

Developing Countries in the Multipolar World

Fleeting Allegiance, Competition for Coalition Building,
and Non-developmental Authoritarianism



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Main Arguments

- ❑ The world has proceeded from Bipolar (US vs. USSR) → Unipolar (US) → Multipolar (US, China, EU, India, Russia...)
- ❑ Basic characteristics of the Post Post-Cold War Period (2010s-) are:
 - Deterioration of US/Western leadership and its guiding principles (democracy and free market)
 - The rise of China and other challengers (not just China)
- ❑ As a result, the behavioral patterns of developing countries have changed:
 1. Fleeting allegiance—the pursuit of short-term concrete benefits rather than long-term value or ideology
 2. Competition for Global South leadership (China, India, Russia, Brazil, Indonesia...)
 3. Non-developmental authoritarianism—the return of predatory or neo-patrimonial states in the age of globalization and digitalization
- ❑ Future prospects and implications?

Deterioration of US Leadership

- ❑ Relative economic decline of the Developed Democracy Camp (US, EU, Japan)
 - ❑ America: from a reliable leader to a self-centered troublemaker
 - Declining military commitment in Asia-Pacific, Middle East, Afghanistan, etc.
 - America-first policies in trade, technology, immigration, environment, etc.
 - ❑ Western democracy?
 - Donald Trump and the end of the American model
 - Malfunctioning western democracy vs. Chinese challenge
 - ❑ We now know: free markets are volatile and divisive (i.e., must be regulated)
 - Asian Financial Crisis (1997-98), global financial crisis (2008-09)
 - Widening income gaps in many countries
- ➔ The American/Western model is relativized—from the ideal goal for all to one of the many alternatives.

Changing Times

Cold War (late 1940s-1980s) - bipolar

- USA vs. USSR (democracy/capitalism vs. one-party rule/socialism)
- **Developing world**—Non-Aligned Movement as well as the pursuit of political and economic benefits by belonging to one camp or the other

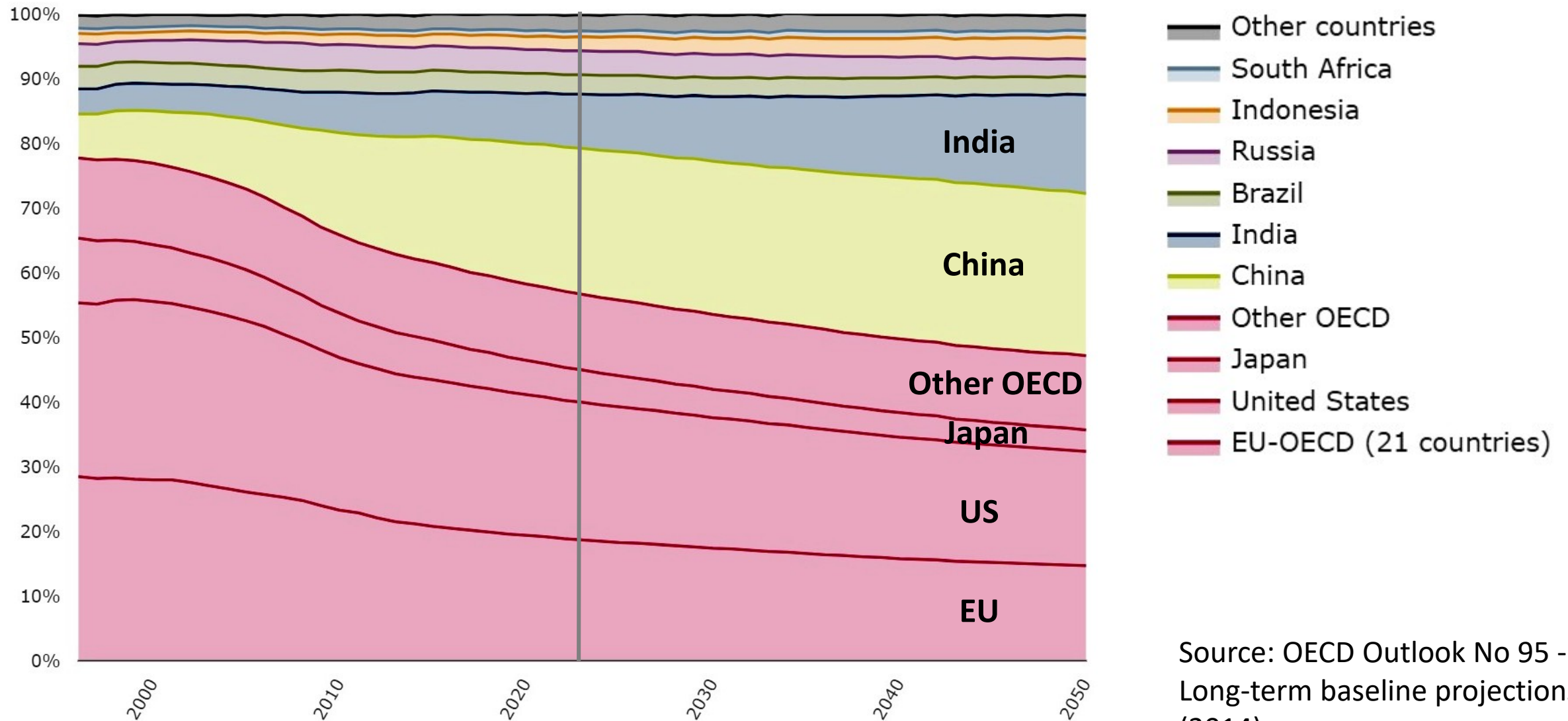
Post-Cold War (1990s-early 2000s) - unipolar

