

RESEARCH HANDBOOK ON DEMOCRACY AND
DEVELOPMENT

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Research Handbook on Democracy and Development

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ELGAR HANDBOOKS IN DEVELOPMENT



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Introduction to *Research Handbook on Democracy and Development*: an overview of the debates

Abdul-Gafaru Abdulai and Gordon Crawford

This book focuses on one of the most researched, debated and controversial issues in the social sciences: the relationship between democracy and socio-economic development. A series of questions have been posed over the past 60 years on this debate. Is there a mutual reinforcement between socio-economic development and democracy, a virtuous cycle in which progress in one leads to progress in the other? Or is there little or no connection between the two? Yet, even if we assume the existence of a relationship between democracy and development, questions regarding the direction of causation will remain. First, taking development as the independent variable and democracy as the dependent variable, we can ask: to what extent and in what ways does socio-economic development impact on political democracy? In other words, do higher levels of development provide conditions that enhance prospects for democratization? Second, if we reverse the relationship with the political regime becoming the independent variable, then the question becomes: what is the impact of a democratic polity on socio-economic development? In other words, do democratic regimes offer better prospects for development than authoritarian ones? From the policy perspective, another set of important questions relate to prioritization: should the achievement of socio-economic development be prioritized by countries, with the understanding that this will provide more favourable conditions for democratization? Or, alternatively, should societal energies go into establishing a democratic political system, with the expectation that this is more likely to deliver socio-economic development for the mass of the people?

Such questions have been the subject of much research in the social sciences over many decades, yet with little consensus achieved. This book does not seek to provide definitive answers to these big questions – that would be an impossible task. It does aim, however, to provide some clarification to various aspects of the complex interlinkages between democracy and socio-economic development, and to do so based on recent research undertaken by our authors. This introduction proceeds by outlining the main ways in which scholarly debates about democracy and development have evolved over the past six decades, until the contemporary time. It then introduces the contents of the book, divided into eight parts and 28 chapters.

EVOLUTION OF DEBATES 1960–2020

While debates concerning the relationship between democracy and socio-economic development remain unresolved, it is evident that dominant perspectives have emerged at different historical moments in the last half-century and more, ones that tend to emphasize the linkage in one particular direction. In the early 1960s, following the seminal work of Seymour Martin Lipset (1959), the dominant orthodoxy was that development was a requisite of democracy – to put it simply, development first, democracy second. This became a prominent part of the

knowledge system proposed by the school of modernization theorists in the 1960s and 1970s. These theorists anticipated that less developed countries would follow in the footsteps of the already industrialized countries, with modernization entailing a transition to Western-style capitalist economies and liberal democratic polities, in that order. Another seminal work of the 1960s, that of Barrington Moore (1966), came from a very different theoretical perspective, that of neo-Marxism, but shared a structural analysis with Lipset and modernization theory that the changes in the economic and social structures associated with industrial transformation were necessary before democracy could transpire. For Barrington Moore, the key structural change was the emergence of the bourgeois class, as summed up in his famous concluding phrase: ‘no bourgeoisie, no democracy’. While Lipset’s analysis, and that of the modernization theorists, was relatively optimistic that the ‘social requisites of democracy’ would be achieved through socio-economic development, in contrast, Moore traced three possible historical trajectories from agrarian societies to modern industrial ones, dependent on class formations and class alliances between the bourgeoisie, aristocracy and peasantry. The capitalist democratic route, typified by France, England and the United States, was one, but a capitalist reactionary route which engendered fascist dictatorship, as in Germany and Japan, was another, while a communist route, exemplified by Russia and China, was a third possibility. While democracy seemed preferable to different forms of dictatorship, the question of development under authoritarian rule was also raised. Here, Samuel Huntington’s (1968) work on political order was somewhat controversial, including among fellow modernization theorists, with his emphasis on ‘political order’ as necessary for economic development and that this was more likely to be attained under authoritarian rule.

Meanwhile, at this time, where was economic growth and development actually occurring in the world? Real-world evidence offered some support, in fact, for the notion that authoritarian rule could provide favourable conditions for economic development, while also confirming the worst excesses of some authoritarian regimes, both economically and politically. By the 1980s, economic growth and industrialization was most evident in East Asia, notably in the four ‘Tiger’ economies of South Korea, Taiwan, Singapore and Hong Kong, under the ‘developmental state’ model where authoritarian governments presided over state-directed industrialization in conjunction with private sector firms (Amsden, 1989; Wade, 1990). It is well-known that South Korea had roughly the same gross domestic product (GDP) as Ghana in 1960, shortly after Ghanaian independence. Yet, by 1996, South Korea had joined the Organisation for Economic Co-operation and Development (OECD) group of wealthy nations, while Ghana remained a low-income country, and even became one of the ‘highly indebted poor countries’ (HIPCs) in the early 2000s as the country’s democracy became increasingly consolidated (Abdulai and Crawford, 2010).

While a variety of factors may have accounted for successful industrialization in South Korea, not least substantial US government assistance, the ability of authoritarian governments to implement a long-term industrial strategy was noted, inclusive of long-term investment and planning, in contrast to the short-term electoral cycles of democracies. The subsequent democratic transitions in South Korea and Taiwan, achieved in 1987 and 1996 respectively, would appear to give some credence to the modernization thesis that advances in economic development would likely lead to the emergence of democracy. However, modernization hypotheses were severely challenged and contested by experiences elsewhere in the world. This occurred most notably in Latin America where capitalist development under conditions of dependency had led to a turn away from democratic, competitive politics in the 1960s and

1970s (Collier, 1979, p. 20). During this period, the four most advanced industrial economies in South America were subject to military coups that overthrew democratic governments, with military regimes then continuing into the 1980s and even 1990s. Military coups occurred in the 1960s in Brazil (1964–5) and Argentina (1966–73 and again 1976–83), and then in the 1970s in Uruguay (1973–85) and Chile (1973–90), where the US-supported military coup led to the overthrow and death of elected President Salvador Allende. These military regimes were responsible for political repression and gross human rights violations, notably the ‘Dirty War’ and ‘disappearances’ in Argentina after the 1976 coup and the atrocities committed by General Pinochet’s regime in Chile (1973–90). These military dictatorships were characterized as ‘bureaucratic authoritarian’ regimes by Guillermo O’Donnell (1973), and at times had some association with economic growth, notably in Brazil after 1964. Yet this was elite-oriented growth based on foreign capital investment and the suppression of labour unions and workers’ rights. Such growth did not lead to improvements for the poor majority, but instead resulted in rising inequalities. Additionally, the economic liberalization measures introduced in Chile under Pinochet from the mid-1970s onwards, influenced by Milton Friedman and his ‘Chicago boys’, foretold the demise of the state-led development model and the rise of neoliberalism. Indeed, the Chilean experience under military dictatorship in the 1970s was the first experiment in neoliberalism that came to dominate the global economy in the 1980s and 1990s, with questionable implications for democracy, as discussed further in this book.

Elsewhere in the so-called developing world, various forms of autocratic rule were often disastrous for the majority population. Characterized as ‘authoritarian state elite-enrichment regimes’ by Georg Sorensen (1998, p. 79), various types of one-party and no-party regimes were led by personal rulers who controlled and looted the state for their own personal enrichment and that of their clientelist groups, and promoted neither growth nor the welfare of their citizens. Sorensen (1998, p. 80) gives examples in Africa such as the former Zaire (now Democratic Republic of the Congo) under Mobutu (1965–97) and the Central African Republic under Bokassa (1966–79), as well as elsewhere – for instance, Haiti under the Duvaliers (Papa Doc 1957–71, Baby Doc 1971–86).

Returning to the scholarly world, another influential volume was that of Rueschemeyer, Stephens and Stephens (1992) in their examination of the relationship between capitalist development and democracy. Their starting point was the fact that most developed countries are democracies, and they provided a class-based structural argument similar in some respects to that of Barrington Moore 25 years earlier. However, their analysis focused on a different class protagonist as responsible for the transition to democracy – the working class, not the bourgeoisie. In accounting for this, their major explanation was that socio-economic development is accompanied by a ‘changing balance of class power’ – namely, the enlargement of the working class as a pro-democratic force and the erosion of the power of the landowning class as the ‘most anti-democratic force’ (1992, p. 76). Again, as with previous structural analyses, they were seeking to explain how capitalist development and associated structural changes gave rise to democracy. However, this publication coincided with the collapse of the Soviet Union in late 1991, and a ‘new orthodoxy’ (Leftwich, 1996) quickly emerged in the post-Cold War context of Western triumphalism. This reversed the expected direction of influence, with much scholarly interest now turning to focus on the impact of democracy on socio-economic development.

The ‘new orthodoxy’ was initially associated with the political conditionality policies of bilateral and multilateral development aid ‘donors’ (Crawford, 2001), and emerged in the dual

context of the collapse of communism and the ‘third wave of democratization’ (Huntington, 1991). Starting with the Carnation Revolution in Portugal in 1974, the ‘third wave’ had spread through Latin America in the 1980s, touched the Asia-Pacific region in the mid- to late 1980s, before washing across Central and Eastern Europe in the late 1980s and, finally, sub-Saharan Africa in the early 1990s. According to Huntington’s classification, the number of formal democracies increased from less than 30 per cent to more than 60 per cent of countries in the world during that period (Huntington, 1997, p. 3), though, of course, there were some reversals subsequently.

The post-Cold War expectation was that the transition to a democratic political system in former communist and low-income countries would lead to more favourable outcomes in terms of economic growth and development. In subsequent years, such confidence amongst international organizations and mainstream Western scholars has declined somewhat with the inability of many transitioning countries to achieve democratic consolidation and the increased prevalence of competitive authoritarian or ‘hybrid’ regimes (Levitsky and Way, 2010), as well as the frequent failure of democratic regimes to deliver socio-economic development for their citizens. Nonetheless, the post-Cold War context led to a renewal of research questions about the entangled relationship between democracy and development, though now focusing more on the political regime as the independent variable and looking at the impact on socio-economic development.

Particularly noteworthy is the work of Adam Przeworski et al. (2000), *Democracy and Development: Political Institutions and Well-being in the World*. This provides a comprehensive examination of different aspects of the relationship between political regimes and material well-being. The authors explore various questions concerning the economic and political outcomes of democratic and autocratic regimes using a comparative method and quantitative analysis, with data on 141 countries between 1950 and 1990. One key finding is that richer countries do better in maintaining democracy, with no democratic regime having reverted to dictatorship after a certain income level has been reached (US\$6055 per capita), but the level of economic development in itself is of little consequence for democratic transition. This was presented as a challenge to modernization theory, with Przeworski et al. (2000, p. 137) concluding that: ‘Modernization theory appears to have little, if any, explanatory power’. In fact, their analysis concentrates on the impact of different political regimes on aspects of development, not the other way round as modernization theory did, and their overall finding was that political regimes had limited impact on development – for instance, on economic growth.

But one exception was the strong finding concerning political regime and demography, where democracies performed significantly better than autocracies in terms of lower birth rates, higher life expectancy, and higher per capita incomes at the equivalent level of economic development. This resonates with the standout finding from various studies on the relationship between political regimes and aspects of poverty – namely, that the establishment of democracy leads to a significant decline in infant mortality rates (see Crawford and Abdulai, 2012, p. 355). Infant mortality is often taken as a key poverty indicator, given its concentration in the lowest income quintile, as well as its close relationship with other welfare measures such as nutritional levels, sanitary conditions, access to health facilities, and female education and literacy rates (Navia and Zweifel, 2000). But with the exception of infant mortality, the findings of many empirical studies, mainly quantitative, concerning the relationship between democracy and poverty reduction remain unclear and ambiguous (Crawford and Abdulai, 2012, p. 353). Interestingly, while findings tend to confirm that democracies spend more on

social services such as health and education, the outcomes of such spending do not necessarily translate into poverty reduction due to elite capture of such expenditure, with benefits skewed towards upper- and middle-income groups (*ibid.*, p. 356). This pertains to the broader issue of democracy and inequality, which is discussed below.

One critical point concerning many of the quantitative studies that measure the impact of democracy on various aspects of socio-economic development, including Przeworski et al.'s (2000) influential book, is the crude binary or dichotomous classification of countries as either democratic or autocratic. While this may enable the statistical analysis, a classification based on types of democracy or degrees of democratization could provide a more accurate picture of the type of political regime that may facilitate progress in specific socio-economic development indicators. We seek to provide some clarification in this book by considering different forms and types of democracy, beginning with the definitional chapter by Skaaning, as well as varieties of autocracy, and their developmental implications.

One recent study on economic development and democracy that does disaggregate the concept of democracy into different types and constituent components is that by Knutsen et al. (2018), although they focus on examining the impact of economic development on democracy, and not the other way around. This returns to the relationship originally explored by Lipset (1959), though with more focus now on the nature of the democratic outcome. Their findings are that economic development is robustly associated with the electoral aspect of democracy, and not, or less so, with other components such as the participatory, deliberative, liberal or egalitarian aspects that are associated with broader concepts of democracy. Thus, economic development strengthens electoral democracy by shifting power resources to citizens from leaders, and by citizens using such resources to hold leaders accountable through elections (Knutsen et al., 2018). This work also provides some corroboration of Przeworski et al.'s (2000) findings. They indicate how economic development assists in upholding an existing electoral regime, thus preventing backsliding to autocracy, and supporting Przeworski et al.'s 'survival story' that democracy is sustained in more developed countries, while economic development plays little or no role in initial democratic transitions (Knutsen et al., 2018, p. 308).

As we moved into the twenty-first century, post-Cold War Western confidence diminished regarding the universality of the model of a capitalist market economy and a liberal democratic polity. Contemporary concerns have focused on three main areas: state capacity, inequality and authoritarian populism. We look briefly at each in turn.

Perhaps the failure of the 'new orthodoxy' of the 1990s, inclusive of the realization that democracy was no 'magic bullet' and of the negative developmental outcomes of neoliberalism, led some researchers to look more carefully at the role of state capacity. This perspective tended to question any direct linkage between forms of governance (including democracies) and socio-economic development, and instead highlighted the primacy of state capacity in shaping welfare outcomes. In a quantitative study covering up to 162 countries during the period 1965–2010, Hanson (2015) concludes that although better developmental outcomes can result from either democracy or state capacity, the latter is more crucial for bringing about development. He notes that higher levels of democracy can help compensate for low levels of state capacity, but that 'When state capacity is high, development outcomes improve even in the absence of democracy' (p. 328).

