

Leadership and Political Regime

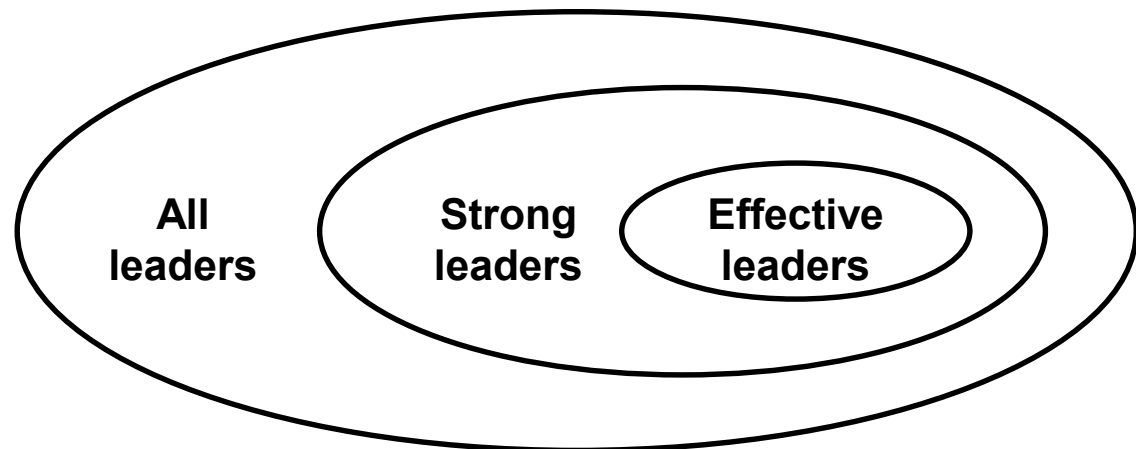


Policy Formulation in Developing Countries

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 for institutional change, because he/she can build other necessary conditions and systems.



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)
 - Biographies, dramas, movies about excellent national leaders

East Asia's Historical Solution

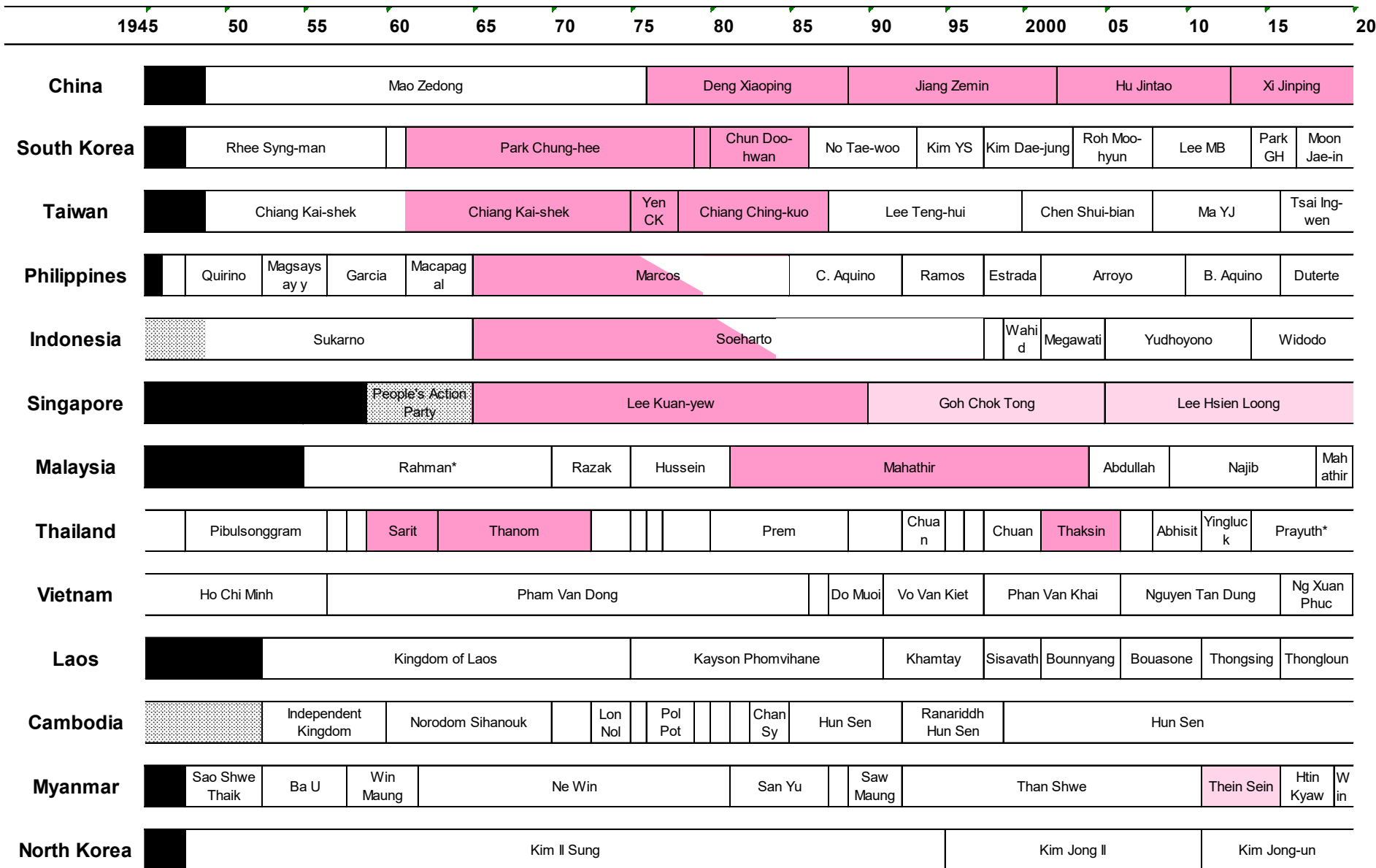
Adopt *Authoritarian Developmentalism* (AD) during the take-off period (for a few decades)

