

Political Regime for Development

AD, DD, Democracy, and Non-economic Dictatorship

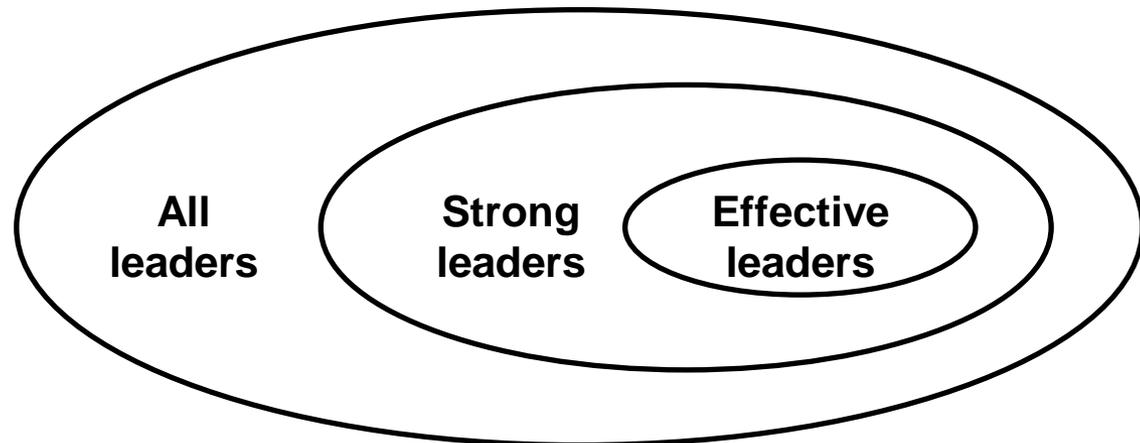


Policy Formulation in Developing Countries

GRIPS Development Forum

Leadership is Crucial

- ❑ A top leader with proper vision and decisive action is crucial for development.
- ❑ Not all strong leaders are effective leaders. Economic literacy is the key requirement.
- ❑ A good leader is the primary force for institutional change because he/she can build other necessary conditions and systems.



Regime Types

Developmental state

The purpose is value creation and competitiveness for the entire nation and all people

- Authoritarian developmentalism
- Democratic developmentalism

Non-developmental state

The purpose is sustaining the leader's power and increasing benefits for the leader and his surroundings and supporters

- Predatory/patrimonial state
- Non-developmental authoritarianism

Democracy without Development

Will, knowledge and capacity are lacking despite democratic form

Good Leaders: Given or Can be Promoted?

- ❑ Leaders and leadership quality are not directly controllable for anyone and for any political regime.
- ❑ However, there are *indirect* ways to raise the probability of emergence of good leaders:
 - Leadership and elite education
 - Comparative studies in development politics
 - Systematic analysis of technical aspects of effective policy making (e.g. this course and my book, *Learning to Industrialize*)
 - Well-designed cooperation and pressure from foreign governments and aid agencies (e.g. Prof. Leftwich's Development Leadership Program)
 - Regional contagion of leadership style (e.g. East Asian AD)
 - Stories (biographies, dramas, movies, books, etc.) about excellent national leaders

Authoritarian Developmentalism (AD)

East Asia's Historical Solution

(late 20c)

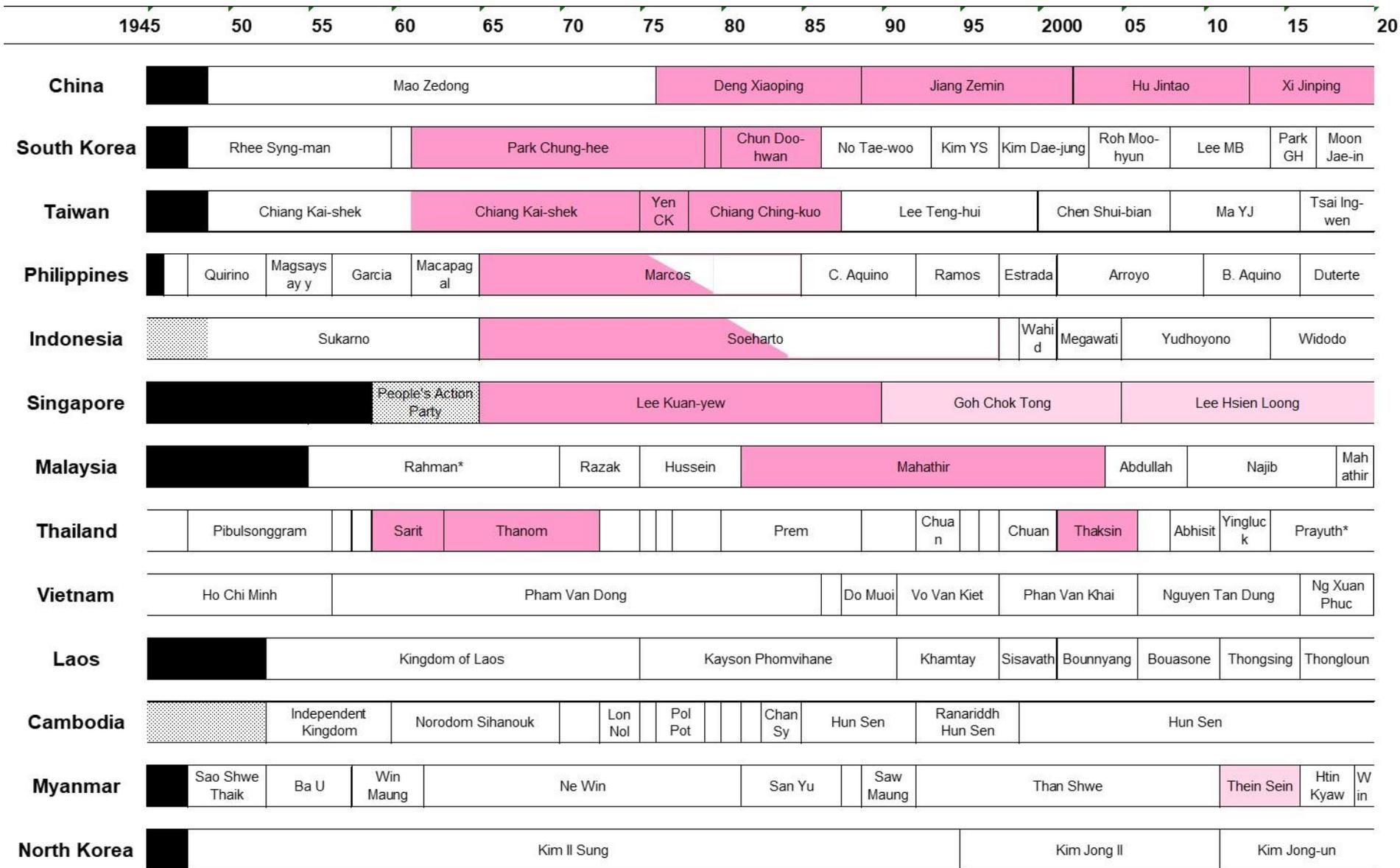
Adopt AD during the economic take-off (for a few decades)