- Dominance of US and its guiding principles
- **Developing world**—the adoption of democracy and market mechanism (in form, if not in substance) to receive support from WB, IMF, bilateral donors, trade favors...

Post Post-Cold War (2010s-) - multipolar

- No vision dominates; competition among many hegemon candidates at different levels: US vs. China / EU, Japan, India, Russia / Brazil, Indonesia, Saudi Arabia...
- **Developing world** —no ideological commitment; decide partnership on a case-by-case basis for concrete benefits; competition for Global South leadership; a rise of non-developmental dictatorship

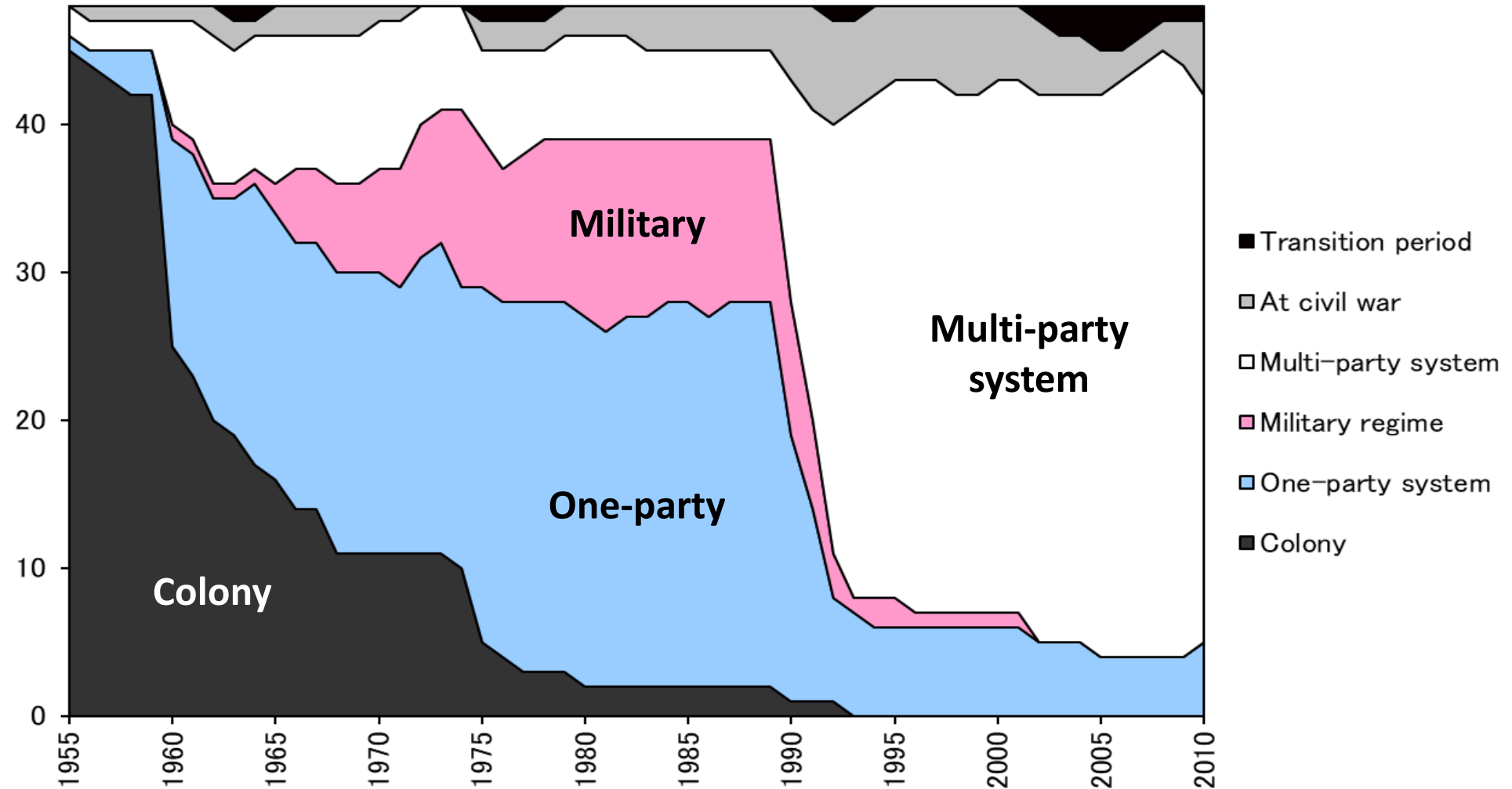
Contribution to Global GDP: History & Forecast