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
- ❑ Popular support (because of rising income)

The leader, as the primary force of change, creates 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 groups, etc.
 - Processes which require patience and compromise, including parliamentary debate and consensus building
 - Some groups block, sabotage or refuse to cooperate with state purposes

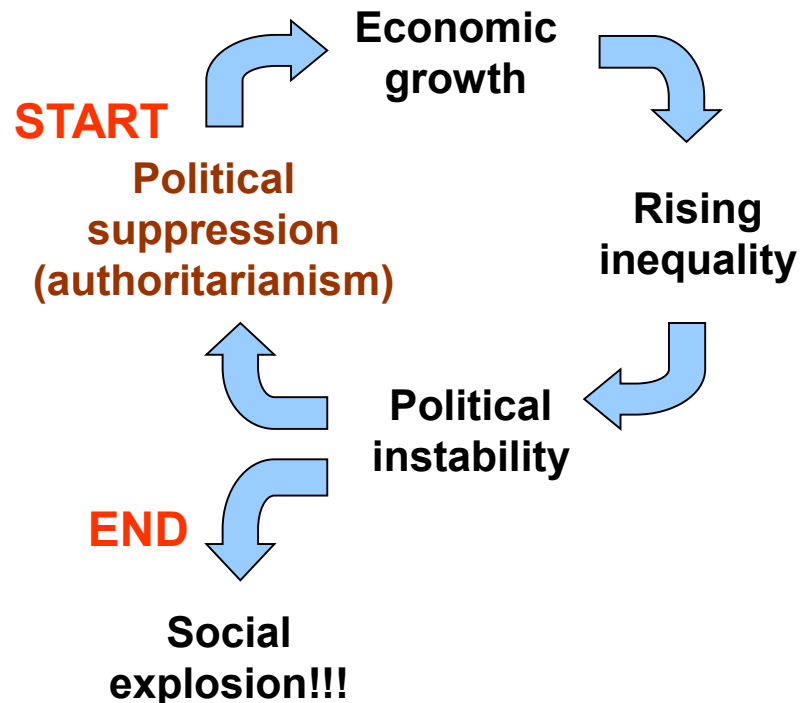
Emergence of AD States

- AD emerges through election as well as by a coup.
- AD 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?

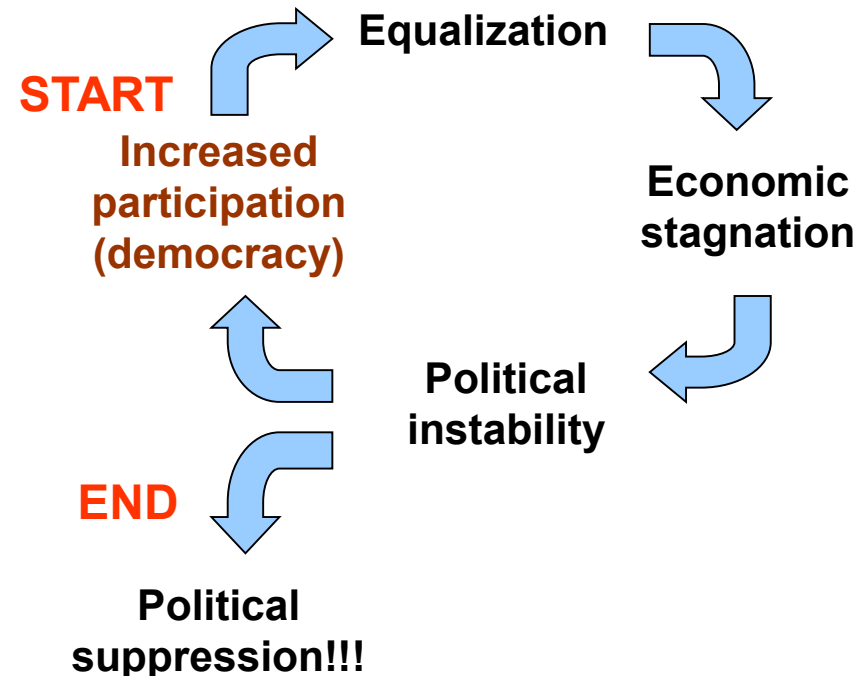
Guaranteed Failure of Development?