In addition, the recent literature on political settlements argues similarly that state capacity for development is not so much driven by the presence of formal democratic institutions such

as parties or elections, but rather the relative power of different groups and organizations and the extent to which those in power are vulnerable (Abdulai and Hickey, 2016; Hickey, Sen and Bukenya, 2015; Kelsall, 2013; Khan, 2010, 2018; Levy, 2014). In particular, if a ruling coalition is vulnerable to threats from excluded elite factions with significant holding power, it is more likely to be driven by short-term calculations than to undertake institutional reforms and distribute resources with a longer-term vision of the national interest in mind. It is argued that the highest levels of state capacity for development are likely to occur where the vulnerability of ruling elites is low due to the absence of powerful factions that are horizontally excluded. This level of regime security can encourage those in power to adopt a longer-term time horizon which reduces the transaction costs involved in implementing policies. Conversely, where there is a credible threat to the ruling coalition from powerful excluded groups who may be able to wrest power (either through elections or coups), and where lower-level factions are strong enough to make multiple demands on the centre, then the prospects for developmental governance over the long term are diminished. In such competitive clientelist political settlements, elite incentives tend to be loaded towards the use of public institutions in securing short-term political gains. In this book, Chapter 12 by Croissant and Pelke on the Asia-Pacific region has a particular focus on the significance of state capacity in shaping development trajectories.

The sharp rise of global inequalities in various forms over the last three decades has become a major concern, referred to as ‘the defining issue of our time’ by former US President Barack Obama (Sargent, 2013). Within academic research, the significance of inequality has been highlighted by authors such as Kate Pickett and Richard Wilkinson (2009) and Thomas Piketty (2014), as well as by Oxfam’s ‘Even It Up’ report (2014), with ‘reduced inequalities’ adopted as one of the Sustainable Development Goals (SDG 10) in 2015. While democracy is based on the principle of ‘political equality’ (Beetham, 1994, p. 28), at least as expressed in the universal franchise of ‘one person, one-vote’, such widening wealth inequalities have often occurred in democratic contexts, and it seems that liberal democracy does little or nothing to stem inequality and exclusion. It is evident that a redistributive element is required for a positive developmental impact, yet what form of democracy is more likely to deliver that? Sorensen (1998) distinguished between ‘elite-dominated democracies’, which include the large majority of democratic regimes; and ‘mass-dominated democracies’ with the potential to deliver more redistributive and transformative policies that bring improvements to the mass of the population. However, the number of real-world examples of the latter category was limited.

It is clear that social and economic inequalities undermine democracy. Such inequalities not only deprive people of their basic needs and rights, but also disenfranchise them from the effective exercise of their citizenship (Beetham and Boyle, 1995, pp. 111–12). Additionally, wealth is used in significant ways to influence and manipulate political outcomes in ostensibly democratic processes. This key issue of ‘inequalities and democracy’ is addressed in Part VI of the book.

Rising inequalities are also associated with: the rise of authoritarian populism in the past decade and the crisis for liberal democracy, as noted in Chapter 21 on democracy and inequality by Rocha Menocal. The resurgence of authoritarian regimes has been highlighted in annual democracy surveys that report that ‘democracy is in retreat’ (*The Economist*, 2020) and ‘under assault’ (Freedom House, 2020), with the latter recording a year-on-year decline in democracy scores from 2006. More frightening is the addition of right-wing populism to authoritarian backsliding, with authoritarian leaders gaining control of the state through deploying populist

rhetoric in electoral contests in an increasing number of polities in the past decade. Examples abound around the world, including some of the largest and most well-established democracies, notably Bolsonaro in Brazil, Duterte in the Philippines, Orbán in Hungary, Modi in India, Putin in Russia and Trump in the United States. In theory, populism can come from both the political right and left, but in practice the recent upsurge has been almost exclusively right-wing. Authoritarian populism takes different forms in different contexts, but also presents common features (McCarthy, 2019). Such common features include: an aggressive assertion of nationalism and national self-interest, often coupled with opposition to global or multilateral institutions; self-presentation as anti-establishment and anti-elite, despite often close connections to business and military elites; the key populist claim of acting for and with the support of ‘the people’, ‘typically identified in nativist, xenophobic, and often explicitly racialized terms’ (ibid., p. 303); the identification and ‘othering’ of internal scapegoats, commonly migrants and ethnic minorities; the promise of decisive action in relation to selected controversial issues, frequently involving those scapegoated ‘others’, and often undertaken with (the threat of) violence – for instance, the mass extrajudicial killings associated with Duterte’s ‘war on drugs’ in the Philippines (Human Rights Watch, 2020).

A final common element entails direct anti-democratic measures. These can include a centralization of executive powers, especially those of the president, accompanied by a disdain for democratic institutions and processes, notably parliament and the judiciary, and a closing down of civil society opposition, all justified by the rhetorical claim to be directly representing ‘the people’ (McCarthy, 2019, p. 303). The fact that substantial support for authoritarian populist leaders and movements has occurred in existing democratic countries, not just relatively autocratic ones, has led to a crisis in liberal democracy itself, with fundamental questions raised about why this has happened now. In addressing such questions, one key issue is the relationship between authoritarian populism and neoliberalism. In other words, to what extent is the rise of authoritarian populism due to rising inequalities and the increasingly precarious living conditions for large swathes of the population, with both associated with neoliberal capitalism? Somewhat ironically, if support for right-wing populist leaders has come partly from those low-income groups excluded and ‘left behind’ by neoliberal globalization, then their policies tend to intensify the self-same neoliberal capitalism – for instance, tax cuts for corporations – that is responsible for the current inequalities and exclusion. In this book, Chapter 5 by Edozie examines how ‘neoliberal democracy’ has actually undermined democracy and given rise to different forms of ‘authoritarian neoliberalism’ in various regional contexts. We also explore the topic of ‘deepening democracy’ in Part VII, thereby considering the prospects for more progressive change through forms of democratic governance that aim both to extend democratic decision-making and reverse social and economic inequalities.

THE BOOK’S CONTRIBUTIONS AND STRUCTURE

The debates regarding the relationship between socio-economic development and democracy, or political regimes more broadly, remain far from settled. Indeed, they have become more nuanced and complex. The aim of this book is not to bring these debates to an end. Rather, it is to bring together a set of distinguished scholars to examine and explore a variety of pertinent questions and issues from a multidisciplinary perspective. It remains noticeable that much of the literature focuses on the relationship between *economic* development, especially per

capita income, and democracy, and relies on a quantitative methodology. In this book, we broaden coverage to explore the relationship between regime types (including democracies and autocracies) and broader development indicators, including poverty and human development, inequality, human rights, corruption and environmental sustainability, as well as economic growth. The research questions around these various topics are largely illustrated by the authors with reference to their own recent research, both qualitative and quantitative. We explore the relationship across different regions of the world, including Latin America, Africa, the Middle East and Asia. We explore debates at times in historical perspective, but also bring the latest thinking to the fore. The book is divided into eight parts. In the remainder of this introduction, we introduce each part and its constituent chapters.

Part I: Definitions and Interlinkages

Part I on definitions and interlinkages provides foundational discussions about the two key concepts. Comprising four chapters, it begins with two chapters that examine democracy and development as separate concepts. Both are ‘essentially contested’ concepts, and the authors provide definitional clarity by exploring a variety of meanings in a broad and critical manner.

In Chapter 1, Svend-Erik Skaaning discusses ‘democracy’ as a contested concept, but one that has a common core. He identifies seven main traditions or conceptions of democracy, with a common electoral core. His typology includes more minimalist versions of democracy, such as electoral democracy, and more substantive conceptions of participatory and deliberative democracy. He also distinguishes between a ‘reduced’ and a ‘comprehensive’ version for each conception of democracy. Thus, in addition to the common core, the comprehensive versions cover all defining features, inclusive of significant overlapping aspects, while the reduced versions only include the unique attributes of each conception compared to the others.

In Chapter 2, Eija Ranta explores ‘development’ as a multidimensional concept, an ‘intrinsically complex term with multiple meanings’. She notes that this ‘ubiquitous yet slippery concept has provided an overarching framework for imagining and organizing relationships between the privileged North and the impoverished South’ for over 70 years. Yet, the genealogy of development can be traced to the early nineteenth century and the advancement of industrial capitalism in Western Europe (Cowen and Shenton, 1996). She distinguishes various mainstream approaches linked historically to the development of global capitalism and Western economic interests, while also highlighting critical alternatives based on the work of post-development and postcolonial scholars. Such radical rethinking is especially necessary in the context of climate change, the unsustainable patterns of global capitalism and an industrial mode of living. Thus, the concept of development has become increasingly contested. The illustrative example of *Buen Vivir* (living well), arising from the struggles of indigenous movements in Latin America, is explored as an ecological and socio-cultural alternative to mainstream development.

After examining the two key concepts separately, Chapter 3 continues by looking at the multiple and contested interlinkages between democracy and development, while noting the importance of avoiding conceptualizations that define one term in relation to the other. With admirable clarity, Alina Rocha Menocal undertakes the challenging task of untangling this relationship in both directions. First, she examines the extent to which development matters for democracy, focusing on two distinct dynamics: whether socio-economic development is a precondition for the emergence of democracy; and whether development may be needed for

democratic consolidation. While the relationship between higher levels of economic development and established democracy has been one of correlation and not causation, the type of socio-economic development and how it is distributed amongst the population can have a considerable impact on the quality and resilience of democracy. She then turns to look at the question of whether regime type matters for development. Her review of the literature finds that the evidence linking either democracy or authoritarian systems to developmental performance remains inconsistent and inconclusive. Nonetheless, this is not to suggest that democracy is of little consequence for development. If we accept that as a political regime, democracy is desirable in itself, then the key question becomes, how can democracies, especially in the Global South, deliver on development needs and expectations? This intrinsic quality and desirability of democracy brings into question its separation from development, despite this being heuristically necessary in order to untangle the interlinkages and directions of influence.

In Chapter 4, therefore, Darley Jose Kjosavik provides a critical examination of the hugely influential work of Amartya Sen (1999a) and his concept of 'development as freedom'. In Sen's conceptualization, democracy is both a means and an end of development, and therefore the two cannot be separated. In other words, democracy is itself an essential component of development, while the individual political freedoms associated with democracy are also necessary to achieve other elements of development. In overcoming human deprivation and achieving development, Sen argued for the central role of freedom. Sen's concept of freedom has five elements, including political, social and economic elements, and while these are all interconnected and complementary, it is political freedoms, virtually synonymous with liberal democracy, that are especially instrumental in the achievement of the others. It is through democracy that citizens have the freedom to demand development (Sen, 1999b) as well as the agency to achieve development. As Kjosavik informs us, Sen views democracy as being of universal value in three distinctive ways: (1) intrinsic value, constitutive of human freedom in general; (2) instrumental value, where democratic governments are more responsive to people's demands, relating to his famous notion that there have never been famines in democratic countries with a free press (Sen, 1999a, 1999b); and (3) constructive importance, where democratic participation enables citizens to learn from one another, and society is able to form its values and priorities. Sen's conceptualization of development as freedom, in which democracy and development are intertwined in mutual complementarity, has been foundational to the hugely important concept of 'human development', initiated by the United Nations Development Programme (UNDP) in 1990 with the first of its annual *Human Development Reports*. Sen's views have not been exempt from criticism, however, and Kjosavik outlines some of the key critiques. Her chapter concludes with her own critical observation that Sen does not delve into the *type* of democracy that is conducive for development, as understood from the perspective of freedom.

Part II: Capitalism, Democracy and Autocracy

Part II on capitalism, democracy and autocracy continues with three chapters that explore contemporary capitalism and its relationship with democratic and autocratic polities. As indicated above, analysis of the impact of political regimes on development has been largely undertaken on the basis of a binary classification of countries as either democratic or autocratic. This disregards the different forms of both democracy and autocracy, as well as the overlaps between them in the form of hybrid regimes. Such shortcomings are addressed in different ways in the

chapters in Part II, with the first examining the contemporary variant of neoliberal democracy and its links with authoritarian neoliberalism, the second looking at the differential impact of varieties of autocracy on economic development, while the third examines how autocratic regimes differ in their human development record.

In a wide-ranging discussion in Chapter 5, Rita Kiki Edozie explores the contradictions between democratic principles and the neoliberal variant of capitalism that has become so dominant (hegemonic) in the contemporary world. Taking the classic works of Joseph Schumpeter ([1942] 2010) and Barrington Moore (1966) as a starting point, Edozie traces the impact of neoliberal capitalism on democracy and autocracy in the contemporary period. Two related but opposing concepts are used to frame the discussion: neoliberal democracy and authoritarian neoliberalism. Neoliberal democracy suggests that neoliberalism is good for democracy, expanding market-based freedoms to the citizen as consumer. Yet, Edozie argues that neoliberal democracy actually undermines democracy – for instance, by a reconfiguration of the state into a weaker and less democratic entity, one that is more vulnerable to populist struggles and conflict. In such ways, neoliberal democracy gives rise to authoritarian neoliberalism. Edozie explores the relationship between neoliberal capitalism and democracy in five different contexts in the contemporary world, arguing that each has led to the rise of authoritarian neoliberalism in the early twenty-first century. She looks at authoritarian regimes in East Asia; ‘low-intensity democracies’ in transitional countries in the 1980s and 1990s; ‘choiceless democracies’ in the least developed countries locked into economic conditionality by the international financial institutions; ‘pink tide’ governments in Latin America in the 2000s, followed in some by the election of right-wing populist leaders in the 2010s; and the crisis of liberal democracy in some Western countries with a rise in support for right-wing authoritarian populism. The chapter concludes, following Bruff (2013; Bruff and Tansel, 2019), that authoritarian neoliberalism has emerged as a dominant regime type around the world. Its impact has been to increasingly destabilize liberal democracy in the West and to stunt prospects for democratic consolidation in the Global South.

Given the declines in democratic freedoms and the rise of authoritarian regimes reported by annual democracy surveys, as noted above, it is appropriate to focus on the variety of autocracies and their developmental performances. In Chapter 6, Carl Henrik Knutsen analyses the historical variation in economic growth outcomes among different types of autocracies. Initially, by analysing quantitative data from more than 180 polities and with time-series extending back to 1789, he establishes that variation in economic growth patterns – in the shorter and longer term, across and within countries – is higher among autocracies than democracies. Additionally, he finds that autocratic regimes are more likely to experience economic crises, and therefore democracy acts as a ‘safety net’ that gives some protection against the worst economic development outcomes. Subsequently, by taking four categories of autocracies – single-party regimes, personalist regimes, military regimes and monarchies – he assesses the explanations for why some autocracies have higher growth rates than others. His findings here are that single-party autocracies have higher growth rates than personalist regimes and monarchies. Related to this is that higher degrees of (ruling) party institutionalization also correlate positively with growth in autocracies. Somewhat surprising is the finding that neither stronger legislative constraints on the autocrat nor the size of an autocratic regime’s support coalition correlate positively with growth.

