, even when such rights are guaranteed in the constitution.

The most stable electoral authoritarian regimes have a strong ruling party. Such parties provide an institutional setting for sorting out disputes among leaders of different factions. In addition, leaders have strong incentives to keep their policy disagreements inside the party rather than trying to find support for them outside the party. To go outside the party is to lose all access to power and the chance to shape policies in ways that benefit...

Electoral authoritarian regimes that mix authoritarianism and multiparty elections without benefit of a ruling political party tend to be more unstable. Leaders of factions who disagree with regime policies take their case directly to the voters during elections for legislators and presidents. This creates serious problems for the regime with divisions between factions that want to increase the importance of democratic institutions and those that want to decrease them. This has been a continuing issue in Iran.[67]
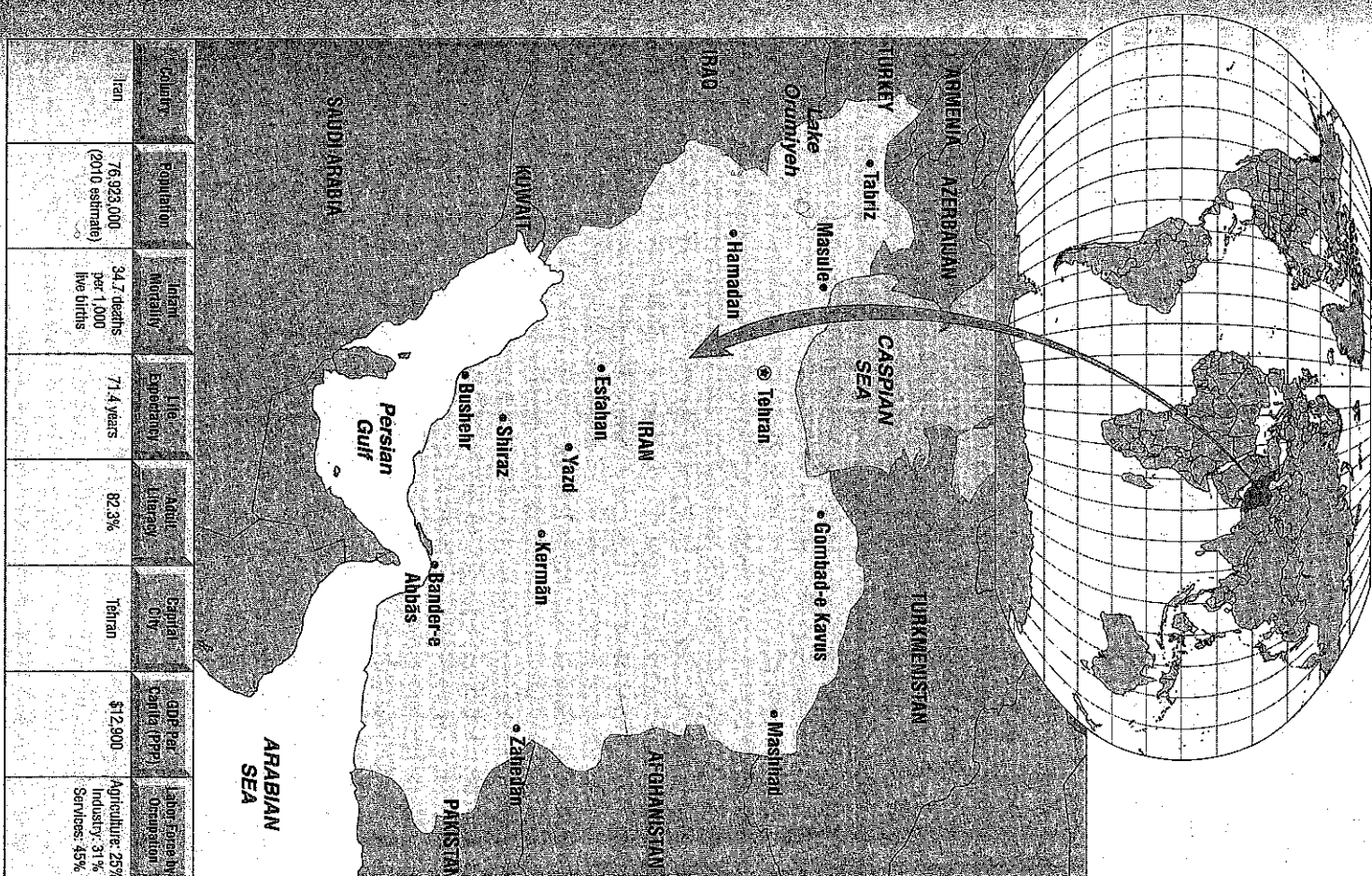
All electoral authoritarian regimes combine elements of democracy and autocracy, but some countries tolerate the democratic elements more than others. Russia's rulers, for example, see the benefits of allowing a small degree of democracy because of its advantages to the regime. A democratic facade helps provide legitimacy for the regime and elections provide rulers with information about what citizens are thinking and how they are reacting to the regime's policies.[68] In contrast, many of the conservative clerics who rule Iran have contempt for democracy and see few benefits from the democratic elements in Iran's version of electoral authoritarianism.