Key ingredients of AD

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

The leader, as the primary force of change, can create the other four conditions.

Authoritarian Developmental States in East Asia



Note: The pink area shows authoritarian developmental leaders and the dark area indicates pre-independence periods.
 Source: Information in Suehiro (2000), p.115 was revised, updated, and expanded by the author.

Why Power Concentration is Needed?

- ❑ Growth requires a critical mass of mutually enforcing policies. A free hand of the state is needed to mobilize resources quickly and flexibly.
- ❑ The private sector is weak in most developing countries. The state must lead initially (for this, a capable state is required).
- ❑ If broad participation is allowed, policies are too slow and can't achieve critical mass due to:
 - Power struggle, party politics, interest group lobbying, etc.
 - Processes requiring patience and compromise including parliamentary debate and consensus building
 - Some groups may block, sabotage or refuse to cooperate with state purposes

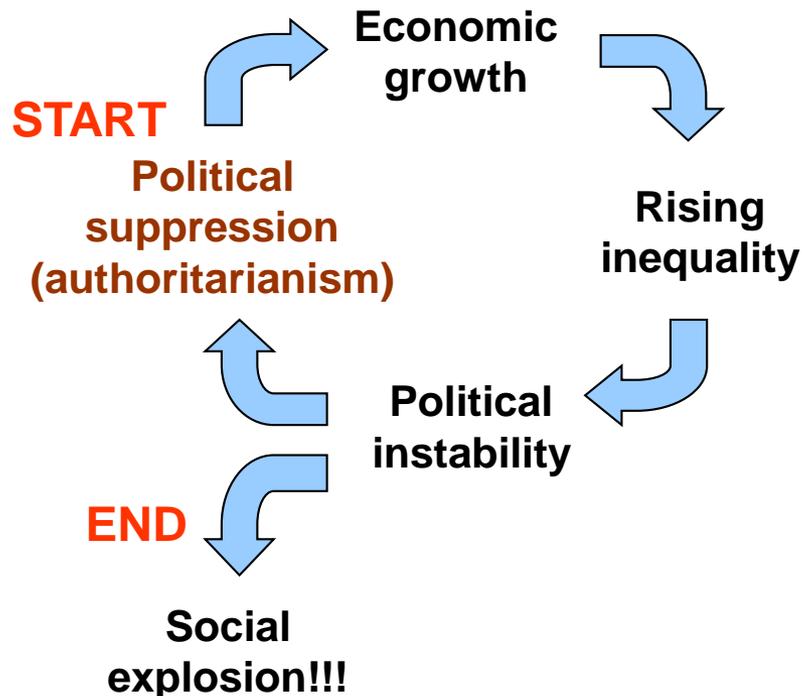
Emergence of AD States

- ❑ AD emerges through election as well as by a coup. It is more likely to emerge when national existence is threatened by:
 - ✓ External enemy
 - ✓ Internal ethnic/social conflict
 - ✓ Incompetent and corrupt leader
- ❑ The rise and fall of AD depends on:
 - Development stage of each country
 - AD was usually adopted by low to lower-middle income countries
 - International environment
 - Cold War period – reduced global criticism of authoritarian states
 - Post Cold War period – non-democratic states were not allowed
 - Now – democracy versus autocratic camps?

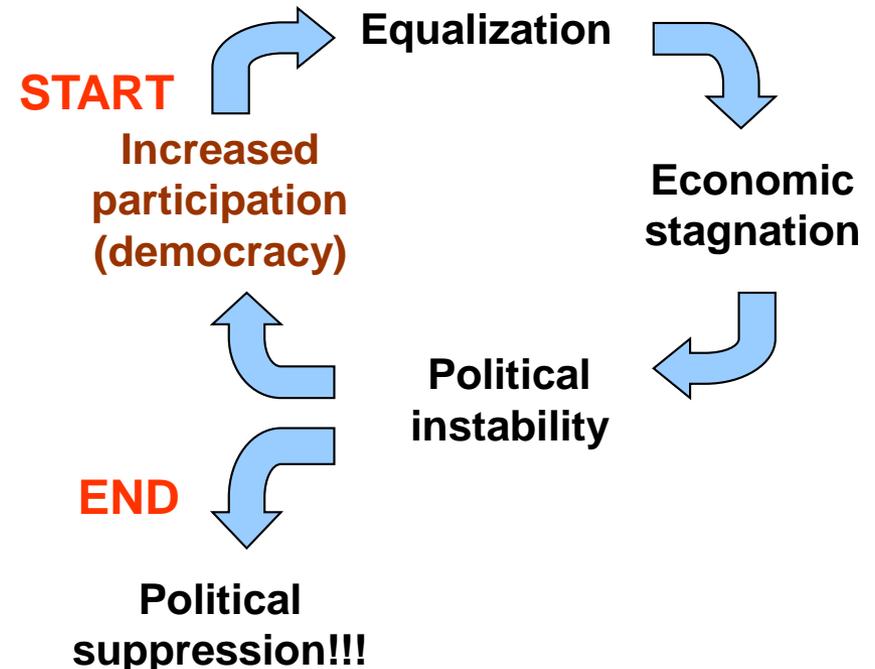
Guaranteed Failure of Development?

Samuel P. Huntington and Joan M. Nelson, *No Easy Choice: Political Participation in Developing Countries*, Harvard Univ. Press, 1976.