In Chapter 7, Andrea Cassani focuses on the questions of whether and why autocratic regimes might differ in their human development records. The chapter’s starting point is that

just as democracies differ, the non-democratic universe is also ‘heterogeneous, encompassing politically closed regimes – such as military, hereditary and one-party autocracies – and so-called electoral autocracies, which in turn range from hegemonic party to competitive systems’. Utilizing data on school enrolment and child mortality for the period 1971–2015, Cassani identifies two related causal mechanisms that shape the relationships between autocratic regimes and human development – namely, the time horizon of leaders and the political survival strategies they adopt. He argues that political survival and time horizon are the two key factors that influence the importance autocrats attach to citizens’ living conditions. On the one hand, the more an autocrat needs performance-based legitimation, the greater the attention he or she is likely to pay to citizens’ living conditions. On the other hand, the longer an autocrat’s time horizon, then the more likely he or she will be committed to improving citizens’ living conditions. The chapter’s main conclusion is that ‘competitive autocracies and monarchs achieve better human development results’ than their non-competitive counterparts. In competitive autocracies where the political environment is relatively liberalized, governments tend to be more dependent on popular support and are therefore likely to be more attentive to citizens’ living conditions. Time horizons are also important because the longer time horizon that monarchs typically enjoy shifts their priorities from the short to the medium/long term, and thus from predation to human capital investment in healthcare and education. These observations, Cassani notes, emphasize the importance of going beyond the democracy–autocracy dichotomy to paying more attention to the institutional variations that characterize the non-democratic universe when seeking to understand the relationships between regime types and human development.

Part III: Regional Perspectives

In Part III on regional perspectives, we turn to look at how issues of democracy and development have played out in different regional contexts. Quantitative studies of the large-N variety have the advantage of substantial cross-country comparison, but by their nature are unable to take context into account, while qualitative country case-studies can provide detailed accounts based on the specific context, but with generalizability of findings being problematic at times. A regional perspective allows us to explore commonalities and differences within a region, as well as considering possible regional transmission effects from neighbouring countries. We cover Africa, Latin America, Asia and the Middle East, with a final chapter on Islam and its impact on democracy and development in different regional contexts.

In Chapter 8, Michael T. Rock and Marc Howard Ross use four different measures of democracy (with particular focus on majoritarian democracy) to explore the question of whether democracy has contributed to increased economic growth in Africa. This question is of fundamental interest because not only has there been an increase in the number of relatively well-established democracies in sub-Saharan Africa during the last three decades, but also democratization coincided with a robust revival in economic growth. Their empirical findings point to a weak connection between majoritarian democracy and growth, at best. At worst, majoritarian democracy has had no effect on growth in Africa. This led to the chapter’s conclusion that democratization has neither strengthened nor slowed economic growth in Africa.

In Chapter 9, Augustin Kwasi Fosu focuses similarly on the experiences of Africa, but looks at the importance of democracy for development more broadly during the post-independence period, inclusive of economic growth and human development. On the basis of those experi-

ences, he seeks to identify the possible challenges ahead. Based mainly on the extant literature, including his own research, his findings are more positive than those of Rock and Ross. Development measures have improved since the mid-1990s, notably per capita GDP, human development indicators and poverty reduction, while various measures of democracy have also improved since the late 1980s and early 1990s. Most pertinently, there is ‘credible evidence that the higher growth and development could be attributed, at least in part, to Africa’s improved democratic dispensation’. In particular, a major explanation for this positive association appears to be the ability of ‘advanced-level democracy’ to provide greater prevalence of political stability and reasonably market-friendly policies. In terms of possible future risks, it is noted that ethnicity has been a major culprit for the dismal historical growth performance in African countries, and argues, first, that ‘institutional quality’ is crucial for resolving ethnic conflicts and, second, that multiparty democracy can provide the required institutional basis in ethnically fragmented societies. Further, the chapter concludes by highlighting the need to attenuate any potential risks of democratic backtracking by African countries in order to sustain the gains in growth and development.

In Chapter 10, Giovanni Carbone and Alessandro Pellegata investigate the relationships between the modes of leadership selection in Africa and economic growth in the region. The main aim was to investigate the question of whether the means by which African rulers attain and leave office (that is, via guerrilla takeovers, *coups d’état*, competitive elections, dynastic successions, or in some other way) affect the economic growth of their countries. Their empirical investigation is based on an original dataset compiled by the same authors (see Carbone and Pellegata, 2017, 2018, 2020) – namely, the Africa Leadership Change (ALC) dataset – which maps all leadership handovers that occurred in all countries in the region from 1960 to 2018. Their findings show that how African leaders gain office and retain it has implications for the economic growth prospects of their countries, with democratically elected leaders standing a much better chance of outperforming their unelected peers. The key causal mechanism here is not so much about the extent of democratic consolidation in its broader conceptualization, but instead the mere organization of regular elections, which contributes to shaping the incentives of leaders and ultimately shapes their effort towards improving economic performance. In this case, and as the authors note, ‘even multiparty elections *short of democracy* – namely, voting that fails to meet minimal (Schumpeterian) procedural standards for democracy – are likely to produce some impact on economic growth’. Nevertheless, the extent of a country’s experience with voting, the degree of democratic maturity and the extent to which elections lead to power alternations are all important in enhancing the economic performance of democratically elected leaders in Africa. The chapter’s main conclusion is that ‘[e]conomic growth evidently responds to the conditions under which government leaders are selected in Africa’.

In Chapter 11, Luis Angosto-Ferrández offers a deep historical account of the relationship between democracy and development in Latin America. The chapter starts by reminding us of the wide sociological diversity and political divergences that characterize the region, suggesting that treating Latin America in a homogeneous fashion will be analytically unsound and potentially misleading. Keeping this caveat in mind, Angosto-Ferrández focuses on exploring five key dimensions of the interrelationships between processes of democratization and socio-economic development in the continent. These are: the question of populism in the analysis of the so-called post-neoliberal shift; the definition of state/civil society relations in the configuration of democratic and development models; geopolitics, regionalism and sovereignty; neo-extractivism and alternative development; and the role of production of and

access to information in debates on democratization. Angosto-Ferrández argues that as an overarching political question, the post-neoliberal shift brought ‘the state back’ into the politics of democratization and development in the continent. Nevertheless, the extent to which state-centrism may consolidate as a lasting paradigm for social development in the region remains unclear, given the antagonistic forces that continue to traverse most Latin American countries.

In Chapter 12, Aurel Croissant and Lars Pelke focus on the Asia-Pacific region, comprising South, Southeast and Northeast Asia. This region is of particular importance for discussions on the democracy–development debate because the experiences of many countries tend to defy simplistic assumptions regarding the relationship between democracy and development. In particular, the region appears to contradict ‘the widely held view that “democracy does a better job in raising living standards in poor countries than does authoritarian government” (Halperin, Siegle and Weinstein, 2010, p. 1)’. Based on a sample of 20 countries in the region, Croissant and Pelke find that variations in state capacity have been the main driver of economic development. Their results show that irrespective of the level of electoral democracy, it is countries with better legal systems and stronger state capacity that tend to perform significantly better. In contrast, the level of ‘electoral democracy’, they observe, does not appear crucial in shaping economic development outcomes: ‘countries with more “electoral democracy” do not tend to perform better in economic development’. From the policy perspective, these findings imply that in terms of promoting economic development, ‘the effects of introducing or strengthening elements of electoral democracies are far less relevant than strengthening the rule of law and state capacity’.

In Chapter 13, Imad Salamey focuses on the Middle East and North Africa (MENA) region where most countries have been able to sustain relatively high levels of human development in the context of non-democratic governments, suggesting that democracy is not a necessary condition for development. As Salamey points out, the Human Development Index (HDI) of all Arab states is above the medium average, and Arab Gulf states have a particularly high HDI. Yet, in general, Arab states have continued to rank very low on democratization, scoring an average of 3 out of 10 in *The Economist’s* Democracy Index 2018. Salamey’s main aims in this chapter are to explain the reasons behind the persistently high levels of democratic deficits in the MENA region, and deepen our understanding as to why the general lack of democratization has not significantly held back socio-economic development in the region. Salamey first demonstrates the limitations of dominant interpretations (including colonialism and oil abundance) of the development trajectories of the region. He argues that certain features of communitarianism that entangle the individual, social class and the nation are best placed for understanding the development trajectories of the MENA region in the context of limited democratization. Salamey concludes that in a chronically divided and turbulent MENA region, the wedge between development and democracy is destined to widen. Thus, and under such a regional context, development is primarily driven by communitarian interests and determined by corresponding political bargains. This implies that democratization may not necessarily be the best response to contemporary challenges in the MENA region. Instead, development actors may do better by prioritizing communitarian dialogue, cooperation, cohesion, power sharing and consensus-building as a means to stabilization and development in the region.

Finally in this part of the book, in Chapter 14, Michael T. Rock and Soli Ozel offer a critical analysis of the relationship between Islam, democracy and development, focusing on economic growth. Their starting point is that although Muslim majority countries often do

not appear to be particularly hospitable to democracy or development, the specific causal mechanism at play remains debatable. They pose two questions. First, is the poor performance the product of Islam, or is it rather the result of some salient political features in the Muslim world? Second, why are some Muslim countries better at democracy and development than others? After a detailed review of the theoretical and empirical literature on the first question, the authors use a panel dataset to test the hypotheses that Islam is incompatible with democracy and slows growth. They found little empirical support for either hypothesis regarding Islam, although Arab Muslim countries are less democratic and grow slower than their non-Arab Muslim counterparts. Rock and Ozel address the second question by utilizing an elite consensus–conflict analytical frame to uncover the sources of difference in democracy and development outcomes in Egypt and Indonesia, two similarly placed countries with very different democracy and development outcomes. Their findings again show that the growth and democracy differences in these countries have little to do with Islam. Instead they are the result of different state-building strategies and the ability and willingness of secular nationalist and Islamic elites to cooperate on a democracy project. When elites are consensually united, as in Indonesia, democracy and development can go hand in hand. When elites are virtually at war with each other, as in Egypt, cooperation on a democracy project becomes almost impossible. Unfortunately, high levels of elite factionalism also spill over into state-building and development strategies in ways that further undermine prospects for economic growth.

Part IV: International Institutions and Aid Policy

Part IV on international institutions and aid policy considers ways in which democracy and development were linked in the post-Cold War agenda of international institutions, notably in their aid policies. This was most evident in the policies of ‘political conditionality’ that were introduced in the early 1990s (Crawford, 2001; Stokke, 1995), and relates closely to the ‘new orthodoxy’ at that time, as discussed above. In theory at least, this made the receipt of development ‘aid’ by developing countries conditional on respect for human rights and other democratic principles. It was also an important element of the accession process to the European Union for former communist countries in Central and Eastern Europe. Policies involved both ‘carrot and stick’, the promise of democracy assistance and the threat of aid suspension for developing countries, and the prospect of EU membership (or not) for accession countries. While the accession of Central and Eastern European states to EU membership in the 2000s is widely regarded as an example of successful political conditionality (Schimmelfennig and Scholtz, 2008), policy outcomes elsewhere were mixed, at best, and subject to greater criticism with respect to developing countries (Crawford, 1997). Related aspects of this policy agenda continued to be influential, however. First, with regard to multilateral institutions, the World Bank’s role in the post-Cold War policy shifts had been to promote the concept of ‘good governance’ (Crawford, 2001), which became associated in particular with anti-corruption measures. The World Bank’s influence affected other international institutions, including the EU, and anti-corruption became a more central element of EU external and internal policies. Second, the linkage of human rights to development was taken up positively by many non-governmental development organizations in the 1990s, with increasing advocacy of a human rights-based approach to development (Cornwall and Nyamu-Musembi, 2004, pp. 1425–30; Gready and Ensor, 2005; Mitlin and Hickey, 2009). These two themes are taken up in the two chapters in this part of the book.

In Chapter 15, Ina Kubbe and Liljana Cvetanoska discuss the role of the EU in promoting democracy and fighting corruption, particularly the misuse of EU funds, among its Central and Eastern European (CEE) member states. While the EU has made concerted efforts in tackling corruption among its member states, many CEE member countries continue to suffer from relatively high levels of corruption, with countries like Bulgaria and Hungary even recording notable declines in terms of their respect for democracy and the rule of law. In this chapter, the authors seek to enhance understanding of the impact (or lack thereof) of EU measures on corruption control and the implications of this for democracy in Bulgaria and Hungary. They argue that despite the availability of a number of anti-corruption tools available to the EU, the Union's success in preventing the misuse of its funds among member states has been limited. In part, this is explained by weaknesses in the EU's two main anti-corruption tools, namely the European Anti-Fraud Office (OLAF) and the newly introduced European Public Prosecutor's Office (EPPO). Moreover, the incentives for following EU anti-corruption requirements usually decline significantly once a country obtains membership status – the EU has less to offer as a reward after a country becomes a member, the reason why its political conditionality was successful in the first instance, and also has limited options for punishments in cases of non-compliance. In addition, the EU's reluctance to use punishments (e.g., freezing funds), further weakens its position as an anti-corruption actor which causes additional problems for protecting the Union's financial interests.

In Chapter 16, Bård Anders Andreassen examines the interrelationship between human rights and development. He notes that the linkage between the two was absent for many years, like 'ships passing in the night', as stated by Philip Alston (2005) in describing the relationship between the Millennium Development Goals and human rights. Yet, from the late 1990s, this rapidly changed, with many non-governmental development organizations, as well as some multilateral organizations and bilateral agencies, organizing their development strategies around human rights laws and principles. This became known as the human rights-based approach to development and became a predominant approach in the 2000s, especially amongst international non-governmental organizations (NGOs), as noted above. Civic engagement was also an important aspect of the rights-based approach, with a linkage here to democratic processes, with an emphasis on the agency of disadvantaged and marginalized groups, such as women, children and people with disabilities, to secure those rights pertinent to their situation. Although appearing to be a relatively progressive approach to development, critical voices highlighted a practical deficit, claiming that there was plenty of rhetoric about the advantages of merging human rights and development, but little evidence of its positive impact. For such critics, rights-based approaches are rather better understood as rights-framed approaches – that is, approaches using rights language when it is strategically convenient, but not as genuinely new platforms for local, national and international development efforts. Andreassen challenges such criticisms and suggests the need for rights-based approaches and their application by NGOs to be understood as complementary value-based evaluative models that provide guidance to development programming and practice, rather than perceived in isolation from other approaches to development (e.g., economic growth models). For Andreassen, this perspective pushes us to understand human rights approaches as representing a broadening of the value foundation of development by expressing expectations of human rights accountability to states and international institutions.