IRAN

Historical Background

The Islamic Republic of Iran is a theocracy, a country in which religious leaders rule. These religious leaders have differed, however, on the specific set of rules and procedures for choosing leaders and policies. In the late 1990s and early 2000s, leaders who believed the elected branches of government should have more power won the presidency and control of parliament, but their success did not result in political liberalization. Conservative religious leaders and their allies blocked the initiatives of these leaders and turned Iran in an increasingly authoritarian direction.[69]

The 2009 presidential election seemed to offer another chance for political opening. The candidate favored by Iran's Supreme Leader was the incumbent president Mahmoud Ahmadinejad. Ahmadinejad is best known in the United States for his harsh criticisms of United States' policies in the Middle East and his denial of the Holocaust. In Iran he is known as a supporter of conservative cultural and social policies. He portrays himself as a populist with a responsibility to defend the poor from corrupt elites. His main opponent was Mir Hossein Mousavi, a former prime minister who promised to follow more liberal cultural and social policies and to strengthen democratic institutions. In a striking change from past practice his wife, a very well known sculptor, intellectual, and Islamic feminist, campaigned alongside him. Mousavi seemed to have no chance of winning. As the campaign progressed, however, the crowds turning out to support Mousavi became larger and larger. His supporters identified themselves by wearing green armbands or other items of clothing. By the final week of the campaign public opinion polls suggested he had a very good

Country	Population	Infant Mortality	Life Expectancy	Adult Literacy	Capital City	GDP per Capita (PPP)	Labor Force by Occupation
Iran	76,923,000 (2010 estimate)	34.7 deaths per 1,000 live births	71.4 years	82.3%	Tehran	$12,900	Agriculture: 25% Industry: 31% Services: 45%

Mousavi's supporters immediately charged the regime with massive fraud. Demonstrations erupted to protest the vote and grew into some of the largest ever seen, with one estimate claiming that 3 million Iranians took to the streets to object to the stolen election.

The regime used security forces to attack, arrest, imprison, torture, and kill demonstrators. One of those killed was 26-year-old Neda Agha-Soltani who was shot as she walked along a street in Tehran close to where demonstrations were taking place. A bystander filmed her last moments of life with his cell phone as she bled to death on the sidewalk. He posted them on YouTube and Facebook. Within hours she became known worldwide as the face of resistance to the Iranian regime. It is impossible to know with accuracy how many others have died. On the anniversary of the protests the following year the government blanketed the capital with hundreds of thousands of security forces to prevent memorial demonstrations honoring those who lost their lives. While the regime has intimidated its opponents, its base of support has narrowed and the Supreme Leader, Ayatollah Ali Khamenei, has become more dependent on security forces to suppress dissent.[70]

Iran's present government is the latest in a history that stretches back some 2,500 years. For most of its history, Iran was known as Persia. In the sixth century B.C. the Persian Empire controlled territory that extended well beyond Iran's current borders. But it was subsequently invaded first by Arabs who brought Islam to the area, and then by Turkic invaders who ruled from 1501 until 1722 and converted Persians to Shiite Islam. This is the smaller of the two major branches of Islam, Sunni Muslims being the other. Of the more than 1 billion Muslims in the world less than 10 percent are Shiites. The split between the two branches dates back to the seventh century over who should succeed the Prophet Muhammad as the leader of Islam. Shiites believe that this authority should have passed to his hereditary successors known as *Imams*. The twelfth of the *Imams* is known as the *Mahdi* who Shiites believe did not die, but went into hiding in 941. They believe he will reappear again as a messiah to establish just rule on earth. The clerics who now rule Iran believe they are the legitimate rulers until the *Mahdi* returns.

When European imperial powers, such as Great Britain and Russia, extended their influence into Persia in the nineteenth century, the ruling Turkic dynasty remained nominally in power. In fact, however, the British controlled large parts of its economy and financial system, and had their eyes on Persia's oil. In 1921, Colonel Reza Khan carried out a coup d'etat against the Turkic rulers with the aim of building an independent and strong state that could stand up to Western powers. He established the Pahlavi Dynasty in 1925. He tried to westernize Persia and build a modern army and bureaucracy. It was Reza Khan who changed the name of the country from Persia to Iran in 1935. He was removed from power by the British and Russians in 1941, and was followed by his son, Mohammed Reza Shah Pahlavi.

development. But his efforts were thwarted by the British government and the United States Central Intelligence Agency. They backed a coup d'etat that overthrew Mossadegh in 1953 and returned the Shah to power.

The Shah became a strong ally of the United States and pursued some progressive policies. He introduced Western law rather than Islamic *shari'a* law, dramatically increased the number of schools, strengthened the rights of women, and implemented land reforms transferring land from large landowners to farmers with small holdings. But his rule was brutal and authoritarian, sustained by a ruthlessly effective security service, and backed by one of the largest armies in the world.

The Shah's goal was to make Iran an economically developed modern country, but his policies angered many Iranians. They included shopkeepers and merchants in Iran's traditional bazaars who opposed his corruption and favoritism toward selected businesspeople, workers who derived few benefits from his policies; intellectuals and college educated middle-class Iranians who resented his oppressive authoritarianism, and conservative Islamic clerics who were opposed to westernization. The Shah's close ties to the United States guaranteed that anger aimed at the Shah would also be targeted at the United States.

