

# *The Fate of Young Democracies*

**Ethan B. Kapstein**

INSEAD and Center for Global Development

**Nathan Converse**

London School of Economics

<sup>m</sup> CAMBRIDGE  
UNIVERSITY PRESS

# Contents

<i>List of Figures and Tables \ •</i>	<i>page ix</i>
<i>Preface and Acknowledgments</i>	xiii
1. What Makes Young Democracies Different?	1
Voters, Elections, and Economic Policy	7
Political Parties and Economic Policy	- 2 0
Democratic Institutions and Economic Policy	26
Does Age Matter?	32
Conclusions	36
2. Why Do Young Democracies Fail?	37
Democratic Survival and Reversal	39
Descriptive Statistics	46
Regression Analysis	57
Conclusions	68
3. Are Some Regions More Democracy Friendly?	71
The Economics of Young Democracies: A Regional Perspective	73
Latin America: The Political Economy of Populism	75
Eastern Europe: Democratizing During Hard Times	84
Africa: On the Road to Sustainable Development?	91

Asia: Democratization in the Shadow of Authoritarian	
Success	100
Conclusions	115
4. Is Democracy Promotion Effective?	119
Does Foreign Aid Promote Democracy?	122
Promoting Democracy and Development: The Millennium	
Challenge Corporation	127
Beyond the MCC	
5. Conclusions and Policy Recommendations	141
Lessons for Policy-Makers	143
Directions for Future Research	147
Concluding Thoughts	154
<i>Appendix 1. Methodology</i>	157
<i>Appendix 2. List of Young Democracies</i>	163
<i>References</i>	167
<i>Index</i>	119