Part V: Democracy and Conflict Transformation

In four chapters, Part V turns to important issues of democracy and conflict transformation. Peace is regarded as a prerequisite of development. Therefore in post-conflict settings, the key question concerns the most appropriate political system to re-establish peace and stability, not as only desirable in itself, but also essential for renewed socio-economic development. The conventional wisdom may be that a democratic polity offers the institutional means to make political decisions in a non-violent manner. But the political competition integral to democratic systems can also generate conflict, especially in societies divided along ethnic or religious lines. This leads to the question of which *form* of democracy or institutional design is most suitable for post-conflict settings. There is some consensus that the majoritarian model of ‘winner takes all’, as epitomized by the UK’s Westminster model, is particularly inappropriate. In contrast, Arend Lijphart (1985, 2008) has proposed his consociational model as a means of accommodating social divisions through recognition of the existence of such divisions, and power sharing amongst different groups. Consociationalism has generated much debate about its advantages and disadvantages, with Donald Horowitz (2000) putting forward an alternative ‘integrative approach’ that aims instead to suppress ethnic identity and promote inter-ethnic cooperation.

In Chapter 17, Allison McCulloch engages with this debate concerning the design of political institutions in post-conflict societies. In particular, her chapter addresses the question of whether and how consociation, as an institutional design, can help sustain democracy in societies characterized by deep ethnic divisions. Drawing evidence from a range of countries, the chapter strongly demonstrates consociation’s mixed record in fostering democratic stability. McCulloch argues that these varied outcomes are not surprising because, as an institutional design, consociation is inherently characterized by two sets of countervailing incentives, one that encourages compromise and cooperation and one that encourages intransigence and out-bidding. As she notes, ‘Whether or not consociation facilitates democracy, peace and stability in divided societies is contingent on which set of countervailing incentives is activated – those that pull in the direction of cooperation or those that push in the direction of intransigence’. In assessing these contrasting outcomes under consociational rules, four explanatory factors are highlighted: how consociations come into being; the fit between institutions and context; the inclusiveness of consociational rules; and their flexibility in responding to shifting dynamics over time. Although the potential of other alternative institutional models is explored, the chapter concludes by explaining why, despite a mixed track record, consociation remains an important avenue for establishing and maintaining democracy in divided societies.

In Chapter 18, Alpaslan Özerdem looks at post-conflict reconstruction and democracy promotion. He notes how post-conflict reconstruction has been dominated by international actors, especially post-Cold War. Their approach has been heavily influenced by the liberal peace agenda, with its two main elements of ‘democracy’ and ‘market economy’. He notes that the holding of ‘free and fair’ elections is regarded as the primary goal of political reconstruction by external actors, yet highlights three problematic issues: the timing of elections; socio-political and security conditions for elections; and the nature of the electoral system. Interestingly, he also explores how post-conflict reconstruction activities are themselves used as a means for the promotion of democratization efforts in war-torn societies. While this could be an effective means of promoting democracy in post-conflict contexts, Özerdem argues that the manner in which the liberal peace agenda is implemented has led to ‘major failures’.

Özerdem also notes how the rule of law features prominently in the post-conflict reconstruction strategies promoted by international organizations and bilateral ‘donor’ agencies. One key element is transitional justice programmes that attempt to address human rights violations committed during armed conflicts.

In Chapter 19, Matthew Evans examines the concept of transitional justice in greater detail, including its shortcomings. One criticism of the transitional justice paradigm is that it does not address the underlying causes of conflict, often development related, which may endure post-conflict. Evans explores the relationships between transitional justice, transformative justice, democracy and development. In particular, he considers the extent to which transitional justice and development could become mutually constitutive, as well as challenges to this. He argues that established, narrow approaches to transitional justice are less likely to contribute towards development compared with broader transformative justice approaches, which themselves have more expansive goals such as the realization of socio-economic rights and maximization of freedom. The chapter concludes by positing that for mutual reinforcement of transitional justice and development in post-conflict or post-authoritarian contexts, not only are more expansive notions of both concepts necessary, but the facilitation of democratic participation of affected communities is required to prioritize their concerns as opposed to those of elite actors and outside interests.

In Chapter 20, Tom Lodge sets out to highlight the key challenges faced by the newly elected political leadership in post-apartheid South Africa from 1994 onwards. These included questions of how to institutionalize democracy after more than a decade of insurrectionary politics and a long history of authoritarian rule, as well as how to reduce deep-seated social and racial inequalities and extraordinarily high levels of unemployment. Overall, Lodge argues that successive African National Congress (ANC) governments have been successful in achieving their electoral promise of ensuring ‘a better life for all’, both in terms of institutionalizing democracy and in enhancing the socio-economic well-being of citizens, but with some significant qualifications that limit both the democratic and developmental progress. From the perspective of democratic consolidation, progress includes organizing increasingly honest elections, a progressively more robust parliamentary opposition, independent high courts, and protection of civil liberties that allow for vigorous expression of public displeasure. However, the socio-economic development record is mixed: access to formal jobs remains limited, though citizens now enjoy better social security and wider access to healthcare and education than 30 years ago. Whether progress in democratization has helped to foster development outcomes remains an open question. Positively, government has become more responsive to the needs of poor people, but meeting basic needs is not altogether the same thing as fostering development. Indeed, ANC compliance to demands within its own constituency helps to explain some of its allocative choices that have constrained broad-based development. Thus, patronage-based public spending, aimed at appeasing important political constituents and allies such as the Congress of South African Trade Unions (COSATU), along with internal party factionalism, have encouraged a proliferation of rent-seeking behaviour that has had adverse implications on key development outcomes.

Part VI: Inequalities and Democracy

Part VI of the book focuses on inequalities and democracy, a hugely important topic given that rising and enduring inequalities challenge and compromise various elements of liberal democ-

racy. In Chapter 21, in a wide-ranging examination of the problematic relationship between democracy and inequality, Alina Rocha Menocal characterizes inequality as democracy's catch-22. She begins by demonstrating why inequality is corrosive to democracy, arguing that 'inequality undermines the quality and resilience of democratic governance, notably creating imbalances in voice, representation, opportunity and access that disenfranchise segments of the population, undermine trust in (and support for) democratic institutions, and increase support for populism, extremism, and/or violent conflict'. In short, rising social and economic inequalities, including between different social groups, can lead to both a crisis in democracy and the rise of right-wing, authoritarian populism in various parts of the globe. Despite the positive role of liberal democracy perceived by analysts like Amartya Sen, Rocha Menocal observes that, 'there is nothing about democracy that automatically tackles such inequalities', which is why in her view inequality is democracy's catch-22. Nonetheless, she notes that in some instances democracies have been able to tackle inequality and exclusion, and she concludes the chapter by outlining some key factors that have enabled such progress, inclusive of sound policy making, state capacity, elite commitment, coalition building and social mobilization.

One notable inequality within democratic polities is that between women and men, with unequal participation and representation in many different political spheres from government and parliaments to political parties and civic associations. While the extension of the franchise to women was achieved by women's movements such as the Suffragettes in the UK in the early twentieth century, women's representation in parliaments worldwide has remained low. Out of 192 countries, only three had over 50 per cent female representatives in February 2019 – Rwanda (61.3 per cent), Cuba (53.2 per cent) and Bolivia (53.1 per cent) (Inter-Parliamentary Union, 2019). In Chapter 22, Gretchen Bauer examines the links between gender inequality and democracy in Africa. Particular attention is paid to the related questions of whether democracy has failed women with regard to redressing the problem of women's unequal representation in politics; and whether democracies are more likely to be characterized by greater female representation in their legislatures than autocracies. The chapter concludes that in terms of political empowerment, women continue to lag behind men in important indicators such as representation in parliament and other institutions of government. The chapter acknowledges the important role of affirmative action interventions, such as electoral gender quotas, in bringing more women into politics and decision-making, with women even achieving parity with men in some instances. However, these achievements have been observed in both democracies and non-democracies alike, not only in Africa but also in other parts of the world. This, Bauer notes, calls into question the idea of a necessary link between democracy and equality, including gender equality.

While most research on inequality has focused on income and wealth inequalities between individuals or households, what is termed 'vertical inequality', there has been less attention paid to 'horizontal inequalities' – that is, those inequalities between groups of people, for example based on culture or ethnicity (Stewart, 2016). Horizontal inequalities include unequal access to social services such as education and healthcare, and their association with poverty traps and conflict (Stewart, 2008) make them particularly significant. In Chapter 23, Frances Stewart explores the relationship between horizontal inequalities and democracy. Horizontal inequalities (HIs), Stewart notes, are especially relevant to political outcomes given that 'groups are in general more powerful actors in politics than individuals by themselves'. The chapter identifies a two-way relationship between democracy and HIs: while the presence of high HIs might influence whether democracy occurs and is sustained, the presence of democ-

racy may in turn result in the adoption and implementation of policies that affect HIs. Given the many subtypes of the concept of democracy, she argues further that the relationship between HIs and democracy also partly depends on the type of democracy in question. Drawing on case studies from a wide range of countries, Stewart concludes that the degree of stability of a country's democracy is shaped by the depth of its political and socio-economic HIs. As she puts it, low HIs are most conducive to stable democracy, while 'high HIs can lead to the breakdown of democracy, especially where there are both political and socio-economic inequalities with a major group deprived in both dimensions'. The chapter highlights a two-way causal mechanism in the democracy–HI relationship: sharp HIs make it more likely that democracy will break down, while democratic institutions are also more likely to be associated with the adoption of policies to reduce HIs, including power sharing and affirmative action. Overall, however, how this relationship plays out in practice depends on the demographic composition of a country and the nature of its democratic institutions.

Part VII: Deepening Democracy

Part VII turns to look at deepening democracy. Advocacy of a deeper and more substantive form of democracy has long existed. Its roots can be traced back to the origins of democracy in ancient Athens in the fifth and fourth centuries BC and, in more modern times, to the ideas of the eighteenth-century political theorist Jean-Jacques Rousseau, who was critical of the limitations of representative democracy. In the contemporary world, a more substantive form of democracy is commonly referred to as direct democracy or participatory democracy (see Chapter 1 by Skaaning). Of course, the direct participation in collective decision-making of all citizens was easier to realize in the Athenian demos or in the small city-states of eighteenth-century Europe than in today's large, complex modern states. Consequently, much theory and practice concerning the deepening of democracy through greater citizen participation focuses on the local level. This is reflected in three recent trends – participatory budgeting; the role of civil society in democratization; and decentralization. Three chapters follow on these respective issues. Additionally, Chapter 27 by Jesse Ribot in Part VIII provides a further discussion of decentralization in the context of local democracy and natural resource governance.

In Chapter 24 on participatory budgeting, Yves Cabannes examines this remarkable phenomenon that emerged in 1989 in Porto Alegre in Brazil and rapidly spread throughout Brazil and Latin America, as well as transmission to Europe and elsewhere globally. Cabannes states that in 2018 there were more than 6000 instances of participatory budgeting (PB) across at least 40 countries. His chapter examines the extent to which both marginalized and socially excluded groups are engaged in PB and benefit from it, thus focusing on the potentially more transformative aspects of PB. He does this by exploring the extent to which PB has 'reversed' social, spatial and political priorities in the distribution of public resources in favour of disadvantaged groups. His data span three decades of PB practice, and, as part of a larger World Bank study, include 11 selected case studies from different regions in the world that have addressed the needs of disadvantaged groups. Conclusions are three-fold and generally positive. First, PB is not static and has evolved over time. In particular, many cities have moved from simpler PB modalities to more comprehensive and complex ones and thereby developed the capacity to reach disadvantaged groups. Second, PB *with* people is preferable to PB *for* people. In other words, the active participation of marginalized and excluded groups

themselves is key to achieving social advancement. However, this may require the capacity of such social groups to modify the established PB rules. Third, in terms of redistributive aspects, findings are positive in many cases, with evidence of the reversal of social and spatial priorities. Cabannes notes that this answers, at least partially, the concerns of some scholars that over time PB may have been moderated and depoliticized, and has thereby lost its capacity for redistribution.

The role of civil society organizations (CSOs) in both democratization and development has been a key topic of policy practice and academic interest since the 1990s, especially in relation to democratic transition and consolidation. Motivations underpinning this promotion of CSOs have been varied (Crawford and Abdulai, 2011). From a radical democracy perspective, an enhanced role for CSOs suggested higher levels of political participation by citizen groups, potentially greater representation of the interests of marginalized groups, and improved prospects for holding government to account. All this corresponded with a democratic deepening perspective. Yet, advocacy of the role of NGOs in particular also tallied with a neoliberal viewpoint in which the state was perceived negatively, with non-state actors, inclusive of both NGOs and the private sector, seen as the key agents to achieve development and hold government in check. This accounts for the strengthening of civil society in general, and NGOs in particular, as an important plank of Western governments' development aid policies (*ibid.*).

In Chapter 25, Badru Bukenya examines some of these ambiguous issues. In particular, he adds to the literature on the role of NGOs in democratic consolidation, especially in public policy advocacy in the interests of marginalized groups. He does so by analysing the efficacy of NGOs in influencing government policy and legislation in relation to Uganda's oil sector. He addresses three main issues: the strategies employed by NGOs in policy advocacy; the outcomes of policy advocacy efforts; and the factors that influence NGO performance. His analysis is situated within Uganda's relatively unfavourable political environment, characterized as a 'hybrid' regime, partly democratic and partly autocratic, where the government is quite intolerant of alternative views and has overseen the passage of restrictive laws to manage NGOs. Bukenya outlines how NGOs attempted to play a central role in shaping oil sector laws and governance arrangements, mainly by working with parliament. Yet, his findings are that NGOs' achievements were minimal. This is largely attributed to the unfavourable political context where their operations were closely controlled by the state through a strict legal framework, confirming the observations of other researchers about the limited policy advocacy of NGOs in relatively authoritarian contexts. Yet, the NGOs were also perceived as having internal weaknesses, notably their inability to mobilize resources locally and hence their dependence on external funding from 'donors', enabling the ruling elite to question their legitimacy and accuse them of promoting foreign interests, thus reducing policy impact. Coordination amongst NGOs was also weak, resulting in unproductive competition. In such contexts, the prospects for NGOs contributing to democratic consolidation are low. Indeed, Bukenya concludes that the political environment was the main factor that shaped the (in) effectiveness of NGOs' policy advocacy in Uganda, and suggests that a way forward for NGOs in semi-authoritarian contexts, like that of Uganda, may be to adopt strategies that secure them 'insider' rather than 'outsider' status in relation to government. However, that would also seem to pose dangers of compromise and co-option in relation to policy advocacy in the interests of the marginalized.