Source: OECD Outlook No 95 - Long-term baseline projections (2014)

Shifting Political Regimes in Africa

Number of countries (total 48)



Sources: created by the author using the following materials: Miyamoto and Matsuda (1997); Ndulu et al. (2008); CIA, World Fact Book (various issues); and Japanese Ministry of Finance, Basic Data of Countries (various issues).

1. Fleeting Allegiance

- ❑ In a bipolar world, developing countries had only three choices: camp1, camp2 or non-aligned. In a multipolar (>2) world, there are many more options and developing countries pursue concrete benefits over fundamental ideology.
- ❑ Concrete benefits include economic aid, trade, FDI, technology, human exchange; national security, military aid; diplomatic support, protection from Western criticisms and sanctions, etc.
- ❑ Values such as democracy, rule of law, human rights and nonaggression (peace) do not move developing countries. Although national leaders may have personal opinions, they don't become policy principles.
- ❑ In a multipolar world, developing countries cannot be tied down to one vision or political camp (cf. US-hosted Summit for Democracy, Dec. 2021 & Mar. 2023).
- ❑ As benefit-seeking games go on, leader candidates must continuously please developing countries because partnership is transitory and conditional on offered benefits.

Participating in All Initiatives and Schemes

Developing countries may join all kinds of international initiatives and schemes even if their objectives are mutually conflicting.

- ❑ One Belt One Road (OBOR) vs. Free and Open Indo-Pacific (FOIP)
- ❑ World Bank & IMF loans vs. China aid & Asian Infrastructure Investment Bank (AIIB)
- ❑ For Africa: Tokyo International Conference on African Development (TICAD), Forum on China-Africa Cooperation (FOCAC), US-Africa Leaders Summit, Russia-Africa Summit...
- ❑ UN General Assembly vote on “Russia must leave Ukraine” (Feb. 2023): in favor 141, against 7, abstain 32.
- ❑ Japan hosted G7 Hiroshima Summit in May 2023 inviting developing countries (India, Indonesia, Vietnam, Brazil, African Union, Pacific Islands Forum). Will this bring them to the West?



2. Global South: Politics and Competition among Southern Nations



- ❑ “Global South” is often used as a synonym for developing and emerging countries. However, it is a political and dynamic concept whose members cannot be defined by location, income or political regime (unlike low- and middle-income countries defined by WB).
- ❑ Global South is a politicized group of “victimized” nations that protest and demand actions against the world ruled by the West (US, EU, (Japan)). It became more active as economic power shifted from the West to the South.
- ❑ Issues include globalization, market instability, trade system, environment, climate change, food/energy shortage, technology dominance, human rights violation (of workers by FDI), etc.
- ❑ In reality, not all developing countries are “victims.” Some developing countries do great harm to peace, human rights, food supply, climate, forests, etc.