In 1979, the Shah was overthrown by a revolution led by the Islamic cleric Ruhollah Khomeini. After the Shah was forced into exile, there was a ferocious struggle among the elements of Khomeini's coalition for control of the state. One group believed that the clerics most trained in Islamic jurisprudence should rule. This is the concept of *velayat-e-faqib*, or "guardianship of the jurisprudent," which holds that a cleric should be the leader of the country. Others wanted a secular democratic state in which elected legislators would make laws, not religious clerics claiming to speak for God.[71]

Khomeini and the clerics prevailed in the struggle over who would inherit the Iranian revolution. He supported students who took over the American Embassy in the capital city of Tehran and held U.S. diplomats hostage for 444 days. Khomeini praised the students for demonstrating to the world that Iran could stand up to "the Great Satan," as he called the United States. The clerics were also abetted by Iraq's attack on Iran in 1980. Khomeini used the war to rally Iranians to defend their country and spread their Shiite faith to neighboring countries. Khomeini died in 1989 after the war ended, but by then his regime was firmly in place. To make sure his vision survived his death, Khomeini and his close advisers devised state institutions to ensure the rule of the clerics. In designing the constitution they gave highest authority to non-elected offices held by clerics, but they also provided for an elected president and elected legislators. This mix of authoritarian and elective offices has created increasing political tensions since the late 1990s.

The State

The single most powerful office in the...

revolution."[72] He appoints the head of the judiciary and has direct control over the armed forces, which include the regular army and the Iranian Revolutionary Guards Corps (IRGC), or **Revolutionary Guards**. The Revolutionary Guards were created following the revolution because Ayatollah Khomeini did not trust the regular army. Their main responsibility is defending the revolution. They support protests, command Iran's missile force, and collect domestic and foreign intelligence.[73] The Guards also command the Basij Resistance Force, or **Basij**, composed of volunteers who help the Guards intimidate political opponents and enforce Islamic codes of conduct, including proper dress for women in public. The current Supreme Leader is Ayatollah Khamenei, whose name should not be confused with that of his predecessor, Ayatollah Khomeini. See Figure 10.1.

The Supreme Leader appoints the 6 religious members of the 12-member **Guardian Council**. The Council has the power to block parliamentary bills it believes are incompatible with Islamic law or in conflict with the constitution. It also decides who gets to run in parliamentary elections. A measure of its power is that in 2004 it disqualified around 2,000 candidates as part of a strategy to ensure that moderate opponents of the regime could not get on the ballot. Another powerful nonelected institution is the **Expediency Council**. Its members are also appointed by the Supreme Leader. It has the authority to arbitrate conflicts between the Guardian Council and the parliament. This authority has made it a very important decision-making institution.

Alongside these institutions that are not responsive to voters and reflect the power of the clerics are institutions whose officials are directly elected by voters. The **Assembly of Experts** is a popularly elected body that has the authority to elect the Supreme Leader and supervises his activities. This gives the impression that the voting population indirectly chooses the Supreme Leader, but this is not the case. Candidates for seats in the Assembly of Experts are carefully screened and approved by the Guardian Council, which is appointed by the Supreme Leader. Candidates who do not meet the approval of the Guardian Council are not allowed to run.

The **President** is the head of the executive branch of the government and is elected by popular vote for a four-year term. Presidents control the budget and they appoint the cabinet and governors of provinces, both of which must be approved by parliament. Candidates can run for president only after being screened by the Supreme Leader and the Guardian Council and the Supreme Leader must ratify the voters' choice for president.