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

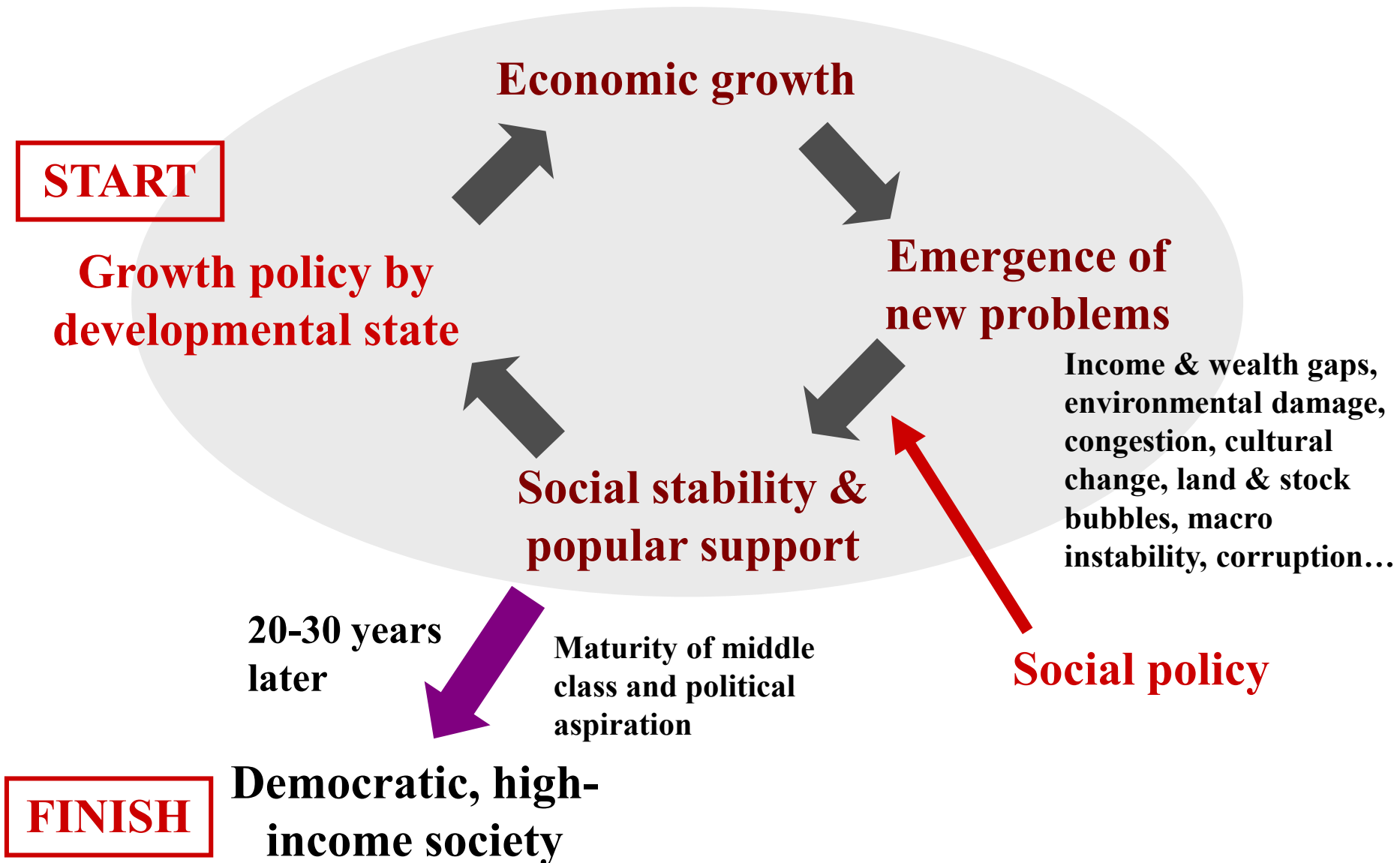
Technocratic Model



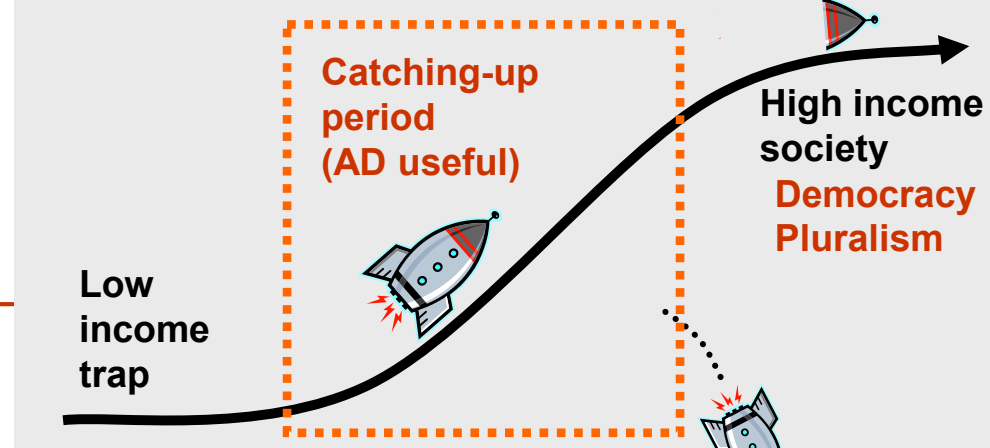
Populist Model



Growth & Social Policy: An East Asian Pattern

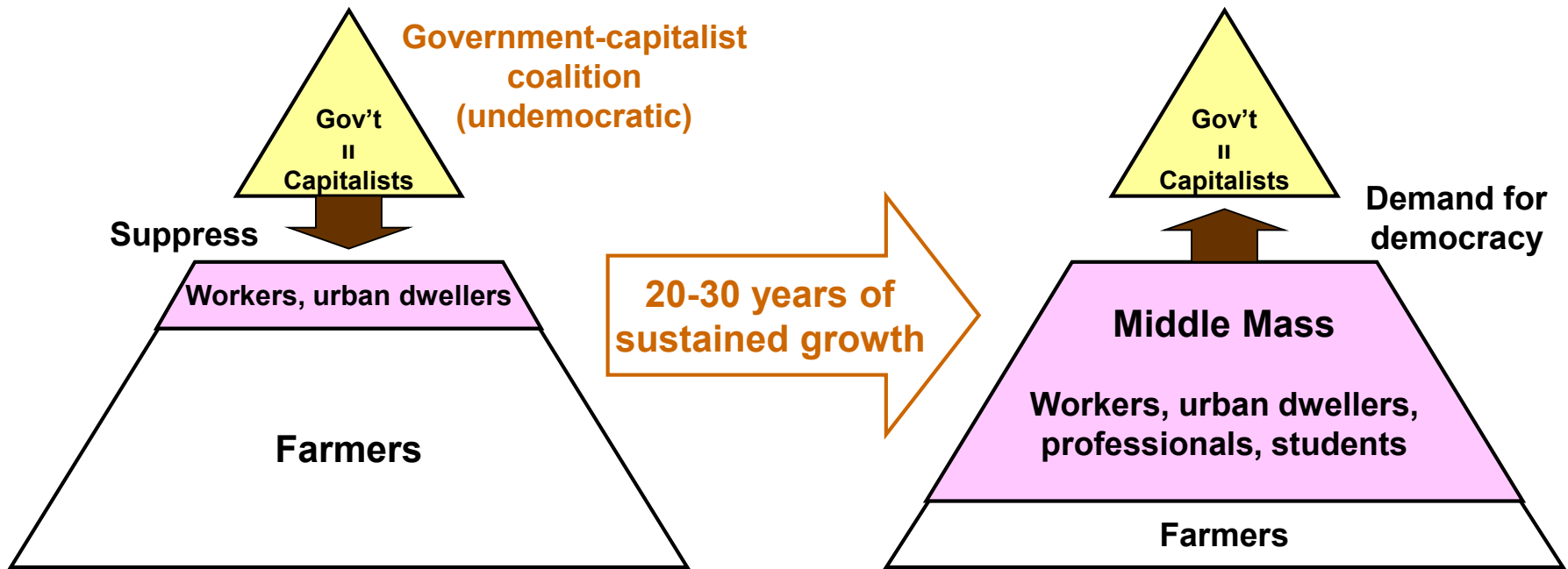


Exit of AD



- ❑ AD is a temporary regime of convenience, needed only to push up the country to a 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



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.
- ❑ *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

Minjung Movement

Syngman Rhee
(dictator)

Park Chung Hee
(dictator)

Chun Doo Hwan
(dictator)

Roh Tae Woo

↑
Student protests

↑
Yushin Constitution
(1972)

↑
Kwangju Massacre
(1980)

↑
Return to democracy
(1987)