Another longstanding yet ambiguous agenda is that of decentralization. Advocacy of decentralization of government by a variety of actors and institutions pre-dates the end of the Cold

War, with a 'wave' of decentralization since the mid-1980s. There was a remarkable consensus on its desirability. The political left was generally in favour from a democratic deepening perspective in which local citizens could exert greater influence on political decision-making at the local level. The emphasis here was on devolution of powers from central to local levels as a form of democratic decentralization in which government was brought closer to the people. Yet, decentralization was also promoted vigorously by international institutions and Western governments as part of their neoliberal agenda to reduce the powers of what they perceived to be an overcentralized and inefficient state. Here the emphasis was more on administrative decentralization (or deconcentration) and fiscal decentralization, ostensibly to enhance state efficiency and financial accountability, as well as the transfer of local service provision from the public to the private sector. One outcome of this widespread enthusiasm for decentralization was that, by 2005, 80 percent of all developing and transition countries were undertaking some form of decentralization (International Council for Human Rights Policy, 2005, p. 11).

In Chapter 26, Sylvia I. Bergh examines the phenomenon of decentralization and its impact on local development, illustrated by a case study of regionalization in Morocco. She begins with a discussion of the types, drivers, promises and risks of decentralization. Then, drawing from Faguet and Pöschl (2015), she outlines four ways in which decentralization can theoretically enhance local development, noting, however, that empirical evidence on these relationships remains sobering. She adds to existing studies with her own in-depth qualitative study of regional decentralization in Morocco. This focus on the regional level is itself of interest, given the predominance of local government studies in the decentralization literature. Constitutional reforms were enacted in Morocco in 2011, which established 12 new directly elected regional assemblies and transferred substantial developmental responsibilities to them. Bergh explores a range of issues regarding these new regional government bodies, including governance and democracy issues, financial issues, regional planning issues and the relationship between devolution and deconcentration reforms. Rather than enhancing democratic institutions and processes, her analysis suggests that decentralization represents an exercise in 'upgrading authoritarianism'. Under pressure in 2011 from within and outside the country to democratize in the context of the Arab Spring, the king has sustained his powers through a clever creation of elected bodies and paying lip service to decentralization, while also finding ways to prevent full implementation of reforms, notably through the establishment of more powerful parallel (deconcentrated, sectoral) institutions that remain accountable to the monarch and central government. The chapter thus indicates the 'paradox of decentralization'. The prospects for democratic deepening can be compromised and undermined by a range of factors, resulting in opposite outcomes, including a strengthening of central government and at times of autocratic structures.

Part VIII: Democratic Development and the Environment

Finally, in Part VIII we turn to issues of democratic development and the environment. In Chapter 27, Jesse Ribot examines questions of local democracy and natural resource governance. This chapter follows on well from that by Bergh. Ribot takes another critical look at decentralization, positing the institutional structures and processes that must be available for local democracy to blossom. He does so through the lens of decentralized decision-making over natural resources, especially forestry. His starting point is that although elected local governments have been legislated in many countries, local democracy has rarely been implemented.

To understand this, and to suggest a way forward, he introduces the ‘choice and recognition’ framework. This acknowledges that higher-level agents, notably central governments as well as international development agencies, can *choose* either to foster elected local governments or other parallel institutions such as customary authorities, line ministries or NGOs. In making such choices, the higher-level bodies are *recognizing* different kinds of local authorities, either governmental or non-governmental, and thus empowering them. This in turn shapes three key aspects of democracy: representation, citizenship and the public domain. Ribot illustrates his discussion with examples from the forestry sector. He notes how many internationally funded forestry projects, including those related to climate-change adaptation, chose not to engage with or recognize existing elected local governments, but instead worked with customary chiefs or project-created local committees, thus circumventing local democracy. In Senegal, for instance, although decentralization and forestry laws give elected local governments (rural councils) the right to manage natural resources, a donor-funded biodiversity project chose to create ‘village committees’ to manage the reserve, marginalizing the elected rural council. He notes that ‘when local people are not represented in decisions over forestry interventions, they disengage from projects...[and] often resist or sabotage projects...while elites are more able to capture benefits’. The implications for local democracy are clearly negative. Other examples are given where recognition of the role of local governments enabled them to become more representative of and responsive to the needs and demands of local citizens. In concluding, Ribot asserts that giving attention to institutional choice enables greater understanding of how local democracy can be helped (or hindered), with the aim of creating representative local government with meaningful discretionary powers and subject to influence by engaged citizens. In such ways democracy can be deepened and the interests of the majority poor addressed.

In Chapter 28 on democracy, ideological orientation and sustainable development, Peter Söderbaum encourages researchers to apply an alternative approach to issues of sustainable development to that of mainstream neoclassical economics. Sustainable development has become a vision for the world since the Brundtland Report of 1987, and currently encapsulated in the UN’s Sustainable Development Goals. Yet, current practices remain unsustainable, most notably in relation to climate change, and he notes that ‘present unsustainable trends have come about during a period when neoclassical economics as a paradigm and neoliberal ideology have been dominant’. Therefore, in considering the role of economics, Söderbaum argues that the technocratic orientation of mainstream neoclassical economics should be downplayed in favour of a democracy-oriented alternative perspective. This entails an institutional version of ‘ecological economics’ or ‘sustainability economics’ that promotes pluralist thought in the sense of comparing and assessing alternatives. In contrast to the positivist paradigm that underpins neoclassical economics with its assumption of value neutrality, ‘democracy-oriented economics’ encourages critical engagement with differing value-based and ideological standpoints, including established ones, in a manner that respectfully subjects them to contestation and facilitates multidimensional learning. Simultaneously, he posits, ‘democracy is strengthened by listening to many voices and respecting different viewpoints’. While not rejecting potential contributions from mainstream approaches, he argues that it is imperative to explore and articulate alternative ideological viewpoints to that of neoliberalism in order to inform debate and dialogue about issues of sustainability and sustainable development in a democracy-enhancing manner.

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PART I

DEFINITIONS AND INTERLINKAGES

1. Democracy: contested concept with a common core

Svend-Erik Skaaning

It is well known that democracy means rule by the people. Although this understanding goes all the way back to Ancient Greece (Cartledge, 2018; Dunn, 2005; Held, 2006), democracy has also been construed as a contested concept par excellence (Collier, Hidalgo and Maciuceanu, 2006; Gallie, 1956, p. 169). This special status as an essentially contested concept, which increases temptations to manipulate and abuse the concept, was captured well by George Orwell (1962, p. 149), when in 1946 he made the following statement:

In the case of a word like democracy, not only is there no agreed definition, but the attempt to make one is resisted from all sides. It is almost universally felt that when we call a country democratic we are praising it: Consequently the defenders of every kind of regime claim that it is a democracy, and fear that they might have to stop using the word if it were tied down to any one meaning. Words of this kind are often used in a consciously dishonest way. That is, the person who uses them has his own private definition, but allows his hearer to think he means something quite different.

Systematic accounts of the concept in political theory are to a larger degree constrained by academic standard requirements about consistency and justification. They generally regard freedom and equality as the primary values associated with democracy¹ (Hansen, 1989; Kelsen, 1919; Munck, 2016), but these concepts are themselves debated. When it comes to democracy, the ways in which citizens should be equal, what freedoms are required – and to which extent equality and freedom need to be fulfilled – are not self-evident.

At a lower level of abstraction, a wide variety of attributes have been associated with the concept of democracy. These include, for example, free and fair elections, freedom of expression, checks and balances, rule of law, civil society engagement, public deliberation, political consensus, majority rule, and economic equality. Whereas some of these features tend to go hand in hand, theoretically and/or empirically, others do not and may even stand in contrast to each other. Consequently, it matters a great deal for our understanding of the relationship between democracy and, say, development, elements that are seen as constitutive of democracy, and that are conceived as potential causes and consequences of democracy.

A clear understanding of what is meant by democracy is warranted for several reasons. It is important to have a clear understanding of key concepts when developing and evaluating theoretical arguments and to justify why and how the chosen definition fits the particular research agenda. Moreover, any attempt to operationalize democracy for the purpose of empirical investigation depends upon a particular understanding of the concept. Since there are multiple conceptions of democracy (see Cunningham, 2002; Held, 2006; Naess, Christophersen and Kvalo, 1956), most of which resonate in some fashion with the core meaning of rule by the people (Coppedge et al., 2011; Møller and Skaaning, 2011, 2013), the need for making a motivated, explicit choice is all the more obvious. This choice might not satisfy everyone, but transparency will at least enable systematic use and scrutiny.

Table 1.1 Values and criteria linked to different conceptions of democracy

	Principal Value	Features
Electoral democracy	Popular sovereignty achieved through contested elections filling legislative and (directly or indirectly) executive offices	Free and frequent elections Government responsible to the electorate (universal adult suffrage, freedom of expression, freedom of association)
Liberal democracy	Guaranteed individual liberty understood as freedom from state repression	Civil rights and liberties, checks and balances, rule of law
Egalitarian democracy	Equal political empowerment	Equal distribution of resources, no discrimination, equal access to agenda setting and decision making
Participatory democracy	Direct, active participation of all in every stage and level of political decision making	Civil society engagement, high turnout, strong local democracy, opportunities of political involvement, including direct decision making
Deliberative democracy	Political agenda setting and decision making based on well-informed and reasoned justification	Public and respectful deliberations and consultative bodies, focus on facts and the broader societal implications of policies in deliberations and decision making
Majoritarian democracy	Efficient decision making reflecting the will of the majority	Power-concentrating institutions
Consensual democracy	Inclusive decision making involving and pleasing a broad range of opinions	Power-dispersing institutions

In this chapter, I first present some predominant conceptions of democracy. Although the number of particular meanings associated with the concept of democracy is legion (see Collier and Levitsky, 1996), my reading of the voluminous literature on the subject suggests the existence of seven main traditions, that is, electoral democracy, liberal democracy, egalitarian democracy, participatory democracy, deliberative democracy, majoritarian democracy and consensual democracy. Table 1.1 provides an overview of the respective values and distinguishable features associated with them, which are described in the above table.

Taken together, these conceptions offer a relatively comprehensive account of how democracy has been used in academic debates in recent decades (Coppedge et al., 2011). Different understandings emphasize distinct values and institutions. Yet, they also tend to share a common core in the form of free elections, as is clear from the presentation of the different principles of democracy in the first part of the chapter.²

In the second part of this chapter, I briefly present two different approaches to systematize the relationship between some of these ideal typical constructions. The first attempts to separate as much as possible the defining aspects, which go beyond the electoral core (see Coppedge et al., 2020). The second suggests a cumulative ordering of these features, moving from a relatively undisputed core (a thin conception) to increasingly comprehensive definitions (thicker conceptions) by the stepwise addition of – increasingly disputed – features (see Møller and Skaaning, 2011). Both these approaches are put to work in the third part of the chapter, in which I provide some empirical overviews where various measures of democracy are used to categorize contemporary polities.

ELECTORAL DEMOCRACY³

The Schumpeterian Version – Minimalist Democracy

The electoral principle of democracy focuses on the role of contested elections as the principal means to winning political power. Joseph A. Schumpeter ([1942] 1974) famously presented a minimalist, procedural understanding of democracy. In opposition to idealist and comprehensive conceptions of democracy, he emphasizes that a definition of democracy should preferably be narrow and realistic and that the democratic principle only implies that government power should rest with the group who wins a larger popular backing than their political opponents (*ibid.*, p. 272).

Democracy thus merely concerns elections, that is, it is a matter of the selection of political leadership, and the primary role of the electorate is to take part in the elections that appoint the members of the legislature and – directly or indirectly – the executive. Accordingly, Schumpeter (*ibid.*, p. 269) defines democracy in the following way: ‘The democratic method is that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people’s vote.’ This means that in a democratic regime, leaders are selected by a broad electorate through contested elections held periodically. These are the principal tools to achieve the overall goal of popular sovereignty. The political competition empowers popular rule by fulfilling three criteria: those winning the elections take government power; the government is not removed by undemocratic means and core democratic institutions, first and foremost the parliament, operate continuously; and elections are held on a relatively frequent basis (see also Przeworski et al., 2000, Ch. 1). It deserves explicit mentioning that Schumpeter’s understanding of democracy does not require universal suffrage or respect for civil liberties such as the freedoms of expression, assembly, and association.

The Dahlian Version – Polyarchy

Together with Schumpeter’s minimalist definition of democracy, Robert A. Dahl’s (1971, 1989, 1998) concept of polyarchy has established itself as a standard reference in debates within political science about the meaning of democracy (Collier and Levitsky, 1997, p. 431). The Schumpeterian and Dahlian conceptions have been especially influential in studies with broad empirical ambitions.

Dahl (1989, pp. 108–14) reserved the term democracy for political processes fulfilling a much more demanding set of criteria, which will probably never be realized by any polity: effective participation, voting equality when decisions are made, enlightened understanding,⁴ control of the agenda, and inclusive citizenship. Yet, he also introduced the supplementary concept of polyarchy, which can be understood as a definition of electoral democracy somewhat more demanding than Schumpeter’s.

The concept of polyarchy thus also highlights free elections as essential for democracy and focuses on procedures and institutions. However, in contrast to Schumpeter, Dahl includes universal suffrage and freedom of expression and association among the defining attributes. Universal adult suffrage is key to him because of equal recognition of citizens as capable of pursuing their own interest in connection with collective decision making (Dahl, 1989, p. 105).

Moreover, respect for a number of civil liberties is needed to enable the exchange of ideas and collective mobilization. On the one hand, these rights support electoral contestation. On the other hand, they enable the population to control elected officials between the elections. Hence, democracy requires not only free, fair, and contested elections, but also the liberties such as freedom of expression and freedom of association that make them meaningful (see Diamond, 2002, p. 21).