Iran has a single-house, or unicameral, parliament called the **Majles**. It has 290 members elected for four-year terms by popular vote. Unlike the office of president, women can be elected as members of the Majles. The Majles has the authority to approve the president's nominees for his cabinet, to question cabinet members about their ministries' policies, and pass legislation. But like presidential power, legislative power is hedged in on all sides by more powerful indirectly elected or appointed religious leaders.
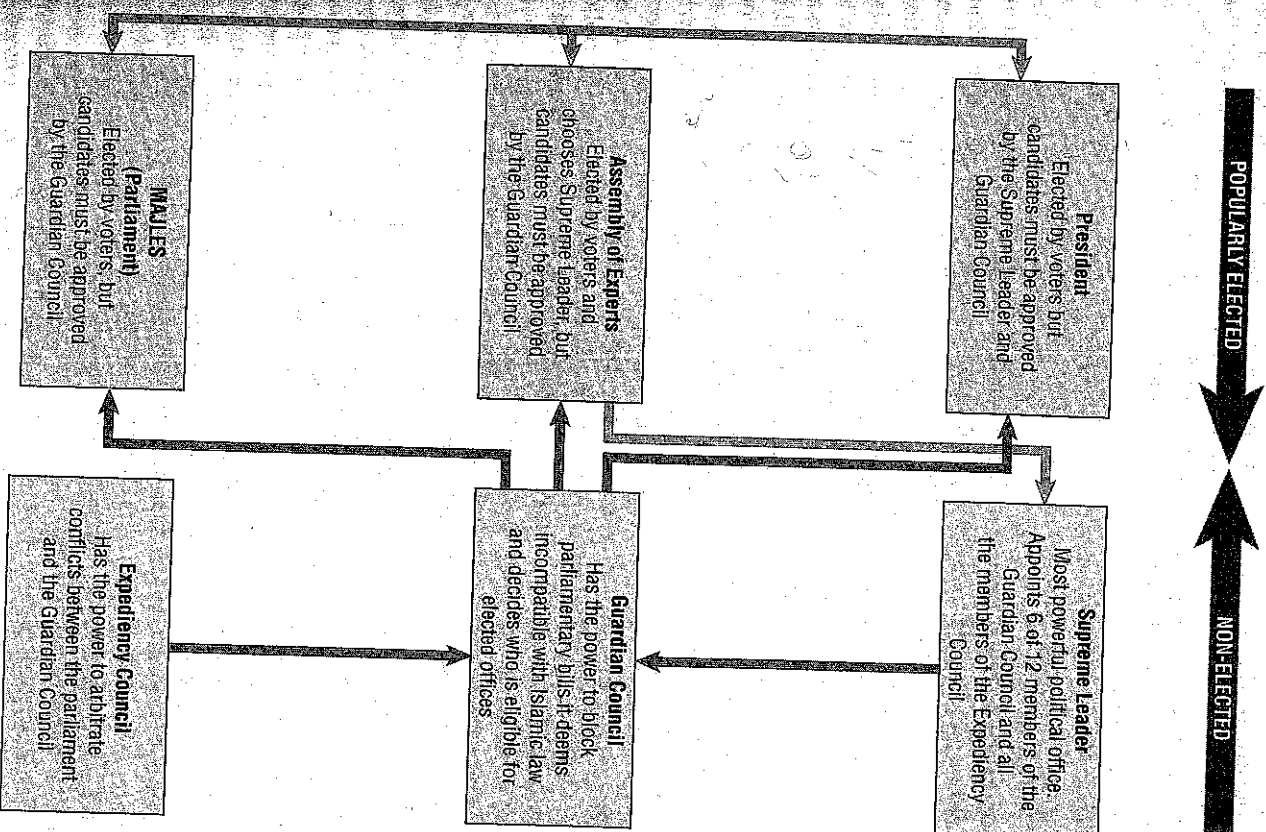
FIGURE 10.1
Iranian Political Institutions

One indicator of the bureaucracy's weakness is extremely high levels of corruption. In 2009, Transparency International rankings, Iran ranked among the top 10 most corrupt countries in the world. A popular Iranian saying is, "In the United States, people become rich and then go into politics; in Iran, people go into politics to become rich."[74]

State and Society

The struggle for political power in Iran centers on competition among factions rather than on competition among political parties for citizens' votes. Four loose political factions struggle for power in Iran. The boundaries between these factions are not clearly defined, and there are tensions between political leaders within the factions, but they form recognizable groupings in Iranian politics. The leaders of the first three factions are all influential clerics who were followers of Khomeini during the revolution. They have held a variety of powerful political positions since the revolution, and are now elderly. The leaders of the fourth faction come from a younger generation; this faction has more lay leaders than the other factions. The leaders of all four factions are committed to the principle of *velayat-e-faqih*. They are all "insiders," who want to maintain the present regime, but they differ on the best ways of doing so. The main points of difference are the appropriate balance of power between elected and nonelected institutions, cultural policy, economic policy, how much priority should be given to improving the lives of the poor, and relations with the United States and Europe.

At one end of the spectrum are conservatives who are opposed to democracy and insist that religious leaders retain power. They view "the essential purpose of the state as the realization of God's will on earth" and believe they best understand what God's will is.[75] They do not believe in individual rights or in a pluralism of ideas. They insist on strict dress codes for women, control of media and film to screen out decadent Western cultural influences, and a ban on alcohol sales. While they have been supporters of merchants in Iran's traditional bazaars, they have not supported the development of a modern industrial economy. They claim to be strongly committed to economic justice and improving the lives of the poor. In foreign policy, they pursue confrontation with the United States and Europe and are very strong supporters of Iran's nuclear program. Their best known leader is the current Supreme Leader Khamenei, and they have been the dominant faction since 1989.

Pragmatists comprise a second faction. They believe that the economic policies of the conservatives and their dismissal of elected institutions endanger the long-run stability and legitimacy of the regime. The pragmatists are concerned with promoting economic growth and draw their support from professionals, some members of the business community, and highly educated

believe economic growth will improve the lives of citizens more than providing government subsidies and other forms of government aid. Politically, they would like to see more power given to democratic institutions and less repression of dissent. Culturally, they are less restrictive than the conservatives and believe conservatives' rigid codes of conduct are antagonizing the support of Iran's younger population. The pragmatists' best known leader is Hashemi Rafsanjani. They had their greatest influence from 1989 to 1997 when Rafsanjani was President of Iran.