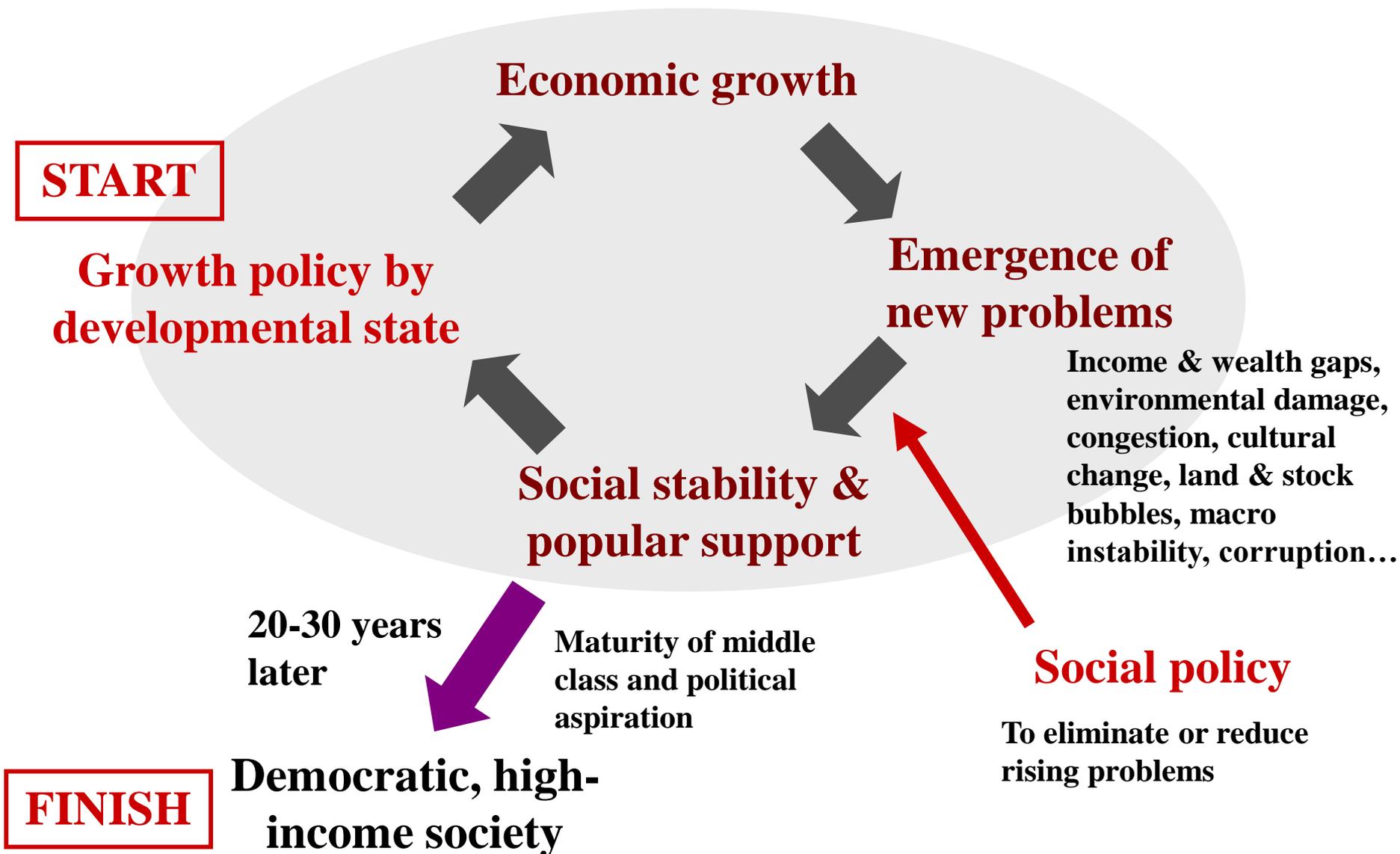
Technocratic Model



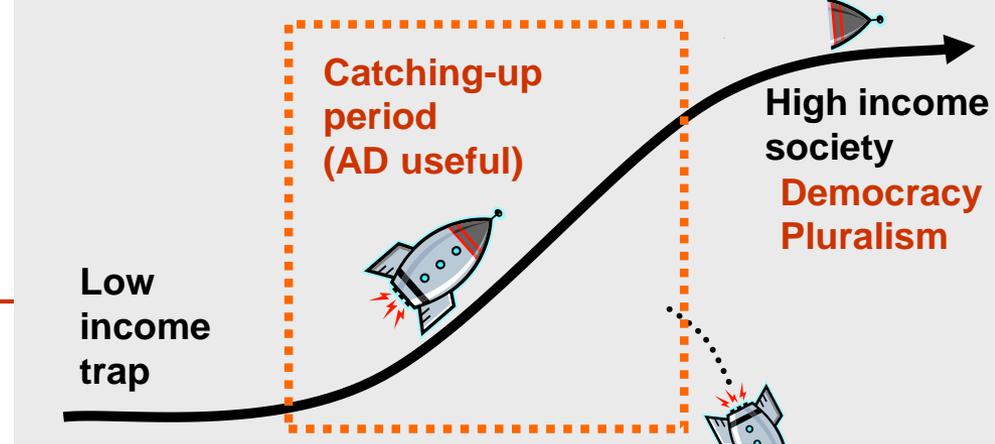
Populist Model



Growth & Social Policy: An East Asian Pattern



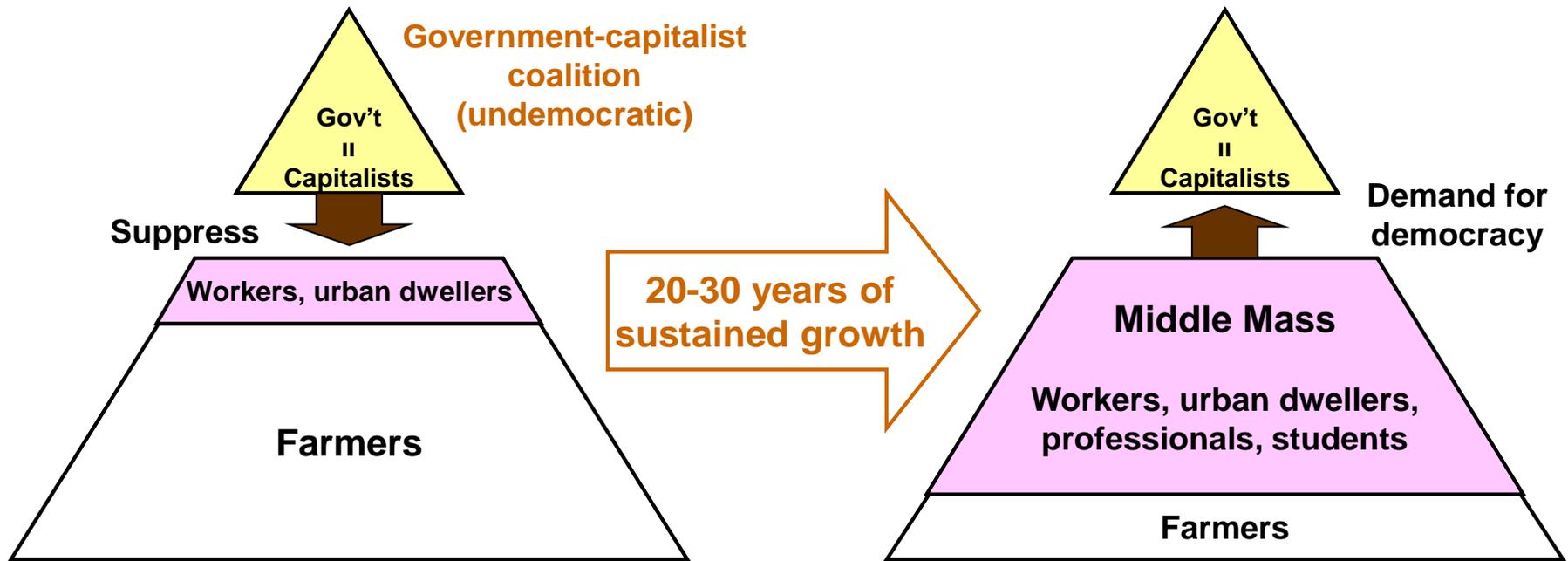
Exit of AD



- ❑ AD is a temporary regime of convenience, needed only to push up the country to a certain level.
- ❑ Once this level is reached, AD becomes an obstacle to further development. It must be detached.
- ❑ Watanabe Toshio (1998) argues that successful AD melts away automatically through social change and democratic aspiration.

“if development under an authoritarian regime proceeds successfully, it will sow the seeds of its own dissolution” [improved living standards and diversified social strata]

The Rise and Fall of East Asian Authoritarian Developmentalism



Features:

- Crisis as a catalyst
- Strong leader
- Elite technocrat group
- Developmental ideology
- Legitimacy through economic results (not election)
- Social change after 2-3 decades of success

Exit of AD: A Less Optimistic View

- However, there are also barriers to exit: stubborn leader, bureaucratic resistance, interest groups, etc. Therefore, wise leadership, appropriate policy and struggle are also needed for an exit.
- *The succession problem*--strong leaders often refuse to step down because they will be revenged, jailed and even executed after transition with most (all?) of their policies denied and reversed.