Corrupt & inefficient



Growth under AD & North threat

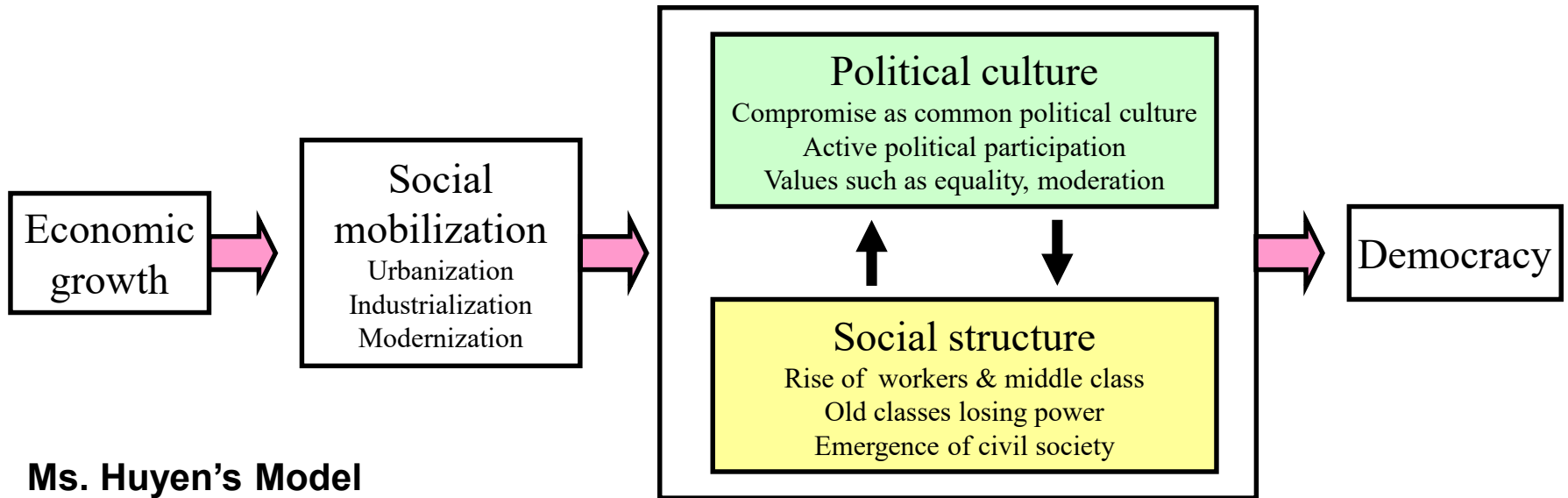
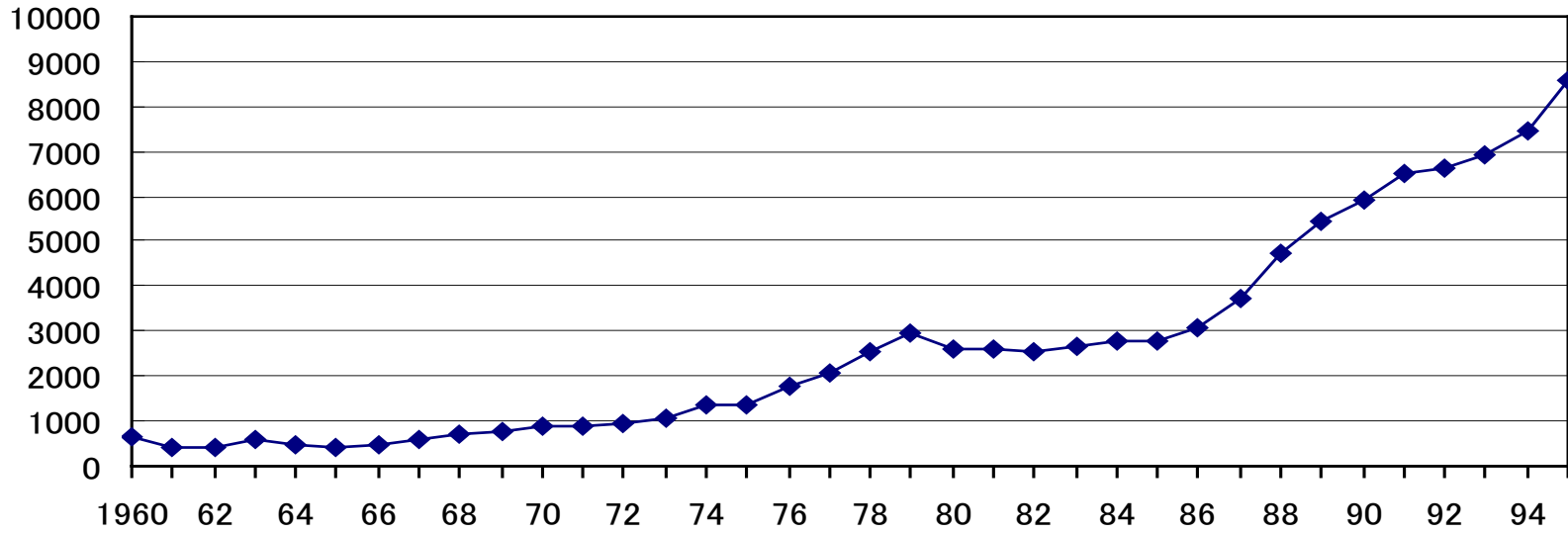