The result of Dahl's reflections on the topic is a list of six⁵ institutional guarantees, which together defines polyarchies (Dahl, 1998, pp. 85–6):

1. Elected officials: control over government decisions is constitutionally vested in officials elected by citizens, which means that the government is representative.
2. Free, fair, and frequent elections: elected officials are chosen in frequent and fairly conducted elections in which coercion is comparatively uncommon.
3. Freedom of expression: citizens have the right to express themselves on political matters without facing the danger of severe punishment.
4. Alternative information: citizens have the right to seek alternative and independent sources of information, which are legally protected and not under political control.
5. Associational autonomy: citizens have the right to form relatively independent associations or organizations in order to exercise their rights.
6. Inclusive citizenship: no adult who permanently resides in the state and is subject to its laws can be denied the rights that are available to others and necessary to the other political institutions.

Contested Elections as a Prerequisite of Democracy

The attributes associated with electoral democracy arguably have a special status compared to those added by other conceptions of democracy. In short, the minimal conditions constitute the *sine qua non* of democracy (Collier and Adcock, 1999, p. 599; Coppedge et al., 2011; Merkel, 2004, pp. 36–8). This means that we should not call a political regime democratic if contested elections do not determine access to political power (unless the polity is characterized by direct democracy).

Accordingly, it was conceptual stretching (see Sartori, 1970) when Trujillo spoke of the Dominican Republic under his dictatorial rule as a neo-democracy; when German Nazis envisaged a *Führerdemokratie*; when Franco termed his semi-fascist, military regime an organic democracy; when communist leaders in the Eastern Bloc referred to their political regimes as people's democracies; or when President Jinping recently called China a whole-process democracy. In the absence of free elections, a political regime is undemocratic, full stop! Note, furthermore, that this conclusion also applies to the many regimes, which only formally fulfill the criteria for electoral democracy. In this context, multi-party autocracies, which allow opposition parties to run for elections, but where they have no chance of winning in practice due to different sorts of overt and covert manipulation, cannot be called democracies (see, e.g., Levitsky and Way, 2010; Morse, 2012; Schedler, 2013; Seeberg, 2018).

There is broad agreement about disqualifying such regimes from the set of democracies. Some argue, however, that the electoral criteria are insufficient to capture the meaning of democracy. This critique has given rise to additional principles of democracy, each of which is designed to remedy one or more limitations of electoral democracy. The more comprehensive

conceptions thus complement electoral properties through additional attributes supposed to reflect or support particular values.

LIBERAL DEMOCRACY

The concept of liberal democracy is one prominent example of a principle of democracy that goes beyond the electoral core. It stresses the intrinsic value of individual liberty understood as protection of individual rights against state repression and unrestricted majoritarian rule. This principle is rooted in the classical liberal tradition that evolved in Europe during the Age of Enlightenment as a reaction to absolutist rule, aristocratic privileges, and clerical dogmas. Liberal ideals include reason, tolerance, pluralism, secularism (or at least freedom of religion), and freedom of choice (Held, 2006, p. 59).

On this basis, the liberal tradition sees the state as a double-edged sword. On the one hand, political institutions are necessary to safeguard individual freedoms. On the other hand, they also pose a direct threat to those freedoms (Holmes, 1995, p. 270).⁶ Accordingly, the power of rulers should be limited. Government authority must be derived from, and limited by, law (Holmes, 1995; O'Donnell, 2007; Ross, 1952; Sartori, 1987, p. 374; Vile, 1998). Constitutional rules should emphasize the protection of civil liberties, constraints on the executive and legislature, and protection of minority rights (Gordon, 1999).

One of the distinguishing features of the liberal principle is the idea of checks and balances among legislative, executive, and judicial powers. This idea was originally conceived by Montesquieu ([1748] 1989) and later adapted by James Madison in connection with the framing of the US Constitution (Hamilton, Madison and Jay, [1787/1788] 1992). Since the executive is the branch of government most prone to abuse, we regard the judicial and legislative branches as providing checks against executive authority. Independent courts also serve the function of adjudicating among citizens and between citizens and public authorities.

Another key feature of liberal democracy is a catalog of individual rights (Beetham, 2004). In addition to the political liberties, already included among Dahl's polyarchy criteria, the liberal principle embraces associated rights such as personal integrity and security, freedom of movement, freedom of religion, and property rights. All these rights may be grouped together under the rubric of civil liberties.

The final feature emphasized by the liberal tradition is the rule of law (O'Donnell, 2004). This requirement implies that there is equality before the law and that the rules need to be general, prospective, clear, certain, and impartially and regularly applied by public authorities (Fuller, 1969; Raz, 1979; see also Møller and Skaaning, 2014). Taken together, civil liberties, checks and balances, and the rule of law may be said to fulfill the liberal ideal insofar as all three impose constraints on state repression and help to secure fundamental rights for citizens.

Note that the liberal model generally takes a negative view of political power. This is the background for the historical suspicion about popular sovereignty among liberals. They basically feared that inclusive elections would undermine individual rights, including property rights (see Held, 2006, Ch. 3; Macpherson, 1977). Gradually, liberal rights fused with the principle of popular rule, however, and created the modern understanding of liberal democracy. This happened in the theoretical works of political thinkers such as Thomas Paine ([1791] 1996), Jeremy Bentham ([1776] 1988), and John Stuart Mill ([1861] 1993). More importantly, it also happened in practice with the emergence of political regimes characterized by free,

inclusive elections as well as general respect for liberal rights. These empirical developments have tended to disprove the original fears of a trade-off between popular sovereignty and liberal features. Instead, they lend support to the position that the electoral and liberal elements of democracy are better conceived as mutually constitutive (Habermas, [1992] 1996; Merkel, 2004).

EGALITARIAN DEMOCRACY

The principle of egalitarian democracy is based on the idea that elections (and liberal rights) are insufficient to realize political equality (Beitz, 1990; Lindblom, 1977). To a large extent, the egalitarian perspective on democracy grows out of a leftist critique of electoral and liberal democracy. Some writers in the Marxist tradition merely view free elections as a democratic facade with the hidden purpose to ensure class rule (of the bourgeoisie) rather than political and social equality (e.g., Lenin, [1917] 2004, pp. 73–7; Luxembourg, [1899] 2006; Marx, [1848] 1988). Others hope to integrate electoral democracy with socialist policies to combine the best of both worlds (Bernstein, [1899] 1961); Heller, 1930). To some extent, this tradition resonates with Dahl's (1982, 1985, 1989) understanding of a fully democratic process mentioned above, as it would require substantial redistribution of politically relevant power resources to reach the goal of political equality.

To be fully democratic, all citizens should de facto possess equal resources that can be marshalled to make self-government real. What is specific about the egalitarian tradition is the emphasis on equal protection of rights across genders and social groups, equal access to positions of political power, and equal distribution of key resources (Ake, 2000). Material as well as immaterial inequalities can fundamentally undermine the exercise of rights and liberties and thus compromise the extent to which rule by the people is realized.

The egalitarian ideal mandates political equality across social groups – as defined by income, wealth, education, ethnicity, religion, caste, race, language, region, gender, sexual identity, or other ascriptive characteristics. Ideally, all groups should enjoy similar capabilities to participate in politics, that is, to vote, to serve in leadership positions, to place issues on the agenda, and to influence policy making in other ways.

A key assumption embedded in this tradition of thought is that political power is associated with social power. If an individual or group is disadvantaged in society, this will likely reflect in the political sphere. Material and immaterial inequalities inhibit the actual use of formal political (electoral) rights and liberties. Hence, for the egalitarian democratic ideal to be achieved, citizens must have equality in power resources within society. In other words, rule by the people requires equality among the people, meaning that people must be substantially equal in wealth, education, and health, and group relationships should be unhindered by social prejudice (Ake, 2000; Meyer, 2007; see also Laclau and Mouffe, 1985).

At a minimum, the distribution of resources must be sufficient to ensure that citizens' basic needs are met in a way that enables their meaningful participation in politics (Beetham, 1999; Saward, 1998). To a large extent, this view aligns with the capability tradition, which understands full development of human capability as both an aim in itself and important for the true realization of democracy (see Nussbaum, 2011; Sen, 2001).

Egalitarian democracy thus requires electoral democracy and liberal rights to be undergirded by equal respect for all social groups and individuals and an equal distribution of resources

across social groups and individuals – or at least the fulfilment of minimum standards that enable everybody to participate effectively in political processes.

PARTICIPATORY DEMOCRACY

The key value of participatory democracy is active political participation and direct rule by citizens. It is rooted in the tradition of direct democracy as practiced in Ancient Greece and later envisaged by Jean-Jacques Rousseau (Hansen, 1991; Ober, 1989; Rousseau, [1762] 1984). This model of democracy received renewed attention from scholars in the 1970s and 1980s (e.g., Macpherson, 1977; Mansbridge, 1983; Pateman, 1976), and, recently, activists in many countries have followed by criticizing the functioning of electoral and liberal democracy and making calls for political reforms, which echo some of the principles underlying this tradition.

This ideal is based on the assumption that mere representation by elected politicians is inherently flawed from a democratic perspective. Representation is said to alienate human beings from each other rather than bringing them together, and the basis of electoral and liberal democracy in the form of autonomous citizens casting ballots on election day does not facilitate a strong democracy (see Barber, 1984). Joel Wolfe (1986, p. 10) summarizes this perspective as follows: ‘strong [participatory] democracy should be a form of government in which all people participate in decision-making and implementation...participation by all is imperative because it creates shared interests, a common will, and community action, all of which inevitably give legitimacy to politics.’ The benefits of active participation are multifold. It is expected to develop public awareness and the capacities of citizens, improving their sense of membership in the community. This may be especially important for groups facing discrimination in society. Moreover, participation will inform the formation of preferences, and citizens gain a sense of ownership over the political process, which increases legitimacy.

Moderate versions of participatory democracy do not reject political representation altogether. However, the institutions associated with electoral democracy need to be undergirded by alternative tools of political engagement and influence to achieve the participatory ideal. Rather than looking solely at the right to elect representatives, the actual turnout at elections is relevant. More importantly, in addition to voting, the polity should provide other mechanisms of citizen participation such as direct democracy (initiatives and referenda), party primaries, a strong and engaged civil society (including demonstrations, protests, and strikes), and significant policy-making power at all levels through participatory budgeting, citizen assemblies/councils/panels, and so forth. Arguably, these forms of engagement also enhance the quality of representation by reducing the autonomy of politicians from citizens as well the autonomy among citizens.

DELIBERATIVE DEMOCRACY

Deliberative democracy embraces the core value that political decisions in pursuit of the public good should be informed by respectful and reason-based dialogue rather than by emotional appeals, solidary attachments, self-interests, or coercion. This conception was first conceived and developed into an independent perspective in the early 1980s (see Bessette, 1980; Habermas, [1981] 1987). To a large degree, this was a response to dissatisfaction with

some unwanted characteristics of political discussion and decision making such as the personalization of politics, disrespect for alternative views, pork-barrel politics, affective appeal to base interests, and narrow-minded pursuit of irrational preferences.

The deliberative principle says that a legitimate political order is one that is justifiable to all members of society. A key objective is to transform political preferences through a process of deliberation. The outcome should be political positions that can withstand public scrutiny (Held, 2006, p. 237). To achieve this aim, more focus has to be directed to the pre-voting communicative processes of opinion formation (Bohman, 1998; Elster, 1998; Gutmann and Thompson, 1996; Habermas, [1992] 1996). Deliberative democracy thus requires more than an aggregation of existing preferences. The process by which decisions are reached is also crucial.

A deliberative process is one in which public reasoning focused on the common good motivates political decisions. Deliberation can basically be understood as ‘debate and discussion aimed at producing reasonable, well-informed opinions in which participants are willing to revise preferences in light of discussion, new information, and claims made by fellow participants’ (Chambers, 2003, p. 309). It also requires respectful dialogue at all levels – from preference formation to final decision – among informed and competent participants who are open to persuasion (Dryzek, 2010, p. 1). Rational political deliberation more generally has to be “‘fact-regarding” (as opposed to ignorant or doctrinaire), “future-regarding” (as opposed to myopic) and “other-regarding” (as opposed to selfish)’ (Offe and Preuss 1991, p. 157).

Even though proponents of deliberative democracy vary in their views about the institutions of electoral democracy, many of them think the deliberative features should supplement rather than replace representative democracy (e.g., Chambers, 2003, p. 308; Fishkin, 1991). What is distinct to deliberative democracy is that political decision making must fulfil the criteria of public deliberation and consultation, respectful debate, and reasoned justification with exclusive emphasis on the public good.

MAJORITARIAN VS CONSENSUAL DEMOCRACY

The idea that the will of the majority of the people should decide policies affecting society is the key value underlying the majoritarian democracy perspective. Democracy is boosted when political institutions ensure that the voice of the many prevail over the few. To facilitate this, political institutions should centralize and concentrate power within the context of electoral democracy, generating an efficient method of decision making and implementation.

Consensual democracy is basically the mirror image of majoritarian democracy, apart from the fact that they share the core of electoral democracy. Accordingly, in order to realize popular rule, the consensual principle prescribes political power to be widely dispersed and political institutions to encourage the inclusion of as many political perspectives as possible in the decision-making process. Decision making should involve and take into account as broad a range of opinions as possible, meaning that all affected groups are to be heard and have an impact on the result. Inclusionary measures should preserve interests even when opposed by the government.

The origin of these contrasting types of democracy may be assigned to Walter Bagehot ([1867] 1963, pp. 219–22), who in the mid-nineteenth century contrasted the British political model with the US political model: ‘The English Constitution...is framed on the principle of

choosing a single sovereign, and making it good; the American, upon the principle of having many sovereign authorities, and hoping that their multitude may atone for their inferiority.’ Some decades later, Arendt Lijphart (1999) reinvigorated the debate, and his distinction between consensus and majoritarian democracy has been pointed out as ‘the single most influential typology of modern democracies’ (Mainwaring, 2001, p. 171).⁷

Broadly speaking, the majoritarian ideal is fulfilled when political institutions are power concentrating, that is, they centralize political power in the hands of a single party and the number of veto points/players are very limited. A veto point may be understood as a constitutional body such as a legislature or a political body such as a political party or interest organization. Such institutional set-up is supposed to strengthen the government and ensure effective decision making, which is advantageous when dealing with complex societal challenges and trying to overcome the resistance of special interests (Freeden, 1978).