 - ➔ **For a smooth exit, political maturity must accompany economic growth (difficult, but not impossible)**

Opponents of AD

- Many people oppose AD for lack of democracy.

“I do not subscribe to the idea that you need to delay democratization just so that you can actually have growth or that you can have democracy only when you can afford it.” (Dani Rodrik, 2006)



- Some argue that freedom, equality, participation and empowerment are required for development.

“Expansion of freedom is viewed... both as the primary end and as the principal means of development.” (Amartya Sen, 1999)



MDGs & SDGs, pro-poor or inclusive growth, endogenous development, human security

Korean Experience



N.T.T. Huyen “Is There a Developmental Threshold for Democracy?: Endogenous factors in the Democratization of South Korea” (2004)

“Democracy as an advanced form of politics is not independent from socio-economic development.”

“*Developmental threshold for democracy* [is] a point in the development process beyond which democracy can be effectively installed and sustained.”

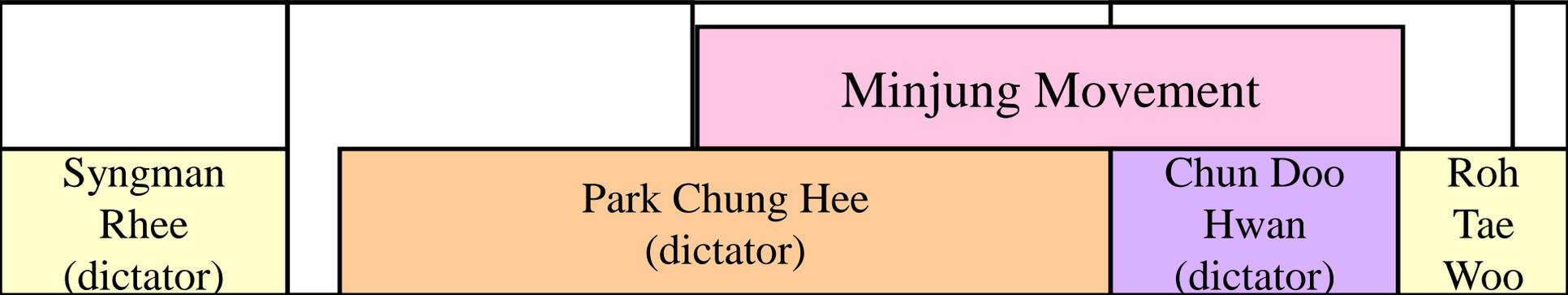
History of South Korean Politics

1960

1970

1980

1990



↑
Student protests

↑
Yushin Constitution (1972)

↑
Kwangju Massacre (1980)

↑
Return to democracy (1987)