Reformists have gone the furthest of any of the factions in inching toward democracy. This faction believes that Islam and democracy can coexist. No one group of religious leaders can claim special insight into God's will that allows them to monopolize power. While they support the concept of *velayat-e-faqih*, they argue that the Supreme Leader "must defer to the elected branches of the government."[76] Reformists want to go even further than the pragmatists in loosening cultural controls, and improving relations with the West. Their best known leader is a mid-level cleric, Mohammed Khatami. This faction had its greatest influence when Khatami was president from 1997 to 2004, but has increasingly lost influence since then.

Finally, the most recent faction to emerge is the principlists faction. It is composed of a younger generation of leaders, many of whom served in the Revolutionary Guards and fought in the war with Iraq. They believe many of the leaders in the older generation who came to power after 1979 have become corrupt through power and wealth. They have targeted Hashemi Rafsanjani of the pragmatist faction and his followers in particular. The principlists argue for a return to the original principles of the revolution, "meaning strict moral enforcement, social justice, and anti-imperialism."[77] They are strongly critical of the United States and Israel and are strong backers of Iran's nuclear program. This faction was energized by the surprising popularity of the reformist Khatami during his first term as president, and alarmed by the growth of United States military force in neighboring Afghanistan after 2001 and in Iraq after 2003. This faction's best known leader is President Mahmoud Ahmadinejad. He was elected president in 2005 and again in 2009 with the backing of Supreme Leader Khamenei and the Revolutionary Guards and the Basij. By openly backing Ahmadinejad, Khamenei has undermined his role as an effective arbiter among the factions and even alienated some of the clerics within the regime.[78]

Leaders of the factions use elections to gain control of the presidency and parliament. Regularly scheduled elections for parliament and president allow candidates supporting differing policy positions to run for office but they campaign without benefit or help from well-organized, programmatic political parties. Ayatollah Khomeini banned all political parties in 1981 except for the Islamic Republic Party, which was then the ruling party of the clerics. Khomeini disbanded this party in 1987 because of growing d

a particular candidate and have no enduring organization. Their reemergence was tolerated because parties must now be approved by the Ministry of the Interior, which can deny them permits if the Ministry deems them anti-Islamic. This requirement guarantees that no party proposes significant change and even leaders of those with moderate views can be suppressed. During the fall of 2009 and spring of 2010, leaders of the three largest reformist parties were arrested and put in prison.[80]

Political leaders are linked to groups in society mainly through patron–client relations. Each of the factions has built up large patronage networks that penetrate deep into state agencies and extend out into society. They try to capture state agencies in order to reward their followers with jobs, gain access to state funds, and provide business opportunities for supporters. An example of how this system operates can be seen in the case of organizations that were formed to make connections between merchants in Iran's bazaars and clerics who supported Ayatollah Khomeini. When Khomeini came to power in 1979, the members of these organizations benefited by being given positions in the government and gaining access to assets seized from the Shah and his business supporters. They developed a vested interest in keeping the regime in power to further their own goals, rather than benefiting merchants as a group. Instead of using their power to represent the merchants of the bazaar as a social class or group of businesses with common interests, they used it to promote their own interests.[81]

There are a large number of business and professional associations in Iran, but they do not play an important a role in representing their members' interests to the state. Businesspeople tend to work through clientelist connections to seek particular benefits for themselves rather than working through business associations to represent their business sector collectively. Labor unions are in an even more difficult situation than businesspeople. Unions are tightly controlled by labor laws, and independent labor unions are not permitted in Iran. Workers can establish Islamic Labor Councils, but the leaders of these councils must be approved by a state agency. Union leaders who lead strikes can be imprisoned. In recent years conservative governments have cracked down on labor unions with increasing harshness.

Social movements have emerged as an alternative way of making demands on the state. The best example is the **Green Movement**, which was formed during the 2009 presidential election. Its primary goal was preventing the reelection of President Mahmoud Ahmadinejad, and its longer-term goal was slowing the accumulation of political power by the conservative and principlist factions. The groups making up the movement organized largely lies to support Mir Hossein Mousavi during the election campaign, and then organized huge protests when the election was stolen. From a movement in support of Mousavi, prior to the election, it was transformed into a civil rights movement after the election. It originally drew support mainly from university students, professionals, parts of the urban middle class and

movements, it is decentralized and diverse, with supporters who want to overthrow the current regime, and others who prefer a more gradual approach to reform. The regime responded violently to the challenge the Green Movement posed, using beatings, arrests, torture, and murder. It is unclear whether it can survive such repression.

Political Culture

Akbar Ganji, a leading Iranian political dissident, draws on congruence theory to argue that a democratic political culture "based on mutual trust, tolerance of diversity and difference, and readiness to compromise is a precondition for a stable democracy."[82] All are lacking in Iran.

Iranian political culture is distinguished by a combination of great pride in the country's long history and accomplishments, and extreme resentment toward the foreign countries that have humiliated Iran. It is a potent mix that Iran's current leaders use to proclaim Iran's regional and international importance and to fiercely defend its independence from efforts by outside powers to influence its policies. They have exploited these feelings to gain support for their nuclear program in the face of criticisms by the United States and other countries by drawing on Iranians' resentment of past humiliations inflicted on them by Britain, Russia, and the United States.