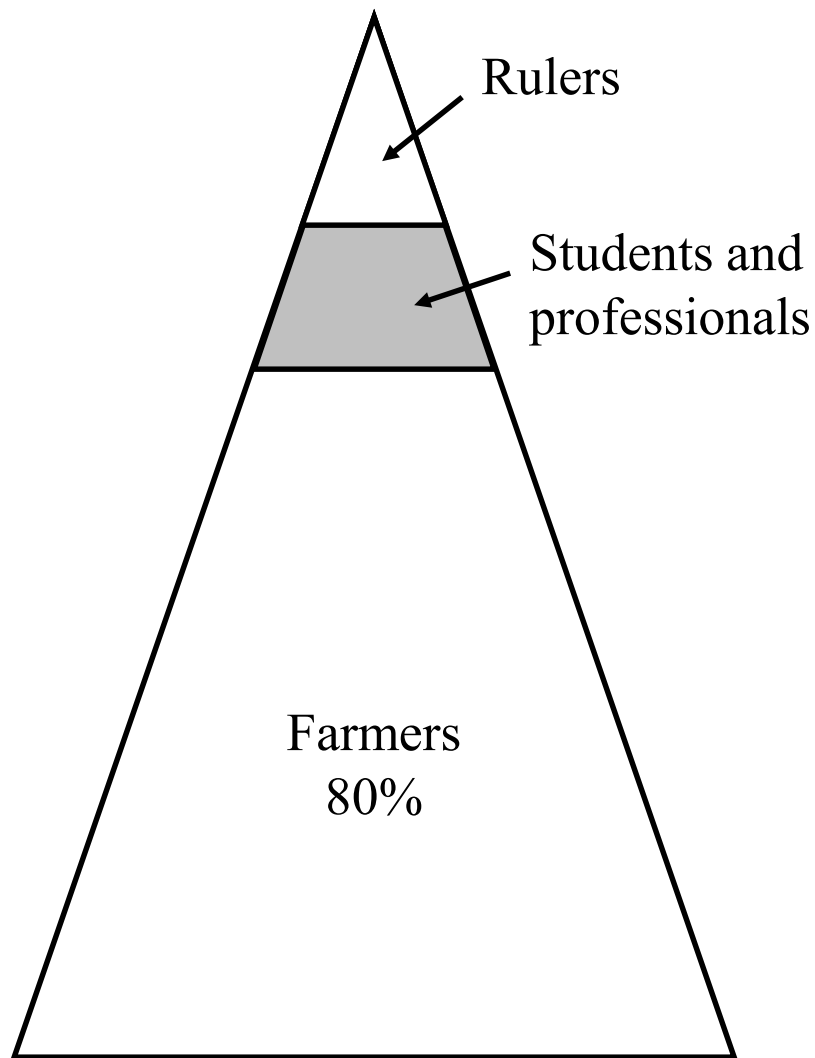
People's protest mounts



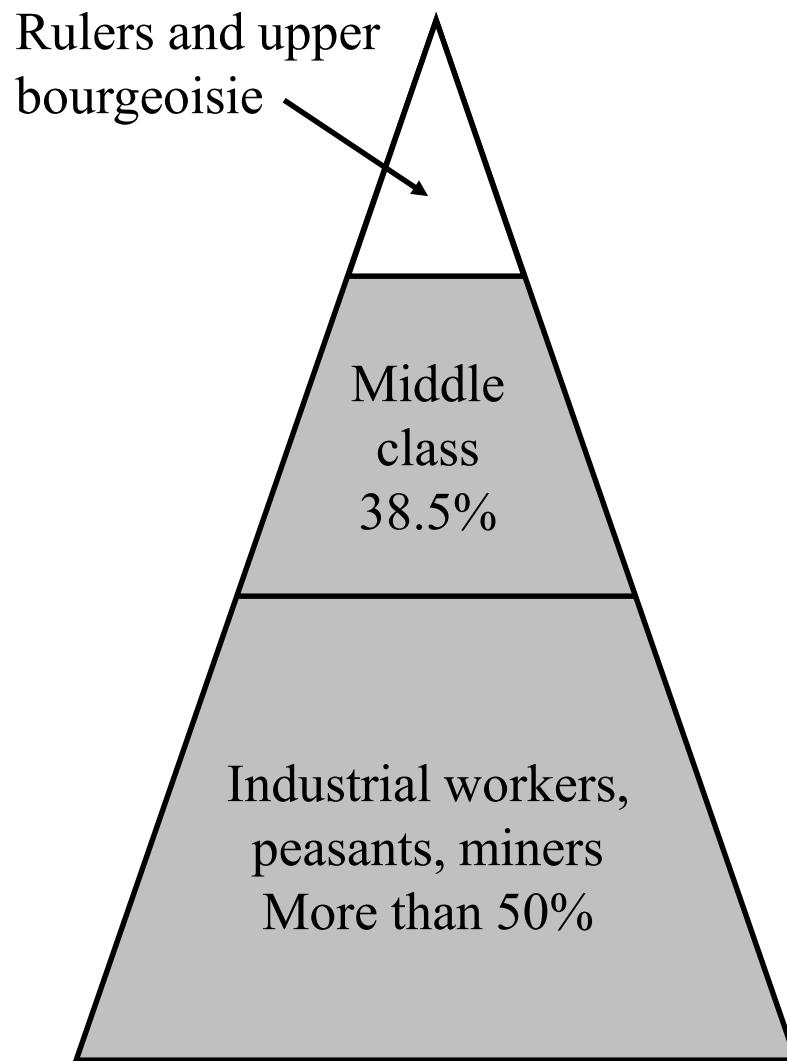
Picked by Chun to be elected

Korea: Per Capita GDP in 1990 USD





1961



1985

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

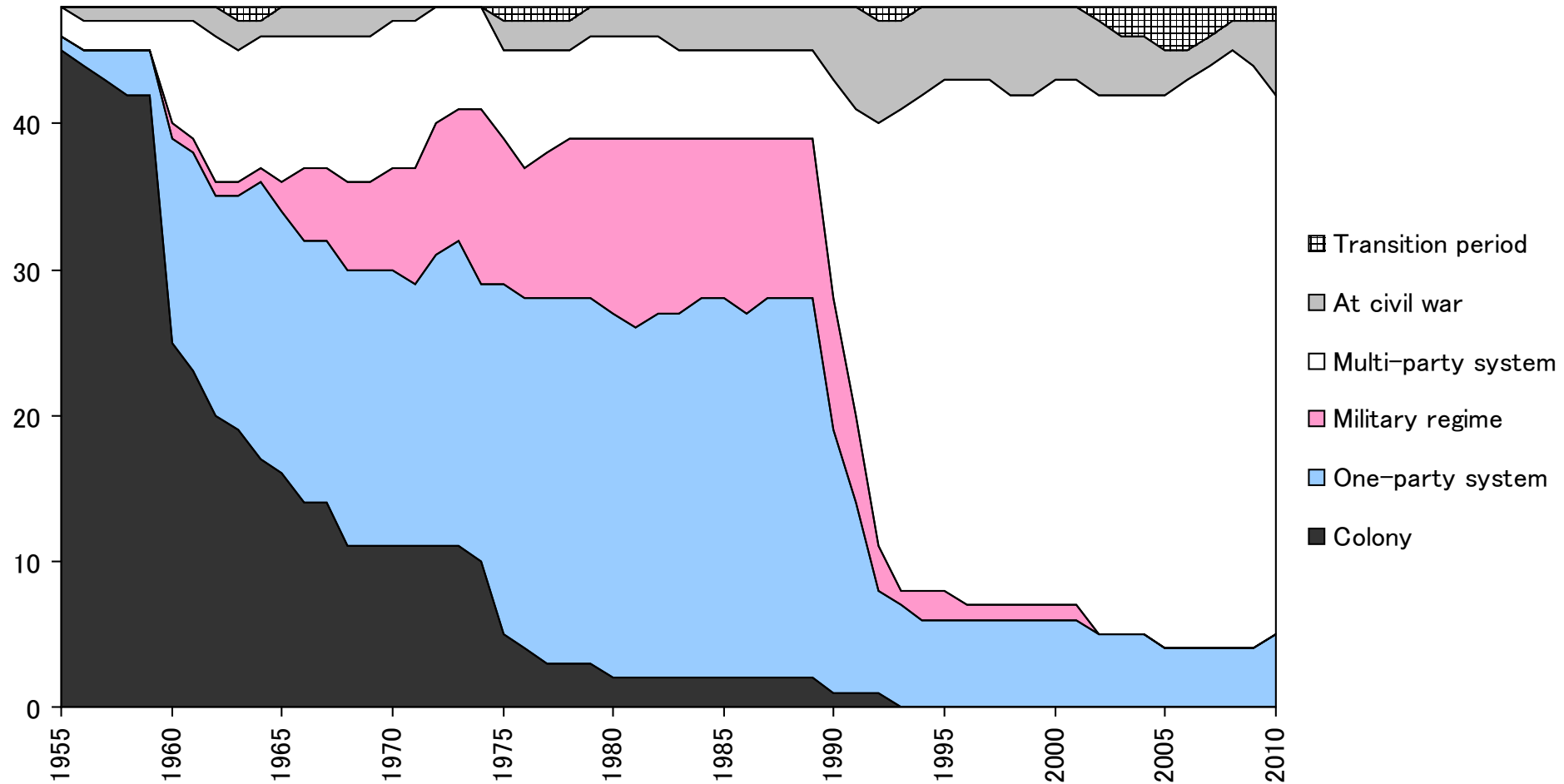
- ❑ Is AD replicable in Africa? Central Asia? Elsewhere?
 - ❑ Does 21st Century allow AD?
 - ❑ Can we separate “authoritarian” elements from “developmental” elements, and take only the latter?
 - ❑ Countries that already have free election, functioning parliament, human rights—can they adopt developmentalism without sacrificing their political achievements?
-
- ➔ Need to go beyond simple dichotomy between AD vs. democracy
 - ➔ Need to decompose democracy into components—human rights, freedom, legitimacy by (free) election, rule of law, participation, public purpose, power decentralization, etc.

Instability of Developing Country Politics

- ❑ Even under the form of democracy, politics may be marred 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 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.

Africa: Political Regimes 1955-2010

Number of countries (total 48)