Corrupt & inefficient



Growth under AD & North threat

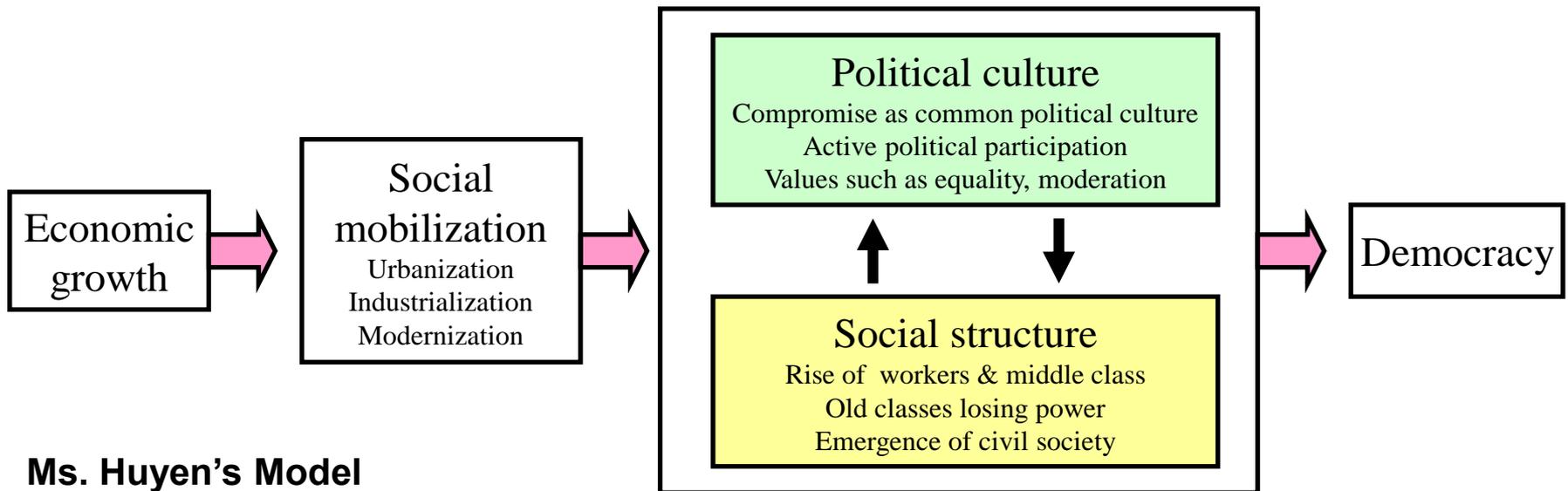
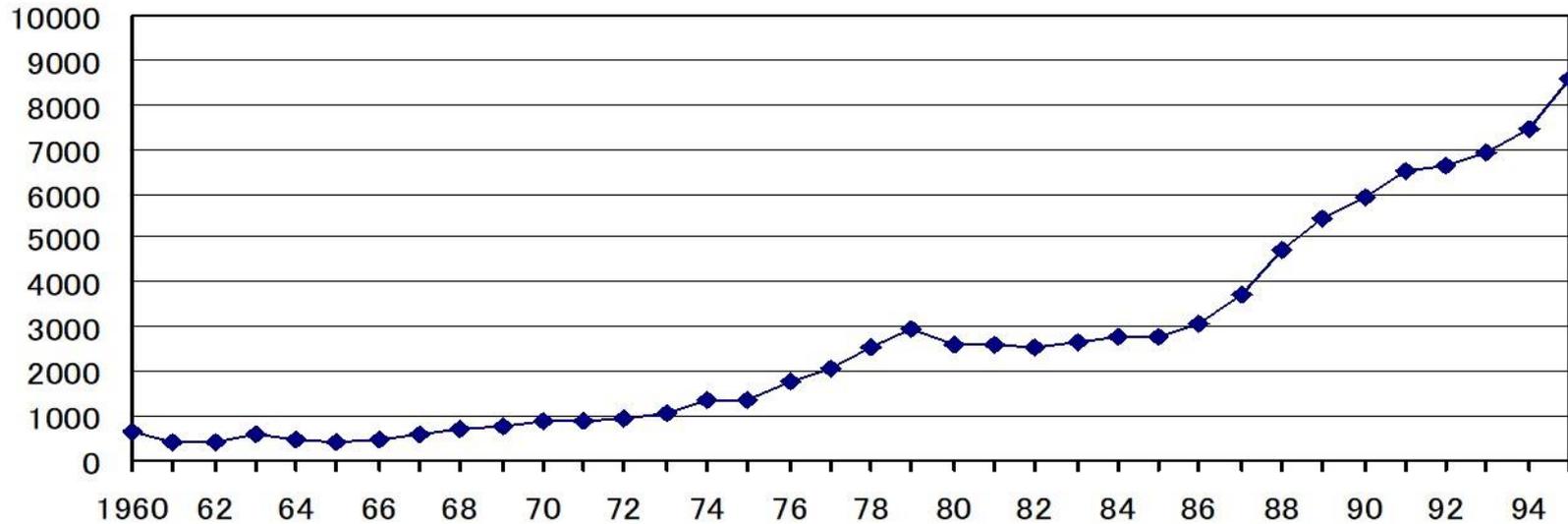