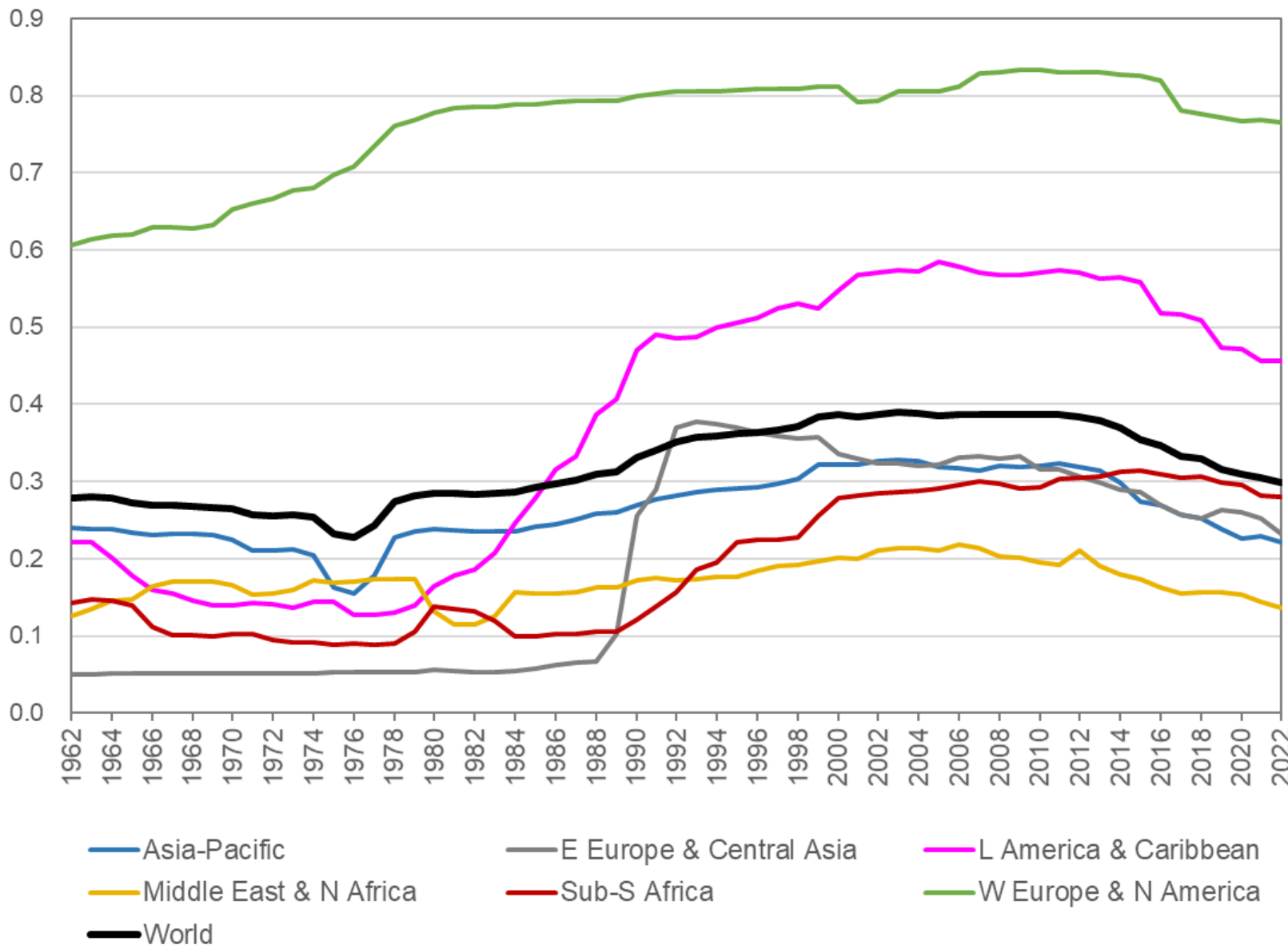
Tiered Competition among China, India, Russia and Others

