Leadership and Political Regime

Policy Formulation in Developing Countries

GRIPS Development Forum
Leadership is Crucial

- 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 in institutional change, because he/she can build other necessary conditions and systems.
Good Leaders: Given or Can be Promoted?

- Obviously, for anyone and for any political regime, existence or absence of good leaders is not directly controllable.

- But 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 (eg. This course and my book, *Learning to Industrialize*)
  - Well-calculated cooperation and pressure from foreign governments and aid agencies (eg. Leftwich’s DLP)
  - Regional contagion of good leadership (eg. East Asian AD)
  - Biographies, dramas, movies of excellent national leaders
East Asia’s Solution

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

Key ingredients of AD
- Powerful and wise (=economically literate) top leader
- Development as a supreme national goal (obsession)
- Technocrat group to support leader and execute policies
- Legitimacy derived from successful development
- Popular support (because of rising income)

The leader, as the primary force of change, creates the other four conditions.
Note: The pink area shows authoritarian developmental leaders and the dark area indicates pre-independence periods. For China, the most influential leader among those holding highest positions is indicated.

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.
- Private sector is weak in most developing countries. The state must lead initially.
- If broad participation is allowed, policies are too slow and can’t achieve critical mass due to:
  - Power struggle, party politics, interest groups, etc.
  - Processes which require patience and compromise, including parliamentary debate and consensus building
  - Some groups refuse to cooperate with state purposes
Emergence of AD

- AD emerges through election as well as a coup.
- AD is more likely to rise when the nation’s existence is threatened by:
  - External enemy
  - Internal ethnic/social instability
  - Incompetent and corrupt leader

- The rise and fall of AD depends on:
  - Development stage of each country
  - International environment
    - Eg. Cold War – reduced global criticism of authoritarian states
    - Present – non-democratic states are not allowed
Guaranteed Failure of Development?

E. Asia’s Authoritarian Developmentalism

Developmental policies

Economic growth

Political stability

New social problems
(inequality, crime, pollution...)

Supplementing policies

Start

A few decades later

Exit to a richer & more democratic society
(examples: Korea, Taiwan)
Exit of AD

- AD is a temporary regime of convenience, needed only to push up the country to a higher level.
- Once a certain level is reached, AD becomes an obstacle to further development.
- Watanabe (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

Government-capitalist coalition (undemocratic)

Suppress

Workers, urban dwellers

Farmers

Gov’t II Capitalists

20-30 years of sustained growth

Demand for democracy

Middle Mass

Workers, urban dwellers, professionals, students

Gov’t II Capitalists

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. Therefore, leadership, policy and struggle are also needed for an exit.

- 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, 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
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

- Syngman Rhee (dictator)

1970

- Park Chung Hee (dictator)

1980

- Chun Doo Hwan (dictator)

1990

- Roh Tae Woo

- 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
Ms. Huyen’s Model

Economic growth → Social mobilization
   Urbanization, Industrialization, Modernization

Political culture:
- Compromise as common political culture
- Active political participation
- Values such as equality, moderation

Social structure:
- Rise of workers & middle class
- Old classes losing power
- Emergence of civil society

Democracy

Korea: Per Capita GDP in 1990 USD

Graph showing the increase in Per Capita GDP from 1960 to 1994.
Farmers: 80%

Students and professionals

Rulers

Rulers and upper bourgeoisie

Middle class: 38.5%

Industrial workers, peasants, miners: More than 50%

Form vs. Substance of Democracy in the Context of Latecomer Development

- Is AD replicable in Africa? Central Asia? Elsewhere?
- Does 21st Century allow AD? The Cold War already ended.
- Can we separate “authoritarian” elements from “developmental” elements, and take only the latter?
- Countries that already have free election, functioning parliament, human rights—can they adopt developmentalism without sacrificing their political achievements?

→ Need to go beyond simple dichotomy between AD vs. democracy
→ Need to decompose democracy into components and stages and analyze its structure
Components of Democracy

- Human rights and freedom
- Legitimacy (election)
- Rule of law
- Participation
- Public purpose
- Power decentralization (L-E-J, center-local)

Only some components should be restricted, if at all, to conduct development policy. Amount of restriction should be reasonable.

Random, excessive oppression should never be allowed.
Instability of Developing Country Politics

- Even under the form of democracy, politics may be characterized by instability, personal gains, intolerance and radicalism.
- Rules have not been institutionalized, and authority is not firmly established or accepted.
- Election results, human rights, parliamentary rules can be bended, and contested by opponents.
- Disputes 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.
Africa: Political Regimes 1955-2010

Ethiopia’s Democratic Developmentalism (DD)

- Prime Minister Meles Zenawi (in power 1991-2012)
- Aiming at paradigm shift from Neo-liberalism to DD
- DD: “A developmental regime that stays in power for long by winning free elections under multiple parties”
  - Strong state promoting value creation and punishing rent seeking
  - Small farmers as political base (not capitalists)
  - Agricultural Development Led Industrialization (ADLI)
- Example: leather industry promotion
  - Sticks: tax & ban for unfinished/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 and monitoring, etc.
Governance

Ruling party

Leadership by strong developmental state

Drivers of industrialization

Capitalists
(Large & medium size producers, merchants, banks, foreign firms)

Urban workers, SMEs, service providers

Small farmers
(Drivers of agriculture?)

Institutions, policies, incentives (carrots & sticks) for allocating rents to value creators and punishing rent seekers

Ethiopia: DD, ADLI, GTP
Are AD and DD Really Different?

- Today’s latecomers are not necessarily more advanced than past latecomers in political maturity, HRD or PSD.
- They must adopt “democracy (elections),” free market and globalization because these principles now rule in the world (since 1990s).
- The substance of development (productivity, competitiveness, policy quality, etc) cannot be realized just by changing political or economic frameworks.
- AD and DD are different adaptations by national leaders to shifting global environments for the same purpose of development through receiving international aid and support.
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.”

 Pure dictatorship | AD | DD | Advanced democracy
REFERENCES


Suehiro, Akira, *Catch-up gata Kogyoka ron* (Catch-up Type Industrialization), Nagoya University Press, 2000, Japanese.