While both majoritarian democracy and consensual democracy share a commitment to electoral democracy, the institutions that fulfill the two ideals are directly contrary. According to the consensual principle, political power should be dispersed with the help of many veto points. Considerable power should be delegated to independent bodies at national and subnational levels. Power-sharing is key, so decision making at various levels should be characterized by super-majorities, and executive powers be vested with oversized coalitions.

HOW THE DIFFERENT CONCEPTIONS RELATE TO EACH OTHER

Orthogonal Components with a Common Core

One way to view the relationship between different conceptions of democracy is to interpret them as being as distinct as possible apart from the common electoral core. This is the perspective embraced by the Varieties of Democracy project (see Coppedge et al., 2020). This approach distinguishes between a reduced and a comprehensive version for each of the conceptions of democracy, which supplement the electoral basis with additional criteria. The comprehensive versions cover all defining features, while the reduced versions, referred to as components, only include the most unique attributes of that conception compared to the other conceptions. Accordingly, substantial overlaps are avoided between the liberal, egalitarian, deliberative, participatory, majoritarian, and consensual components. In other words, these are designed to be conceptually distinct (even though they may co-vary empirically).

Figure 1.1 presents the different conceptions of democracy and illustrates how distinct principles of democracy, on the one hand, share an electoral core, and, on other hand, can function as separate extensions of the electoral understanding.

This procedure works well when the reduced components are clearly distinct from each other, as in the case of the participatory and liberal principles, including when they stand in contrast to each other, as in the case of the majoritarian and consensual principles. It is more problematic, however, when there are substantial overlaps between the reduced components as they should preferably be mutually exclusive to fit the approach.

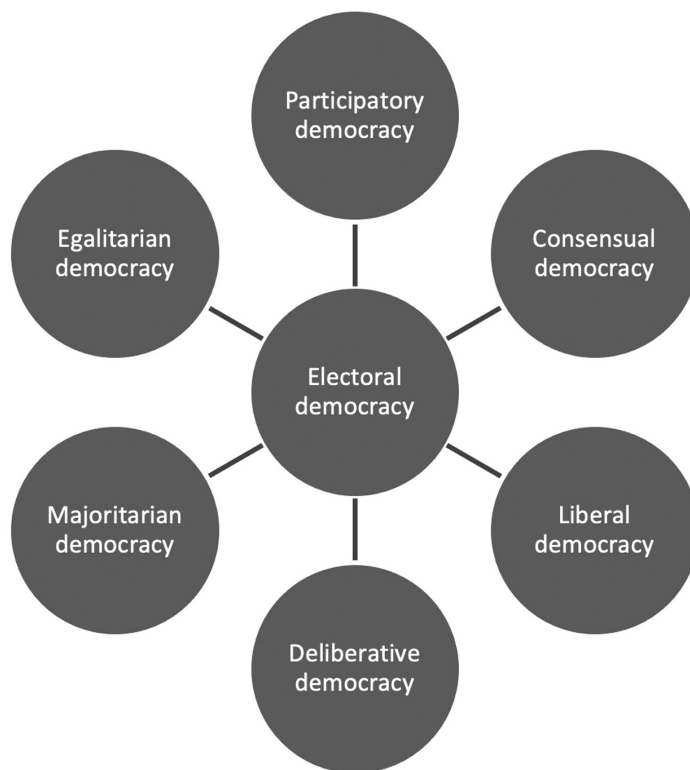


Figure 1.1 Conceptions of democracy

Cumulative Ordering of Components

One procedure to handle a situation where there is partial overlap between different understandings of democracy is to use the logic of cumulative ordering. However, if one is able to order multiple definitions of democracy in a stepwise fashion, ranging from less demanding, thin versions to more demanding, thick versions, it is possible to construct a hierarchical typology (taxonomy) of conceptions of democracy (see Gerring, Pemstein and Skaaning, 2018; Skaaning, Gerring and Bartusevičius, 2015). This is done by enlisting a sequence of necessary conditions, which at each level are jointly sufficient for a particular understanding of democracy.

This approach cannot be applied to contrasting perspectives or to perspectives that cannot be systematically ordered. This means that some of the principles do not lend themselves to this exercise. However, as shown in Table 1.2, it is possible to do so with the two versions of electoral democracy (i.e., minimalist democracy and polyarchy), liberal democracy, and egalitarian (aka social) democracy (see Møller and Skaaning, 2011, 2013).

The table illustrates the stepwise extension of the definition, where contested elections are necessary for all conceptions but only sufficient for the thinnest type, that is, minimalist

Table 1.2 Taxonomy of conceptions of democracy

	Contested Elections	Universal Suffrage and Political Freedoms	Liberal Rights	Social Rights
Minimalist democracy	+			
Polyarchy	+	+		
Liberal democracy	+	+	+	
Egalitarian democracy	+	+	+	+

democracy. At the next level, the definitional requirements of polyarchy are captured by adding universal suffrage and political freedoms (free speech and the rights of organization and assembly) to contested elections. Liberal democracy then shares these features but also requires respect for liberal rights in the form of civil liberties and the rule of law, while egalitarian democracy at the highest level combines all the previously listed conditions with respect for social rights.

The logic of this approach entails that the thicker definitions also include the constitutive elements of the thinner definitions. This means that the procedure can handle partial overlaps between the principles; it is even a requirement. The procedure also implies, however, that it is not suitable for principles standing in direct contrast to each other. It also falls short when it is hard to justify why democratic attributes should be arranged in a particular order.

ILLUSTRATIVE CLASSIFICATIONS OF POLITIES

After the conceptual spadework, it is interesting to see how countries map on to the different categories. This exercise has a two-fold purpose. First, it identifies the closest we get to real-world examples of the types. Second, it gives a raw impression of the empirical variation and distribution. Table 1.3 lists the ten best-performing countries in 2018 according to the Varieties of Democracy (V-Dem) indices constructed to capture exactly the conceptions of democracy described above (see Coppedge et al., 2020).⁸ However, V-Dem does not provide indices for majoritarian democracy and consensus democracy. I therefore employ Lijphart’s (1999) classical executives-parties measure to identify the polities, which were most majoritarian and consensual, respectively. His measure covers 1971 to 1996 and offers a single score for each of the 36 electoral democracies included in his study.

The V-Dem indices have been constructed based on the logic of a common overview that shows that it is to a large extent the same countries that do well across the first five conceptions of democracy. This pattern is not self-evident since the construction of these indices has followed the logic of orthogonal components with a common core of electoral democracy described above. This circumstance means that much more variation in the rankings is theoretically possible, especially if there are some trade-offs between the achievement of the various components. However, this does not seem to be the case, as illustrated by the Scandinavian countries, which do well across the board. Electoral integrity, liberal rights, basic equality, political engagement, and public and respectful political debate tend to go hand in hand in these polities. Also, other countries, such as Estonia, Switzerland, and Costa Rica, figure prominently in the rankings. Unsurprisingly, Switzerland and Uruguay, with their frequent

Table 1.3 Top performers regarding different conceptions of democracy

	Electoral Democracy	Liberal Democracy	Egalitarian Democracy	Participatory Democracy	Deliberative Democracy	Majoritarian Democracy	Consensus Democracy
1	Norway	Norway	Norway	Switzerland	Norway	Jamaica	Switzerland
2	Sweden	Sweden	Denmark	Uruguay	Sweden	Bahamas	Finland
3	Estonia	Denmark	Estonia	Denmark	Denmark	Trinidad & Tobago	Denmark
4	Costa Rica	Estonia	Luxembourg	New Zealand	Switzerland	Barbados	Belgium
5	Denmark	Switzerland	Sweden	Taiwan	Estonia	UK	Israel
6	Uruguay	Costa Rica	Switzerland	Norway	Luxembourg	Botswana	Netherlands
7	Switzerland	Australia	Portugal	UK	Uruguay	New Zealand	Italy
8	UK	Portugal	Belgium	Costa Rica	Costa Rica	Canada	Papua New Guinea
9	Portugal	Netherlands	New Zealand	Slovenia	Portugal	France	Sweden
10	Luxembourg	New Zealand	Finland	Estonia	Netherlands	Malta	Norway

Notes: The first five rankings refer to 2018 and are based on the V-Dem indices for electoral democracy, liberal democracy, egalitarian democracy, participatory democracy, and deliberative democracy. The last two ranking refer to 1971–96 and are based on Lijphart’s (1999, p. 312) measure of the so-called executives-parties dimension.

use of referenda and strong traditions of subnational democracy and vibrant civil societies, do extraordinarily well regarding participatory democracy.

The top-ten performers in the majoritarian democracy column are quite different. It is mainly populated by the UK and a number of its former colonies that have largely adopted a similar set of political institutions. Accordingly, the UK is often pointed to as a prime example of a majoritarian democracy. Two parties dominate the political arena, the executive dominates the legislature (where the lower house is much stronger than the upper house), the national government dominates local government, and the power to govern is mostly concentrated in a single party. Moreover, the unwritten constitution is flexible, and there is no judicial review of primary legislation. Taken together, there are only few and weak veto players, so it is unlikely that the majority is obstructed from carrying out its preferred policies.

In contrast to the British system, the institutional set-up in Switzerland is often presented as prime example of a consensus democracy. The political arena is characterized by multiple parties (none of them dominant), the relationship between the executive and legislature (divided into two equally strong chambers) is balanced, regions in the federative structure have strong autonomy, and government power is shared by all important parties in a broad coalition, where different (linguistic) groups are represented in proportion to their size. This rather pure version of a consensus democracy is extraordinary. The political institutions of the other states topping the ranking for consensus democracy, including the Scandinavian countries, are less consistent with regard to promoting inclusion and decentralization. On the one hand, corporatism, multi-party coalition governments, and oversize legislative majorities, are more the rule than the exception. On the other hand, Denmark, Norway, and Sweden are unitary states with unicameral legislatures and do not have strong traditions of judicial review.

But how does the distribution of contemporary democracies look if we employ a cumulative ordering of democratic attributes? To answer this question, I first use the competitive elections indicator from the Lexical Index of Electoral Democracy (LIED) (Skaaning et al., 2015) to distinguish autocracies from minimalist democracies. In the next step, minimalist democracies with a score of at least 0.72 on V-Dem’s electoral democracy (polyarchy) index are placed in the group of polyarchies. A score of 0.86 on the V-Dem liberal component index then separates out the liberal democracies, while a subsequent criterion of a minimum score of

Table 1.4 Taxonomic classification of democracies, 2018

Minimalist Democracy			Polyarchy	Liberal Democracy	Egalitarian Democracy
Albania	Guinea-Bissau	Mongolia	Argentina	Australia	Austria
Armenia	Guyana	Montenegro	Brazil	Barbados	Belgium
Bahamas	Haiti	Namibia	Burkina Faso	Belgium	Canada
Benin	Honduras	Nepal	Czech Republic	Cape Verde	Denmark
Bhutan	Hungary	Nigeria	Greece	Chile	Estonia
Bolivia	India	Papua New Guinea	Malta	Costa Rica	Finland
Botswana	Indonesia	Paraguay	Panama	Cyprus	France
Bulgaria	Iraq	Philippines	Peru	Italy	Germany
Burkina Faso	Israel	Poland	Senegal	Jamaica	Iceland
Colombia	Kenya	Romania	Slovakia	Lithuania	Ireland
Comoros	Kosovo	São Tomé & Príncipe	Suriname	Mauritius	Japan
Côte d'Ivoire	Lebanon	Serbia Bosnia	Timor-Leste	Spain	Latvia
Croatia	Lesotho	Seychelles		Trinidad & Tobago	Luxembourg
Dominican Republic	Liberia	Sierra Leone		Tunisia	Netherlands
Ecuador	Macedonia	Solomon Islands		UK	New Zealand
Ecuador	Madagascar	South Africa		US	Norway
Fiji	Malawi	Sri Lanka		Uruguay	Portugal
Gambia	Malaysia	Tunisia		Vanuatu	Slovenia
Georgia	Mali	Turkey			South Korea
Ghana	Mexico	Ukraine			Sweden
Guatemala	Moldova				Switzerland
					Taiwan

Notes: The country distribution refers to 2018 and comprises all independent countries covered by V-Dem (v9). The distinctions are based on the competitive elections indicator from LIED and the electoral democracy index, the liberal component index, and the egalitarian component index from V-Dem.

0.89 on the V-Dem egalitarian component index identifies the egalitarian democracies.⁹ Table 1.4 shows the distribution of polities in 2018 on the four types of democracy, where members of higher-order categories are by definition also members of all less demanding categories. For example, all liberal democracies, such as Australia and Chile, also belong to the set of minimalist democracies.

The overview reveals that relatively few polities are classified as egalitarian democracies and that most of them are rich, Western European countries with long traditions of electoral contestation. In contrast, most third wave countries are only minimalist democracies or polyarchies. There are positive exceptions, though, such as the Baltic countries and some of the Asian Tigers. The country distribution indicates that there is a strong covariation between socio-economic development and type of democracy, but it does not say anything about the existence and direction of a causal relationship.

CONCLUSION

Dahl (1989, p. 2) once noted that ‘a term that means anything means nothing. And so it has become with “democracy”, which nowadays is not so much a term of restricted and specific meaning as a vague endorsement of a popular idea.’ However, this situation did not make Dahl abstain from continuing to discuss and précis his own understanding of democracy – or

to identify and account for real existing democracies for that matter. Although fundamental disagreements still exist about the correct definition of democracy, and even though some conceptions of democracy build on conflicting values, this chapter has shown that it is possible to order many particular understandings into more general clusters. Moreover, I have suggested approaches that can be helpful when trying to systematize the relationship between different conceptions, and I have argued that there is a set of minimum conditions that need to be included in any meaningful definition of democracy.

Related to the last point, it has been argued that researchers should avoid the inclusion of potential causes and consequences of democracy (such as rule of law, social equality, or a lively civil society) into the concept of democracy. The argument goes that this choice would solve interesting factual questions by definitional fiat. If, for instance, one is interested in the empirical association between economic equality and democracy, it would not be suitable to consider economic equality as a defining feature of democracy as this would generate a tautological relationship (Cheibub, Gandhi and Vreeland, 2010, p. 73; Przeworski et al., 2000, p. 33). Even though there are some limits to what features can meaningfully be constitutive of democracy, many of the arguments in favor of including attributes that go beyond contested elections are plausible considering the baseline values of political freedom and equality. When trying to disentangle theoretical and empirical relationships between democracy and some other variable, it can be valuable to carefully distinguish these phenomena. However, researchers also have the choice of focusing on the relationship between more particular elements of overarching concepts to avoid disturbing overlaps.