- ❑ Some Southern countries compete for global/regional influence while most others remain non-aligned (or multi-aligned) benefit-seekers.
- ❑ **China** is the obvious leader in challenging the West. But not all developing countries may gather under its flag.
- ❑ **India** is economically and militarily less powerful than China. PM Modi, taking advantage of G20 chairmanship in 2023, delivers India's message to increase its global influence and bargaining power against China.
- ❑ **Russia**, sanctioned by the West, steps up its political, military and economic diplomacy in Africa, Middle East, etc. but the results remain to be seen.
- ❑ Indonesia, Brazil, Saudi Arabia, UAE, Turkey, South Africa, Rwanda... may not become hegemonies but still aim to increase their global/regional presence.
- ❑ All this is common international politics among Southern nations which is likely to continue.

3. The Rise of Non-developmental Authoritarianism

- ❑ Since around the 2010s, non-developmental authoritarian states have increased around the globe.
- ❑ A multipolar (not bipolar or unipolar) world allows the existence of dictators with impunity:
 - ✓ The weakening and relativization of American democracy
 - ✓ US & EU criticism and sanctions vs. Chinese/Russian political and economic support
 - ✓ Existence of second- and third-tier Southern countries that tolerate, cover or support dictators

V-Dem Liberal Democracy Index (Population Weighted)



Compiled by the Varieties of Democracy (V-Dem) Institute, University of Gothenburg, Sweden.

The index is based on 71 indicators on **liberal and electoral aspects** of democracy.

They include institutional features that guarantee free and fair elections such as freedom of association, freedom of expression, protection of individual liberties, checks and balances between institutions, etc.

Authoritarian Trends in Indochina

Where Japanese PKO, ODA and FDI Concentrated

Thailand (pc GDP \$6,909, WB 2022)

Thai politics has long been unstable with deep-rooted confrontation between the privileged (royalists, bureaucrats, military, urban rich) and the disadvantaged (farmers and urban poor). Military coup in 2014 installed the current military rule.

Myanmar (\$1,096)

The signs of democracy and initial growth ended in Feb. 2021 when the military denied the election result and staged a coup to return to the oppressive regime.

Cambodia (\$1,789)

PM Hun Sen's People's Party claimed a landslide victory in 2023 election while the opposition was suppressed. His rule since 1998 has become more authoritarian. His power will be inherited by his son.

Laos (\$2,088)

One-party rule by the People's Revolutionary Party. Lao politics is significantly influenced by Vietnam's.

Vietnam: from Industrialization to Ideology

- ❑ Vietnam, with pc GDP of \$4,164 (WB 2022), will soon be upper middle-income.
- ❑ The Communist Party rules in Vietnam. Until recently, top leaders were very eager to develop and industrialize. They encouraged HRD, trade, FDI, technology, digitization, etc. **Socialist ideology was not an obstacle for development.**
- ❑ Vietnamese policies remain ineffective due to poor design and implementation. Nevertheless, thanks to economic liberalization and global integration, Vietnam attained high growth and remarkable structural transformation.
- ❑ Japan, other donors and international organizations contributed greatly to HRD, infrastructure, factory productivity, poverty reduction, etc. Japan also assisted policymaking through Ishikawa Project, Vietnam-Japan Joint Initiative, automotive discussion, Industrialization Strategy, etc.
- ❑ Under the current Communist Party Leadership, **socialist ideology became more important.** Ministers and high officials familiar with business world and economic diplomacy are being removed (on the pretext of anti-corruption charges). Ministerial activities are now frozen for fear of being accused of any error or corruption.

Ethiopia: from Eastern Lessons to Ethnic Conflicts



- ❑ Ethiopia is a low-income country with pc GDP of \$1,028 (WB 2022).
- ❑ **PM Meles** (in power 1991-2012) criticized Washington Consensus and learned vigorously from East Asia. He adopted Korea's Monthly Export Steering Committee, learned Kaizen from JICA, and engaged in industrial policy dialogue with Japan.