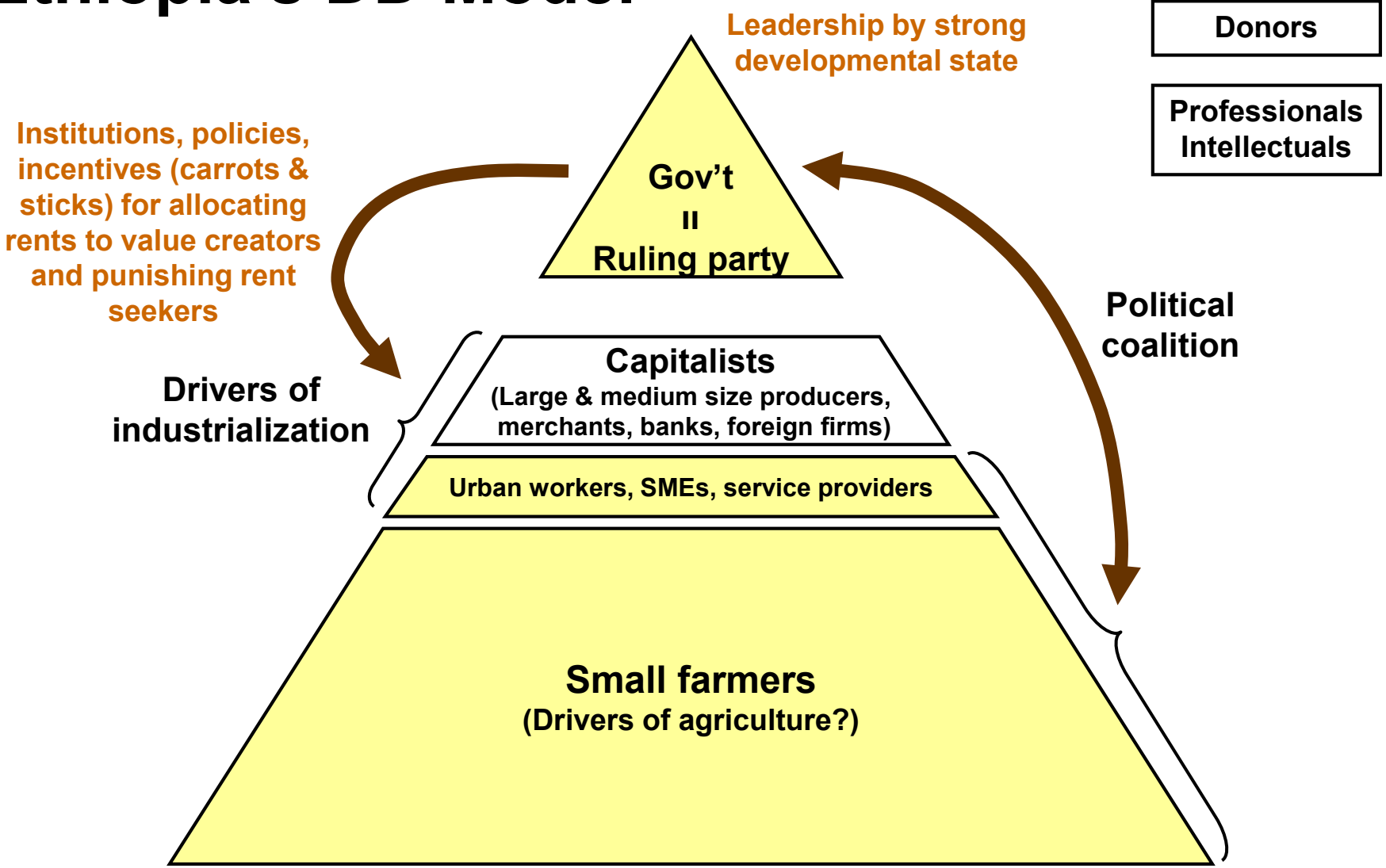
Sources: Author's classification based on the following datasets and studies: M. Miyamoto & M. Matsuda, eds, *Shinsho African History*, Kodansha (1997); B. Ndulu, S.A. O'Connell, R.H. Bates, P. Collier and C.C. Soludo, eds, *The Political Economy of Economic Growth in Africa 1960-2000*, Cambridge University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

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 on 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, etc.

Ethiopia's DD Model



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

Are AD and DD Really Different?

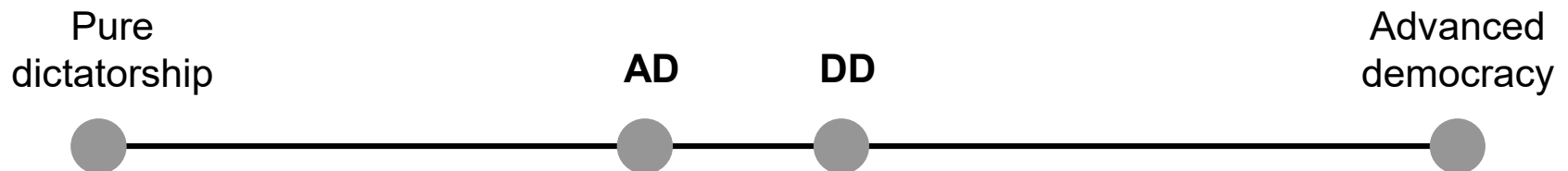
- ❑ Today's latecomers are not necessarily more advanced than past latecomers in political maturity, human resource quality or private sector dynamism.
- ❑ They must adopt "democracy (elections)," free market and globalization because these principles now rule in the world (since 1990s).
- ❑ The substance of development (productivity, competitiveness, product 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 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.”



A Final Remark

- ❑ Western style democracy is challenged by China that promotes its own idea of developmental state. China is an upper middle income country (pc income \$10,919: WB 2020).
- ❑ Globally, there is a regression from democracy to more authoritarian or military regimes (esp. developing countries in Asia).
- ❑ It is not clear whether these movements are related to a search for a new developmental model or purely political.