Iran's version of Islam has also shaped its political culture. Shiites are a tiny minority of all the Muslims in the world. Their minority status has led to exaggerated pride in their uniqueness and defensiveness because of their vulnerability as a minority. Conservative clerics draw upon Shiite puritanism to argue for the restoration of values and the way of life preached by the Prophet. But Shiite Islam has no equivalent of the Pope who can speak for all Shiite Muslims. Shiite religious scholars take different views on important political and religious issues. Even though Ayatollah Khomeini was the leader of the Islamic Revolution, his views were openly challenged by other clerics, who supported giving a bigger role to democratic institutions and greater rights for women.[83] Ayatollah Khamaeini, the current Supreme Leader, has also been criticized on the same grounds by other clerics.

A clear majority of Iranians desire a democratic political system. A 2005 World Values Survey found that over 92 percent agreed that having a democratic political system was a "very good" or "fairly good idea." But self-expression values important for creating and sustaining democracy are in short supply. One of these values is trust in other people. Only 11 percent agreed most people could be trusted while 89 percent believed one "can't be too careful" in dealing with others. Another self-expression value is toleration toward people with different lifestyles. In comparison with citizens in other democracies, such as Brazil and Chile, Iranians are much less tolerant of people with different religious and sexual preferences. Iranians do not believe that most other citizens will obey laws and carry out their civic obli-

culture persists because political elites have not "developed a state of law that made life predictable and governed by rules rather than personal connections."[85]

Political elites' promises have also led many Iranians to believe it is the government's responsibility to provide jobs, decent wages, and low prices for food and other necessities. Ayatollah Khomeini repeatedly promised to help poor Iranians by keeping prices low and subsidizing their incomes. The current Supreme Leader, Khamenei, President Ahmedinejad, and other leaders have echoed these promises. In a 2005, World Values Survey Iranians were asked to locate themselves on a ten-point scale with 1 being "people should take more responsibility to provide for themselves" and 10 being "the government should take more responsibility." The answers were tilted strongly toward government taking more responsibility. The same survey found there was very strong support for having the government tax the rich and subsidize the poor.

Coupled with these views is considerable distrust of private ownership or business, especially of large industrial corporations. The survey found a higher percentage of respondents believed that government ownership of business should be increased than those who thought private ownership should be increased. These values stem from decades of experience with the Shah's version of crony capitalism as well as the attacks of Khomeini and subsequent clerical leaders on the exploitative nature of capitalism. President Ahmadinejad has made improving the rights of poor Iranians the major issue of his presidency. He has drawn on his own background as the son of a blacksmith, as well as teachings in Shiite Islam to condemn the rich for exploiting the poor. Although he received a degree from a leading Iranian university, he lives in the same house in a lower-middle-class neighborhood that he lived in before he became president. He has a bad haircut and wears cheap suits, shoes, and windbreaker when he appears in public. The message to the working class is, "I am one of you."[86]

Political Economy

Ayatollah Khomeini and his successors have made progress in achieving their goal of improving the lives of poor Iranians. Poverty rates have dropped considerably and access to education and health care have improved for poor families. Girls born in poor families in rural areas have been some of the main beneficiaries of expanded educational opportunities, but access to educational opportunities have expanded for girls in general. A higher percentage of women graduate from college than men. The Islamic Republic has also reduced infant mortality rates by focusing on providing clean water and health care services to villages, even in remote areas of the country.[87]

Governments have achieved these goals by using an "interventionist-redistributive social contract"[88] in which the state intervenes extensively in the

food subsidies, and benefit more than the poor from subsidies that keep the price of gas artificially low.

Some of the major beneficiaries of Iran's interventionist state have been organizations with links to the conservative faction, such as the semipublic charitable organizations known as *bonyads*. One of the largest and best known is the Foundation of the Oppressed and Disabled. This *bonyad* and others have moved far beyond charitable activities. The Islamic Republic funded the *bonyads* with assets seized from wealthy Iranians and the Shah, and the *bonyads* used these assets to invest in all sectors of the Iranian economy including real estate, construction, transportation, and automobile companies. They now control assets worth billions of dollars and some of their directors are multimillionaires. The *bonyads* are not taxed and have no government oversight, even though they are funded directly from government budgets. They are accountable only to the Supreme Leader.[89]

Another organization that has benefited is the Revolutionary Guards. Like the *bonyads* they have extended their activities well beyond their original mission of defending the revolution into a wide range of commercial activities including construction, mining, and defense industries. Their commercial activities have flourished since Ahmadinejad became president in 2005. He has approved hundreds of construction and petrochemical contracts for companies owned by the Guards. These contracts are worth billions of dollars.[90]

Like the *bonyads*, they are accountable only to the Supreme Leader.

This interventionist-redistributive political economy is funded largely with oil and gas revenues that provide 70 percent of the government budget and is dominated by the state, which controls some 65 to 70 percent of the economy. This political economy allows political elites to make many of the key decisions about how state revenues are allocated without having to be responsible to citizens. State-owned banks are used to make loans to politically favored firms at very low interest rates. The government funds large infrastructure projects that can be doled out to businesses in return for kickbacks. Finally, the government controls licensing for imports. Politically favored firms get monopolies over the import of key consumer goods.