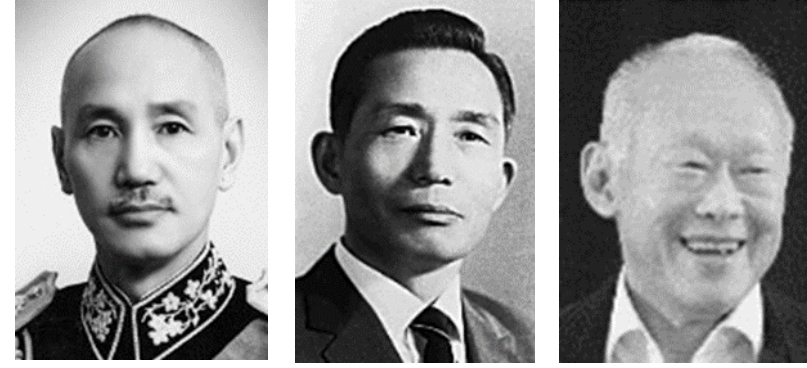
- ❑ **PM Hailemariam** (2012-18) continued Meles' policies by stressing Kaizen, inviting JETRO, building industrial parks, etc.
- ❑ **PM Abiy** (2018-) lets his Macroeconomic Team work on industrial issues instead of managing them himself. Federal forces and Tigray (former leading region) started an internal war in 2020. Other ethnic conflicts also erupted. US and EU accuse Ethiopia for human rights violation. Foreign currency shortage became severe and many factories are now inoperative.



- ❑ Ethiopia was **Africa's rising star** achieving double-digit growth (10.6%/year in 2004-17) with an accelerating FDI inflow. But **euphoria ended** due to the military conflicts and the worsening balance-of-payments crisis.

Authoritarian Developmentalism (AD)

East Asia's Historical Solution (late 20c)

