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978-0-521-76773-6 - Building States and Markets After Communism: The Perils of Polarized Democracy
Timothy Frye
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Building States and Markets After Communism

Does democracy promote the creation of market economies and robust state institutions? Do state building and market building go hand in hand? Or do they work at cross-purposes? This book examines the relationship between state building and market building in twenty-five postcommunist countries from 1990 to 2004. On the basis of cross-national statistical analyses, surveys of business managers, and case studies from Russia, Bulgaria, Poland, and Uzbekistan, Timothy Frye demonstrates that democracy is associated with more economic reform, stronger state institutions, and higher social transfers when political polarization is low. But he also finds that increases in political polarization dampen the positive impact of democracy on reform by making policy less predictable. He traces the roots of political polarization to high levels of income inequality and the institutional legacy of communist rule. By identifying when and how democracy fosters markets and states, this work contributes to long-standing debates in comparative politics, public policy, and postcommunist studies.

Timothy Frye is the Marshall D. Shulman Professor of Post-Soviet Foreign Policy in the Department of Political Science and the Director of the Harriman Institute at Columbia University. He previously taught at Ohio State University and has worked as a consultant for the World Bank, the European Bank for Reconstruction and Development, the U.S. Agency for International Development, and the Bloomberg Foundation. He is the author of *Brokers and Bureaucrats: Building Markets in Russia* (2000), which won the 2001 Hewett Prize from the American Association for the Advancement of Slavic Studies. His articles have appeared in *American Political Science Review, World Politics, American Economic Review Papers and Proceedings*, *American Journal of Political Science*, and *Comparative Political Studies*, among other journals.

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The Perils of Polarized Democracy

TIMOTHY FRYE
Columbia University

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