These features have led to a highly inefficient and troubled economy. Iran's heavy dependence on oil makes it vulnerable to shifting prices of oil in international markets. It has had slow economic growth rates, high inflation, and high unemployment. Real GDP growth rates have declined every year since 2005 when Ahmadinejad won the presidency. Inflation is officially said to be 12 percent per year, but is in all probability more than 20 percent. Unemployment is officially 12 percent, but nonofficial estimates put it in the 21 percent range.[91] These economic problems are compounded by the disproportionate number of young people in the population and a labor force that needs approximately 800,000 new job seekers each year. Iran needs a growth rate of approximately 6.5 percent per year to employ them, but its growth rate has

Making changes to improve productivity are very difficult politically. Ending subsidies is difficult because of ideological commitments and fear of antagonizing key parts of the regime's political base.[93] There are also powerful individual leaders and organizations such as *bonyads* and the Revolutionary Guard who benefit from the present political economy. In early 2010, President Ahmadinejad proposed phasing out price subsidies and using half of the revenue saved by ending the subsidies for targeted cash transfers to citizens. Most of the transfers would go to poorer citizens. The proposal met strong resistance from groups who would lose from the change. It also became apparent that the Iranian state lacked information needed to decide who would qualify for cash transfers as well as the administrative capacity to enact such a plan efficiently.[94]

The Iranian regime has had success in improving citizens' capabilities in education and health. Poorer Iranians have benefited in particular. But the means the regime has used have created extensive economic and political problems. Unemployment and inflation rates are high, and the economy is overwhelmingly dependent on oil revenues and vulnerable to rises and falls in the price of oil. Politically, Iran has become increasingly authoritarian since 2004. Its experience demonstrates the difficulty authoritarian regimes can encounter when they try to use competitive multiparty elections as a means of winning legitimacy. Even when rulers tilt the playing field in the regime's favor, elections can get out of hand as they did in Iran in 2009. The leaders of the regime then have to either let the results stand or rig them and risk mass demonstrations. Iran's leaders chose the latter course. They have used security forces to suppress open dissent, but their base of support is possibly the narrowest it has been since 1979. The clerics are becoming increasingly dependent on the Revolutionary Guards and Basij to hold on to power as they become increasingly authoritarian.[95]

COMPARING CAPABILITIES AMONG NIGERIA, BRAZIL, AND IRAN

We profiled Nigeria, Brazil, and Iran because they typify different political models found among less developed countries. Nigeria typifies weakly institutionalized democracies, Brazil has many of the features of other electoral democracies, and Iran is a variant of electoral authoritarianism that has moved in an increasingly authoritarian direction. A comparison of how these countries perform in terms of our criteria for the Good Society provides clues as to which types of political regimes better meet the standards of the Good Society.

Physical Well-Being

TABLE 10.2

Infant Mortality Rates per 1,000 Live Births in 1980, 1990, and 2008

	1965	1980	1990	2008
Brazil	107	72	46	18
Iran	156	89	55	27
Nigeria	157	117	120	96
2010				

Source: World Bank, World Development Indicators; www.google.com/publicdata. Accessed June 18, 2010.

income the lower the poverty rate. See Table 10.2. But a long-term perspective reveals important differences among the countries. Iran and Nigeria had almost identical infant mortality rates in 1965 but Iran brought its rate down much more quickly than Nigeria. A second difference among the countries is that in both Brazil and Iran infant mortality rates followed a steady downward path. They did not in Nigeria. The infant mortality rate in Nigeria dropped from 1965 until 1975, but then leveled off during the years of military rule. It did not begin dropping again until the late 1990s. Third, authoritarian governments have had very different levels of success in lowering infant mortality. Brazil and Iran both reduced infant mortality under authoritarian governments, but Nigeria had a terrible record under military rule.

Informed Decision Making

The pattern for literacy is similar to that for infant mortality rates with the higher the income per capita, the better the results. As in the case of infant mortality, however, the current level of literacy hides patterns within countries. One of Brazil's biggest successes has been increasing school attendance and literacy among children from poor families. One of Iran's biggest successes has been increasing educational access for girls. Nigeria followed the same pattern in literacy that it did with infant mortality. There was no progress in improving adult literacy in Nigeria during the last decade of military rule, but there has been improvement under democratic governments. See Table 10.3.

TABLE 10.3

Adult Literacy Rates, 15 Years and Older, Selected Years (Percentage)

	1980	1991	2000	2007
Brazil	75%	—	86%	90%
Iran	—	65%	77% (2002)	82% (2006)
Nigeria	—	55%		

TABLE 10.4

Homicide Rates in Brazil, Iran and Nigeria per 100,000 Population

Brazil	30.8
Nigeria	17.7
Iran	2.9

Source: Data set for *The Good Society*

Safety

Safety, as operationally defined by homicide rates, does not fit the previous patterns in which the wealthier country had the best record. There are big differences among the countries and Brazil, the wealthiest, has the highest homicide rate. See Table 10.4.