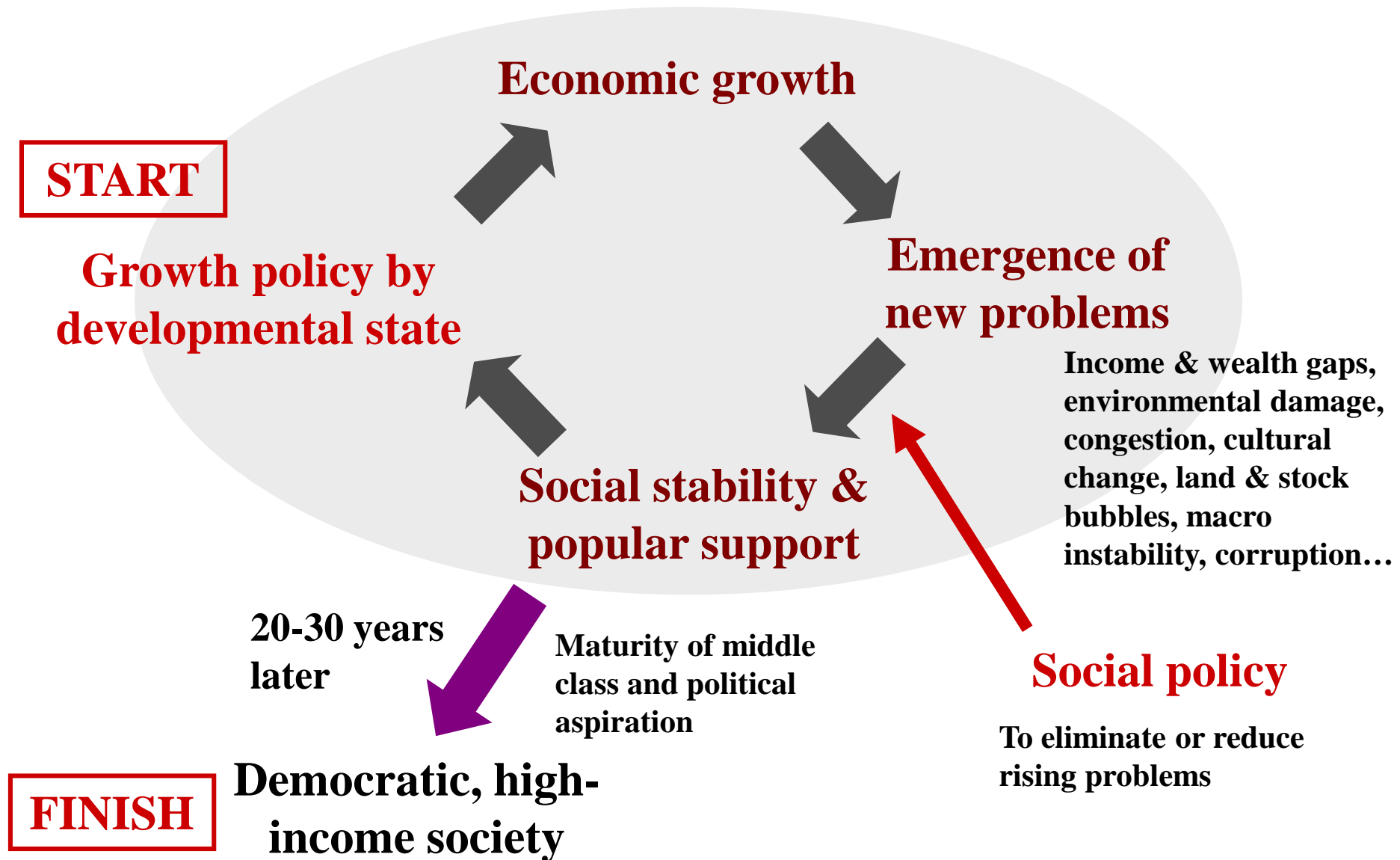


Adopt AD during the economic take-off whose components were:

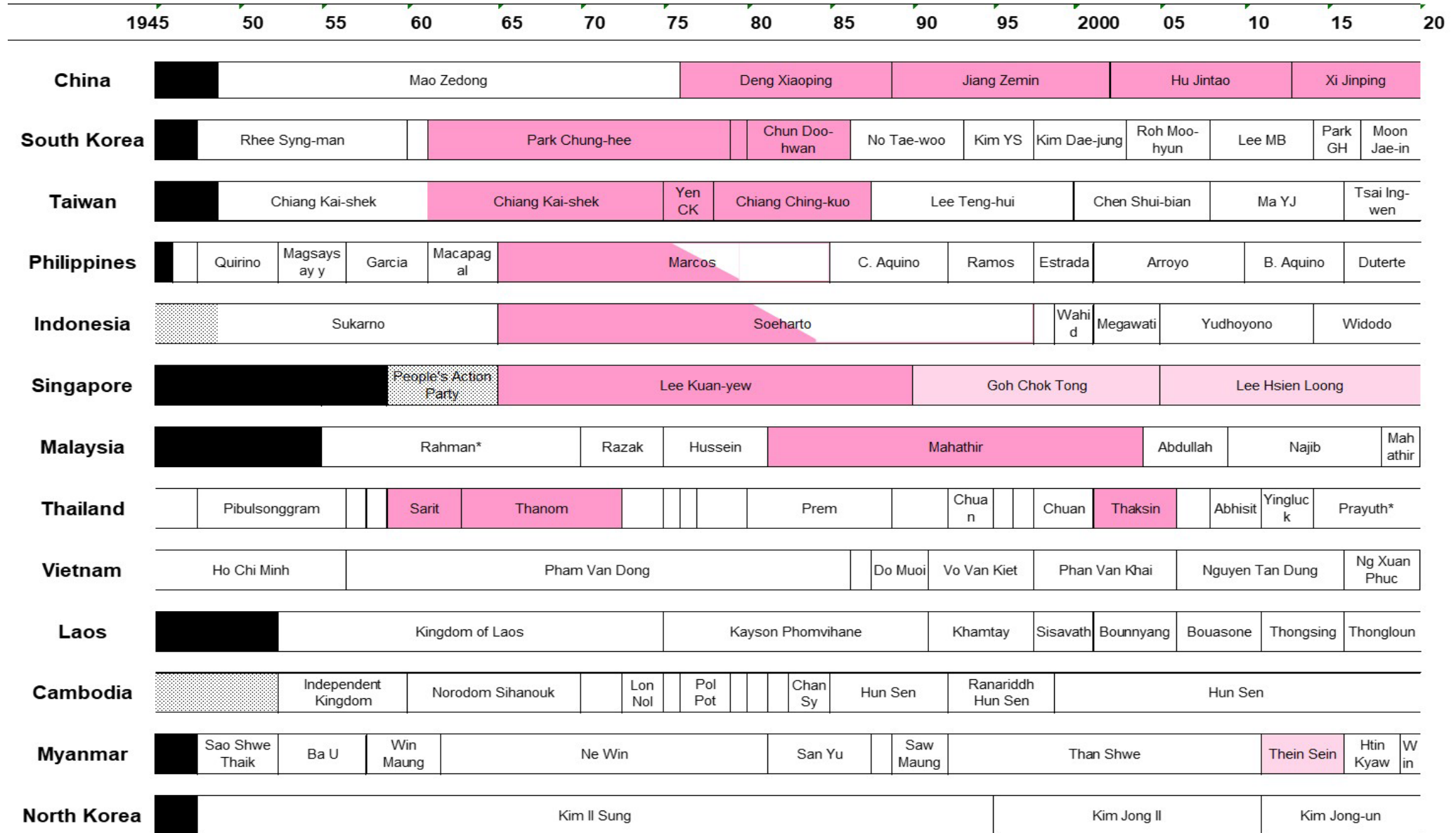
- Powerful and wise (=economically literate) national leader
- Development as a supreme national goal (obsession)
- Competent technocrats to support the leader and execute policies
- Legitimacy derived from successful development (not free election)
- Popular support (because of rising income)