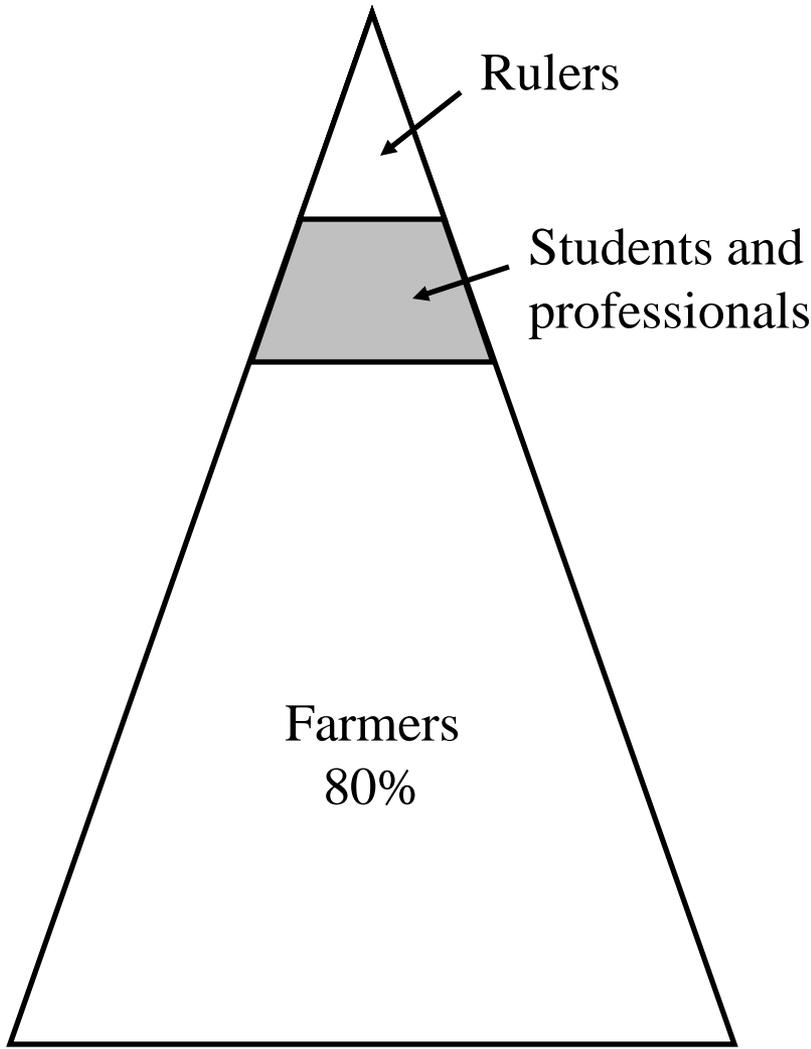
People's protest mounts



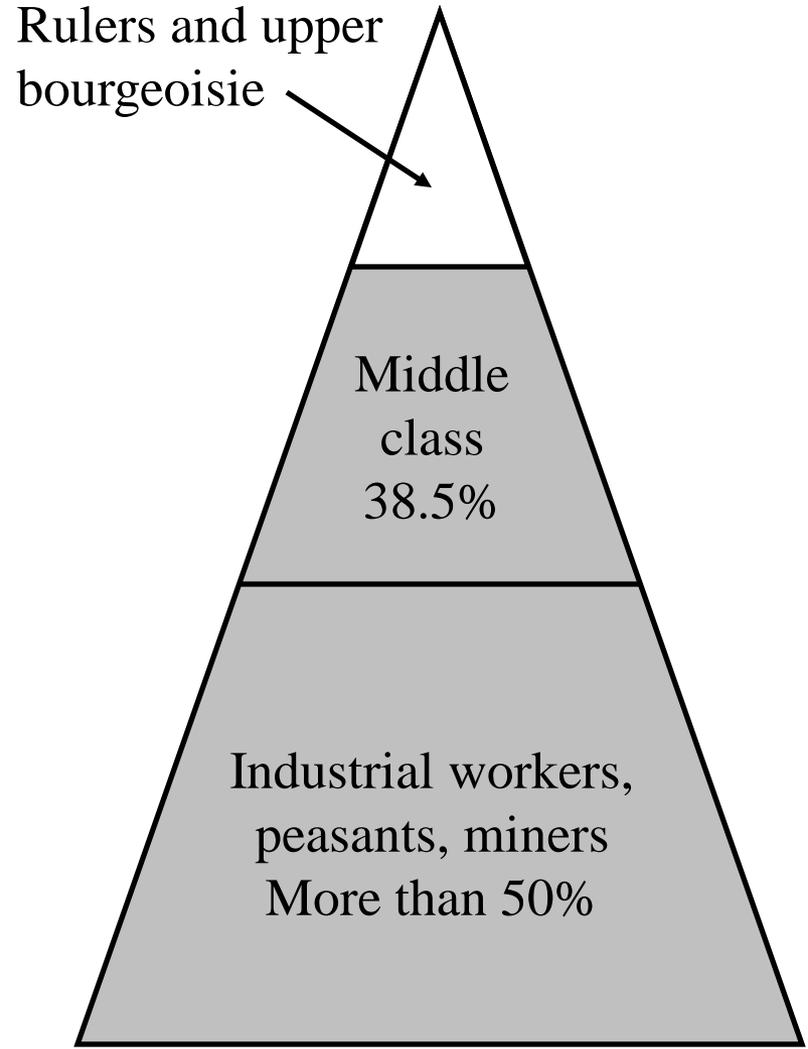
Picked by Chun to be elected

Korea: Per Capita GDP in 1990 USD





1961



1985

Democratic Developmentalism (DD)

An Alternative to AD?