These data must be treated with some skepticism, but they give a general indication of overall differences in homicide rates among the countries. What they do not give is a sense of the overall level of safety in these countries, which differs by region and social class. Nigerians living in parts of the oil producing Niger Delta or in the city of Jos, on the borderline between predominantly Muslim and Christian populations, are not likely to feel as safe as those in other parts of the country. Poor Brazilians living in huge urban slums (known as *favelas* are not as likely to feel safe as wealthy Brazilians living in exclusive neighborhoods. Nor can Iranians who have had the courage to openly challenge the regime likely feel as safe as regime supporters.

Democracy

Individuals' ability to participate effectively in political choices that govern their lives is essential for sustaining conditions that improve their health, education, and safety. Authoritarian governments can make decisions to improve these capabilities, as they have in Iran, but without the right to political participation, free speech, and associations, citizens cannot be assured that governments will continue to work to improve capabilities. There are considerable differences in the ability to participate effectively among Nigeria, Brazil, and

TABLE 10.5

Voice and Accountability in Brazil, Nigeria, and Iran 2008

	Voice and Accountability Score	Percentile Rank
Brazil	+0.51	61.1%
Nigeria	−0.66	31.3%

TABLE 10.6

Polity IV Scores for Brazil, Nigeria, and Iran, 2008

Brazil	+8
Nigeria	+4
Iran	−6

Iran. One way to measure this is to use the World Bank Governance Indicators Dataset for "voice and accountability." Countries were scored on a −2.50 to 2.50 scale on this index. The higher a country's score, the more its citizens were deemed to have "voice and accountability." The percentile rank shows the percentage of countries ranked below the country in Table 10.5.

Measured this way approximately 60 percent of countries had lower voice and accountability than Brazil. Only 8 percent scored lower than Iran.

An alternative is to use Polity IV ratings for 2008 measuring levels of democracy with +10 being the most democratic and −10 being the most authoritarian. See Table 10.6.

In summary, with the exception of homicide, Brazil does a better job than Nigeria or Iran in creating conditions that enhance the capabilities of its citizens. Overall, electoral democracies perform better at enhancing capabilities than weak democracies because of a combination of higher economic development and more institutionalized democracy. All electoral democracies do not perform better than all electoral authoritarian regimes. Some electoral authoritarian regimes such as Malaysia have done very well in creating conditions that enhance the capabilities of their citizens.

CONCLUSION

In this chapter we have examined three common types of regimes in less developed countries, with a representative country from each of them. Our conclusions about the performance of different kinds of regimes have to be tentative because they are based on case studies rather than large samples of countries from each type of regime. One conclusion is that electoral democracies tend to do a better job of enhancing citizens' capabilities than electoral authoritarian regimes.

The second conclusion is that authoritarian regimes do not have an advantage over democracies in promoting economic development. Contrary to claims that authoritarian regimes can make decisions quickly and effectively because they do not have to be concerned about offending vested interests, we saw that neither the military in Nigeria nor the clerics in Iran could make decisions quickly and effectively. The military in Nigeria was hampered by

the constituencies with which they have close ties, such as the *bonyads* and Revolutionary Guards. In contrast, democratically elected governments in Nigeria have made economic decisions that have brought strong economic growth in the past decade. Brazil's democratically elected governments have made tough economic decisions that seem to have ended Brazil's perpetual economic crises and contributed to a decade of rapid growth.

Finally, while Brazil and Iran have both brought down infant mortality rates and increased educational opportunities for children of poor families, poor Brazilians have more opportunity to participate effectively in political choices that affect their lives than poor Iranians. The poor in Brazil form an important voting constituency of the Workers Party. Leaders of the Workers Party strive to improve their capabilities not just because of ideological commitment but because they need their votes to win office. Competitive elections are decisive in determining who holds the most powerful offices in Brazil, and they give the poor political leverage. In Iran, competitive elections are not decisive in determining who holds the most powerful political offices or in shaping regime policies. The Supreme Leader and other nonelected clerics, not elected leaders, make the ultimate policy decisions. While President Ahmadinejad appealed to the poor for votes in the 2005 and 2009 presidential elections, and promised to bring them benefits from oil revenues, it was nonelected leaders who held the power to determine whether these promises were implemented or not. As long as the Supreme Leader and other powerful conservative clerics support Iran's interventionist-redistributive political economy, the regime will make efforts to improve the incomes and capabilities of poor citizens, but poor citizens in Iran do not have as much political leverage in Iran as they have in Brazil.

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CRITICAL THINKING QUESTIONS

1. Why has Nigeria had so little success in achieving economic and human development

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3. Why are broad-based associations and political parties more important for the improvement of capabilities for poor Brazilians than for wealthier Brazilians?

4. If the goal is to improve capabilities, does it really make any difference whether poor families in Iran get better health care through authoritarian means or democratic ones?

5. Why have reformers in Iran not been more successful in their struggles with conservatives and principlists to liberalize politics and cultural policy?

KEY TERMS

Weak democracies 267
Electoral democracies 267
Divide and rule 269
Personal rule 269
"Big men" 269
Shari'a law 273
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Expediency Council 292
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Conservatives (Iran) 294
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