- ❑ AD emerged when the nation's survival was threatened by a foreign enemy, internal conflict, incompetent leader, etc.
- ❑ AD is not an ideal or permanent regime; it is a temporary regime of convenience until GDP rises sufficiently, then AD should be jettisoned.

Growth and Social Policy: An East Asian Pattern



Authoritarian Developmental States in East Asia



Note: the pink area shows AD leaders and the dark area indicates pre-independence periods.

Source: Suehiro (2000), p.115. Revised, updated and expanded by the presenter.

Current Authoritarian States are Not AD

- ❑ They do not fulfill the conditions for East Asia's authoritarian developmentalism—in particular, economic growth is neither national obsession nor regime legitimacy.
- ❑ National leaders and technocrats lack both passion and knowledge for economic development and industrialization.
- ❑ Current authoritarian states are similar to the traditional predatory states or neo-patrimonial states (patron-client states) except
 - Suppression is strengthened—not eased—even after reaching (upper) middle-income.
 - Digital technology (SNS, AI, surveillance cameras, facial recognition...) is used by both authority and opposition.
- ❑ Unlike Korea and Taiwan in the 1980s, the expanding middle class is not allowed to express views or demand democracy. Economics and politics are detached. Transition to a more democratic regime is not assured.

Concluding Remarks

- ❑ **The multipolar world is likely to persist.** The economic powers of China and India will continue to rise relative to those of the US, EU and Japan.
- ❑ **Realism rules, not idealism:** because of the variable nature of allegiance, it is not possible to keep developing countries to one's camp by appealing to high values. To gain their support, the US, EU and Japan must offer concrete benefits continuously.
- ❑ For donors, **information gathering** and **policy dialogue** with developing country leaders (who may be replaced frequently) should be enhanced. Countries are all different in their needs, and they change over time.
- ❑ For Southern countries, playing the benefit-seeking game and hopping groups run the risk of **losing long-term policy consistency**: "A friend to all is a friend to none." The realist and idealist views must be combined in any diplomacy.
- ❑ It is difficult to predict the future of non-developmental authoritarian states. At present, there are **few signs of their dissolution**, internally or externally. Authority's digital grip may reinforce its suppressive power against people.

Remarks for Japan

- ❑ Japan has trained many policy makers and implementers, engineers and workers and installed many institutions in developing countries. These are Japan's most precious foreign assets. They should be mobilized to solve problems in developing countries, Japan and even the world.
- ❑ Japan should not compete with China in terms of aid volume, speed and visibility. That is a game Japan can hardly win. Japan should cooperate in a way that fits Japan's rich knowledge, past experience and limited budget (manufacturing discipline, high-quality service, happy aging, disaster prevention and rescue, etc.)
- ❑ Trust-based long-term relationship is key to mutual prosperity. Japan has tried to build such relationship and should continue to double this effort. Trust-building projects may not draw immediate attention or applause like big stadiums, railroads and airports but they fortify relations in the long run.