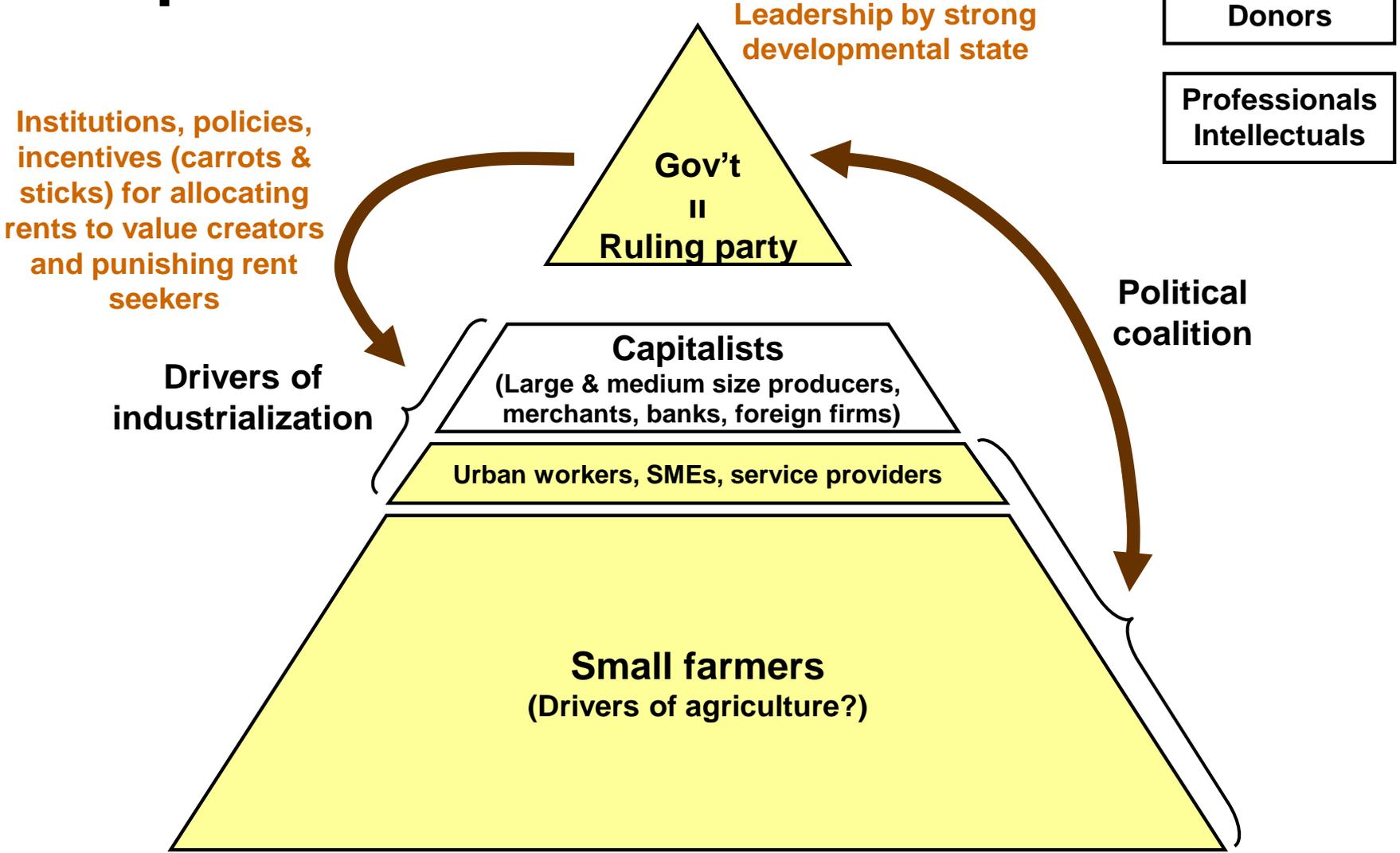
- ❑ AD as a political regime is undesirable—same leaders, suppressed opponents, no free election, no human rights, etc.
- ❑ Can we combine East Asia's economic performance with the merits of democracy?
- ❑ Can we promote economic development (of East Asian type) under a democratic regime where power is shared, human rights are respected, and decision making takes much time, negotiation and compromising?

Ethiopia's Attempt to Establish Democratic Developmentalism



- ❑ PM Meles Zenawi was in power from 1991 to 2012. Around 2002, he turned to economic development with East Asia as the model.
- ❑ He aimed at a paradigm shift from neo-liberalism (World Bank, IMF) to DD (strong state guiding private sector development).
- ❑ DD: “A developmental regime that stays in power for a long time by winning free elections under multiple parties”
 - Strong state promoting value creators and punishing rent seekers
 - Small farmers as political base (not capitalists)
 - Agricultural Development Led Industrialization (ADLI)
- ❑ Example: leather industry promotion
 - Sticks: tax & ban on unfinished or semi-finished exports
 - Carrots: Leather Institute (training, technology, etc.), donor support, twinning with India, prioritized allocation of loans/forex, matching with foreign firms, monthly gov't-business meetings, etc.

Ethiopia's DD Model

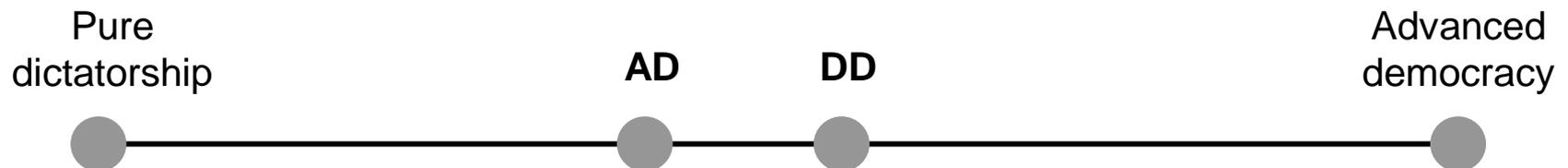


Source: a visual summary based on our interviews and letter exchange with PM Meles, 2008-2009.

PM Meles of Ethiopia

(Letter dated July 30, 2009)

- ❑ “Democratization in developing countries that comes as a result of external pressure is in my view unsustainable... because the external pressure is unsustainable. The neo-liberal triumphalism... is coming to an end.”
- ❑ “There is an unavoidable trade-off between democratization and policy continuity... There is always the risk that the developmental state will be voted out... [but] it is not inevitable.”
- ❑ “One last point I want to stress however is that AD and DD are much closer to each other than AD is to other Authoritarian governments or DD is to other democratic governments.”



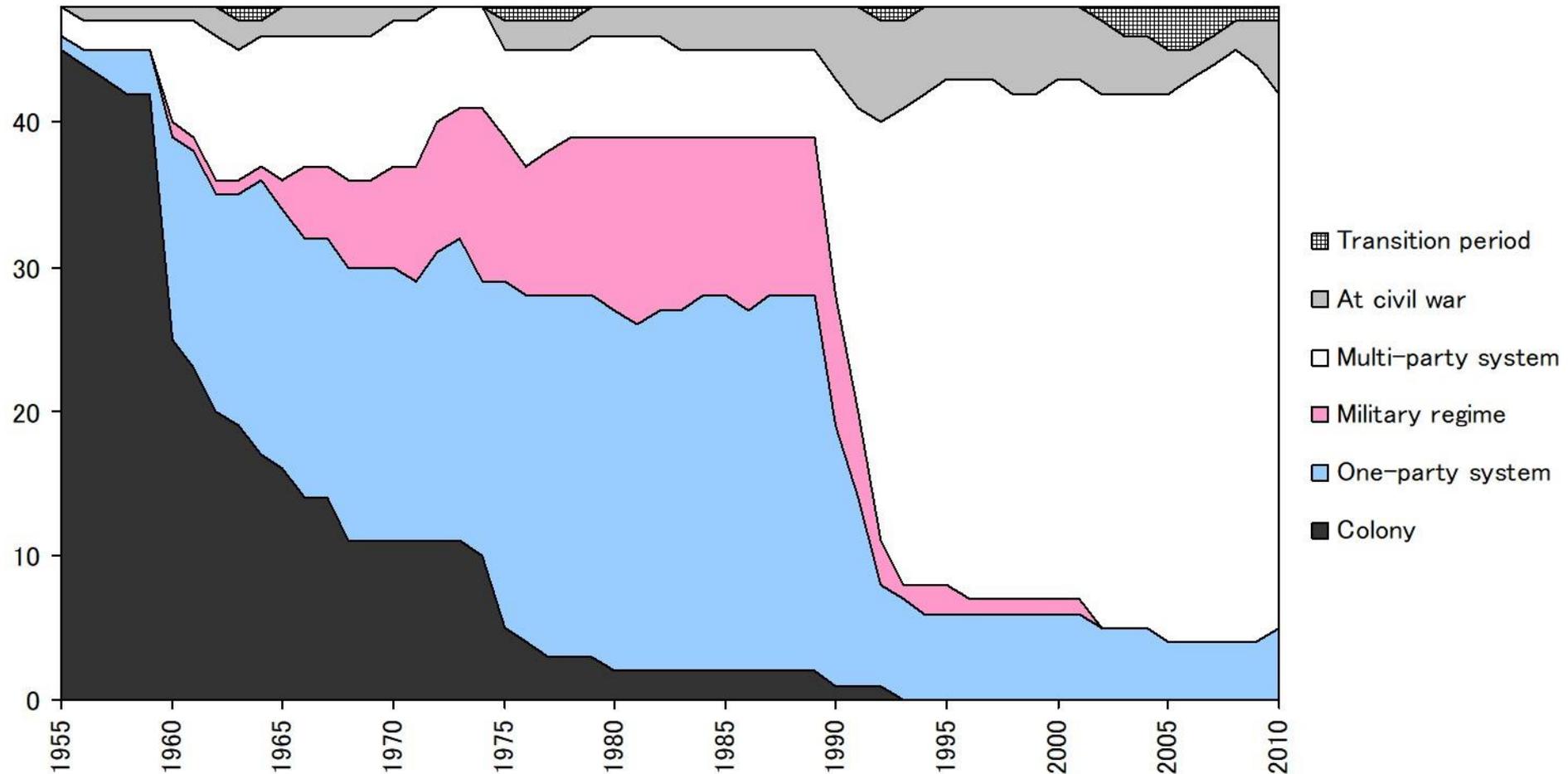
Ethiopia May Lose the Initial Fruits of Industrialization

- ❑ From around 2008, FDI began to flow into Ethiopia from India, China, Turkey, etc. Many industrial parks were constructed.
 - ❑ PM Meles passed away in 2012. Without his power grip, political and ethnic conditions became unstable.
 - ❑ In 2020, PM Abiy (2018-) started a civil war against Tigray, a northern region that had held power previously. Eritrea and Amhara region intervened. War crimes were committed on all sides. Other ethnic, regional and religious confrontations also erupted.
- ➔ Ethiopia is now in severe economic crisis—high inflation, debt crisis, shortage of fuel, materials and foreign currency. Most factories have stopped operation due to the lack of inputs.

Democracy and Development

Africa: Political Regimes 1955-2010

Number of countries (total 48)



Sources: Author's classification based on the following datasets and studies: M. Miyamoto & M. Matsuda, eds, *Shinsho African History*, Kodansha (1997); B. Ndulu, S.A. O'Connell, R.H. Bates, P. Collier and C.C. Soludo, eds, *The Political Economy of Economic Growth in Africa 1960-2000*, Cambridge University Press (2008); CIA, *World Fact Book*, various issues; Japanese Ministry of Foreign Affairs, *Basic Data of Countries*, various issues.

Democracy and Development Are Not Correlated

- ❑ Democracy has many components—freedom, human rights, legitimacy by (free) election, rule of law, participation, public purpose, power decentralization, etc.
- ❑ Democracy is not all-or-nothing. Each nation attains it with varying degrees.
- ❑ Democratic states are not necessarily developmental or fast growing. Authoritarian states include both high economic performers and non-performers (variance may be large).
- ❑ Today's latecomers are not necessarily more advanced than past latecomers in political maturity, human resource quality or private sector dynamism.
- ❑ They had to adopt democracy, free market and globalization because these were ruling principles in the post Cold War world.

Instability of Developing Country Politics

- ❑ Even under the form of democracy, politics may be marred by instability, personal gains, intolerance and radicalism.
- ❑ In many cases, political rules have not been institutionalized and authority is not firmly established or accepted.
- ❑ Election results, human rights, parliamentary rules can be bended or contested by opponents.
- ❑ Disputes may go to extremes (violence and terrorism). Negotiation and compromise are rejected.
- ❑ “Revenge politics” – prosecution, ousting or even execution of former PM or President; complete denial of his/her policies.

The Recent Rise of Non- developmental Authoritarianism

Emergence of Non-developmental Authoritarianism

- ❑ After the collapse of USSR (1991), US ideology (democracy and market) initially dominated the world. However, as the US power wanes and China rises, Western style democracy is challenged.
- ❑ Chinese actions and Russia's war in Ukraine accelerate this trend. The world seems divided between the Western camp and the "authoritarian" camp, with Global South taking a neutral position.
- ❑ Today, many developing countries can—and do—opt for **dictatorship without development**. Power perpetuation becomes the regime's goal, not raising GDP, productivity or living standards.
- ❑ Besides traditional crackdown by police and military, surveillance cameras, big data, AI, etc. are now used to monitor and suppress media and citizens.
- ❑ Unlike AD, the new regime may suppress domestic big businesses if they gain enough power to challenge the government.

Cont.

- ❑ This regime is different from the AD of late 20c East Asia. How it will evolve and exit to the next stage is highly uncertain.
- ❑ This may be the resurgence of traditional dictatorship (patrimonial or predatory state) but in the 21st century context of digital technology and international relations (Post-Cold War → US vs. China).

Some Examples

- ❑ China and Russia: power concentration proceeds internally and rejection of the US hegemony is projected externally.
- ❑ Many Southeast Asian countries turn to non-democratic forms of government such as military rule and one-man rule: Thailand, Vietnam, Cambodia, Myanmar...