I make no claim to have offered the authoritative conceptualization of the seven traditions introduced in this chapter. My aim is a modest one of identifying some of the most important and distinctive attributes associated with the most influential conceptions of democracy and thereby to provide some guidance for researchers and students interested in this issue. Others might suggest different ways to make sense of the complexity characterizing the field of democratic theory. If these attempts are transparent, coherent, and well justified, they are more than welcome.

Moreover, the conceptions of democracy presented here are not exhaustive. Some extant traditions have been neglected and new ones will probably be suggested in the future. The conceptualization of democracy will continue to be debated. Societal developments, intellectual innovations, and novel research questions sometimes call for a rethinking of our concepts. They are, after all, merely tools used for the higher purposes of precise communication and scientific progress, that is, the achievement of valid theoretical and empirical insights.

NOTES

1. Some scholars add control as a third dimension (e.g., Bühlmann et al., 2012; Lauth, 2004) but since control is merely considered as a means to safeguard equality and freedom, it should not have the same constitutive status.
2. This could be marked in the table by also adding the criteria mentioned in connection to electoral democracy to the list of criteria linked to all the other conceptions. However, I prefer not to do so here to avoid blurring the overview and to emphasize the distinct features. The overlap is obvious from the following discussions.
3. The description of the different conceptions of democracy is heavily inspired by – and partly overlapping with – some of my previous works on the topic, especially Coppedge et al. (2020, Ch. 2; see also Møller and Skaaning, 2011, 2013).

4. That is, adequate and equal opportunities to discover and validate relevant information.
5. Dahl (1971, p. 3) originally conceived eight requirements. Later, he reduced them to seven (Dahl, 1989, p. 221) and eventually to six.
6. Held (2006) identifies both a protective and a developmental version of liberalism. Here we focus on the former, because it represents what most scholars have in mind when referring to liberal democracy (see, e.g., Diamond, 1999; Fukuyama, 2014; Møller and Skaaning, 2011; O'Donnell, 2001; Zakaria, 2003).
7. Other works have also distinguished between different institutional configurations of democracies and their expected impact on inclusion and effectiveness (e.g., Gerring and Thacker, 2008; Powell, 1982; Tsebelis, 2002), but they have generally been less influential than Lijphart's work.
8. Note that since the ranking is mainly used for illustrative purposes, I do not utilize the confidence bounds associated with the V-Dem point estimates. Doing so would reveal that many of the differences are not statistically significant at conventional levels.
9. The cumulative ordering requires crisp distinctions on each level. This means that some valuable information is lost. In addition, although the thresholds are inspired by country distributions identified in previous studies (see Møller and Skaaning 2011, 2013), they are necessarily somewhat arbitrary since the V-Dem indices are continuous.

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2. Development: a multidimensional concept

Eija Ranta

INTRODUCTION

Development is an intrinsically complex term with multiple meanings. For over 70 years, this ubiquitous yet slippery concept has provided an overarching framework for imagining and organizing relationships between the privileged North and the impoverished South. The origins of development as a pivotal concept are often traced to Harry Truman's inaugural presidential speech in 1949 (Escobar, 1995; Esteva, 1992; Sachs, 1992), which urged Western nations to provide capital investment, technological transfers and financial assistance for the improvement and growth of 'underdeveloped areas' (Truman, 1949). The inaugural address intimately tied development – as industrialization, technical advancement and the exercise of individual liberties – to the notion of Western democracy, thus establishing the development–democracy nexus, which this chapter critically unravels, as a Western solution to 'hunger, misery and despair' (ibid.). In the post-World War II situation of booming multilateralism and accelerating decolonization processes in Africa and Asia, conditions were set for portraying Western economic and political conditions as the norm, thus legitimizing interventions. Unquestionably, development became the central organizing concept – or interpretative grid – of the twentieth century (Ferguson, 1994).

However, I will argue in this chapter that, despite official discourses to the contrary, development's intimate relationship with growth agendas and Western economic and political interests throughout the decades has tended to bypass concerns for democracy. In dominant early development paradigms, such as the modernization theory prevalent in the 1950s and 1960s, development as economic growth and democracy as a system of free elections were closely associated with each other (Lipset, 1959; Rostow, 1971). During the Cold War, however, Western development donors did not hesitate to support authoritarian regimes and coups if their economic interests were at stake (Branch, 2011; Klein, 2003). While democracy and human rights became conditionalities for foreign aid in the 1990s, their intimate tie-up with structural adjustment programs (SAPs) conditioned by the World Bank and the International Monetary Fund (IMF), and mass-scale privatizations of state industries and services, seriously eroded the meaning of democracy by creating an unpleasant association between liberal democracy and economic austerity measures. The deepening economic and social inequalities and concentration of wealth associated with neoliberal globalization further weakened democracy's popular appeal. Despite the democratization boom of the 1990s, in many parts of the Global South economic decision-making powers were increasingly transferred from democratically elected national governments to transnational banks, corporations and other actors (Harvey, 2005; Peet, 2003). I suggest that it is not possible to understand this discrepancy between development and democracy without dismantling the anatomy of the concept of development itself. Consequently, this chapter demonstrates that development is not solely commensurate with the post-World War II international apparatus of development interventions, but, rather, has longer historical continuities with the developmental character of global capitalism, its

colonial expansions and violence, and thus its multidimensionality. With this goal, the chapter critically unpacks the multiple meanings of the concept of development historically. It does so particularly from the perspective of rethinking the development–democracy nexus.

As we enter the 2020s, the intimate relationship between development and Western economic interests, corporate powers, industries and technologies has generated ever more acute implications for democracy. There is an increasing awareness that, in times of climate emergency (Gills and Morgan, 2020), development – deeply rooted in the unsustainable, Western production and consumption patterns of global capitalism and an industrial mode of life – is rather the problem and not the solution. Consequently, the contents and instruments of development, and its desirability in the first place, have become ever more contested. A scholarly and activist call for the radical rethinking – or even rejection – of the concept of development has emerged, principally due to the contemporary crisis of climate change, ecological diversity and environmental sustainability that is taking place amidst deepening global inequalities and intersectional discrimination on the basis of gender, sexuality and ethnicity among others. This chapter introduces the critique of development through a scrutiny of post-development and post-colonial scholarship in search of more democratic alternatives to conventional growth-centred development thinking and practice.

To illustrate the case for alternatives, this chapter focuses empirically on the emergence and implementation of the notion of *Buen Vivir* (living well) as an ecological and socio-cultural alternative to mainstream development (Gudynas, 2011; Radcliffe, 2012; Ranta, 2014, 2018a; Villalba, 2013; Walsh, 2010). The origins of *Buen Vivir* are located in the long-term struggles for political agency, land, territories and self-determination of Indigenous movements in Latin America. Its central argument, as suggested in particular by scholars and activists in Bolivia and Ecuador, is that ‘Western development’ reproduces multiple forms of coloniality and capitalism. More socially just, democratic and ecologically sustainable alternatives are needed to adapt to and to overcome the contemporary crisis of representative democracy and anthropogenic climate change. While introducing *Buen Vivir* as an alternative to conventional development thinking and practice, this chapter also discusses the problems, shortcomings and failures of development alternatives, especially when adopted by state regimes and mainstream political parties, as has occurred in Bolivia and Ecuador.

Building upon these themes, the chapter is divided into five sections. After this introduction, the second section discusses the multiple meanings of development. It particularly focuses on unravelling the complex historical entanglements between development, democracy and capitalism, arguing on the basis of Cowen and Shenton (1996) and Li (2007) that the histories of ‘the intent to develop’ or ‘the will to improve’ articulate intimately with the destruction caused by colonial conquests and the industrial capitalist mode of production. In the third section, critical alternatives to mainstream development are examined by focusing on the works of post-development and post-colonial scholars. The fourth section introduces the idea of *Buen Vivir* as an illustrative example of alternatives to mainstream development. This section also offers a critique of shortcomings and failings – especially in terms of consequences for democratic elements – when progressive governments ostensibly adopt alternative development concepts. Finally, conclusions are drawn.

Methodologically, the chapter is based on ethnographic research into development alternatives, especially the notion of *Vivir Bien*¹ in Bolivia, which I conducted in the form of fieldwork in 2008–09 and 2018, including interviews with ministers, state officials, development scholars and Indigenous activists on their conceptualizations of development and its

alternatives.² The empirical case is framed through the ethnographic scrutiny of the politics of development combined with theoretical insights from post-development and post-colonial scholarship and the global political economy of development.

UNRAVELLING THE MULTIPLE MEANINGS OF DEVELOPMENT

Let me start by unpacking the multiple meanings of the concept of development to shed light on the complicated relationships between development and democracy. While there is no single explanation of what is meant by development, the common element is its portrayal as a desirable framework for imagining ‘good change’ (Chambers, 1997). However, critical scholars have long contested this view by claiming that development is, rather, foundationally destructive due to its historical origins and intimate engagements with the exploitative relations of global capitalism (Amin, 2011; Frank, 1967) and/or epistemic colonialities of Western modernity (Escobar, 1995). Alan Thomas (2000) has suggested that it is fruitful to distinguish three main senses in which the term development is used: (1) development as a vision or measure of progressive change; (2) development as a historical process of change; and (3) development as an intended intervention (also see Koponen, 2016; on the impacts of this triad on the definition of development studies, see Kothari, 2005, pp. 4–5). Each of these three usages includes competing theoretical perspectives and political dimensions, rendering development a complex multidimensional concept.

To start with the first, development can be imagined as resulting in an ideal future, in a positive, desirable utopia such as democratic society. Yet, visions of the content and instruments of a future state of democracy may vary considerably depending on competing political goals and normative commitments. For some it may mean a system of free elections and political rights under representative democracy, while others may define it as direct rule of the people obtained through social struggles aimed at dissolving contested state–society relations. Second, development can be conceptualized as a historical process of change through which encounters between individual, society, and nature are transformed over long periods. This development may refer to such long-term historical processes as the economic and political evolution of capitalism as industrialization and globalization. An implicit assumption here is that foundational historical shifts are taking place worldwide that are transitioning humankind from ‘kinship to contract, agriculture to industry, personalized to rational or bureaucratic rule, subsistence to capital accumulation and mass consumption, tradition to modernity, and poverty to wealth’ (Edelman and Haugerud, 2007, p. 2). Classics of the social sciences, such as the works of Adam Smith, Karl Marx, Karl Polanyi, Max Weber and Emile Durkheim, all shed light on these historical processes from different perspectives. The third meaning of development refers to calculated efforts, conscious plans and technical interventions aimed at moving societies, groups of people and individuals towards a desired future. One such agent is the post-World War II development cooperation apparatus that has created its own international structures, institutions, rules, discourses and practices through which it claims to improve the lives of the poor of the Global South. However, this developmental logic has a much longer pedigree, one that is intimately linked to the advancement of industrial capitalism, as is suggested below.

Most disagreements and contestations over the multiple concepts of development are related to different views of capitalism (Thomas, 2000). Modernization paradigms – the dominant

framework of development thinking and practice in the 1950s and 1960s – claimed that capitalism would eventually function similarly everywhere. Developing countries needed, it was thought, Western technology transfers, development aid, investments and corporate involvement to spark economic growth and to integrate them into a market-based economy. This would eventually enable them to ‘catch up’ (e.g., Rostow [1960], 1990) with the ‘developed’ West. Consequently, development occurred alongside capitalism, and the foundation was laid for the intimate relationship of development with Western economic interests, corporate powers, industries and technologies. As a critical response to this conventional development thinking and practice, dependency scholarship and world system analysis moved to analysing systemic characteristics of the capitalist global economy (e.g., Frank, 1967; Wallerstein, 1974). These strands of thought suggested that the history of development was essentially that of global capitalism, which actively ‘underdeveloped’ certain areas of the world, thereby upturning the mainstream view of capitalist development as positive change. Instead of advancing development, as was argued in modernization paradigms, global capitalism in fact created, maintained, and deepened underdevelopment in the peripheral areas of the world economy. While some areas – the West – developed, their development led to poverty, inequalities, and marginalization elsewhere. As this ‘maldevelopment’ (Amin, 2011) was intimately associated with the foundational characteristics of the capitalist world-system, it implied that development should be detached from the parameters of capitalism. Nevertheless, the concept of development, per se, was not abandoned or completely rejected.

Historians Michael Cowen and Richard W. Shenton traced the genealogy of development to the early nineteenth-century advancement of industrial capitalism in Western Europe. Until then, the Enlightenment had sustained the view that ‘progress rested upon an objective, self-furthering process of improvement in material conditions of life’ (Cowen and Shenton, 1996, p. 446). Cowen and Shenton suggested that the idea of development emerged when historical transition towards energy-intensive and resource-greedy industrialization started to cause societal turmoil due to unemployment, poverty and inequalities, thus demonstrating the falsity of the assumption that progress equalled continuous improvement. Development became a concept associated with active intent and trusteeship on the part of the state to bring order to the social and political disorders that resulted from industrial capitalism. Thus, the intent to develop became intimately tied up with the control of surplus population. Those who suffered from the consequences of industrial capitalism were deemed powerless to help themselves, thus they needed outside guidance by official authorities and intellectuals.

From the point of view of the contemporary development apparatus and its critique (discussed in more detail in the next section), Cowen and Shenton’s (1996) idea of the dual see-saw of development is crucial; while ‘immanent development’ of industrial capitalism as a process of historical change destroyed social values and practices of community, ‘intentional development’ – for example, state policy interventions – was undertaken to re-create community. Thus, ‘intentional development’, as Cowen and Shenton (1996, p. 438) argue, ‘consists of the means to compensate for the destructive propensities of immanent change’. At the same time, this mitigation by the evolving nation-state helped to cement in place the initial destruction: the exploitative character of capitalist development. Consequently, both ‘good change’ and destruction are historically constructed *longue durée* elements of development. This resembled Polanyi’s ([1944], 2001) view according to which the development of capitalism as a historical process meant a constant double movement to commoditize labour, nature and productive organization, and to protect them. It is this continuous and unresolved

tension that makes the definition of development so difficult. As is shown in the section on *Buen Vivir* below, it is also in the long-term continuity of this dual character of development that the difficulties for undertaking a successful radical transformation outside the parameters of development can be observed.

The idea of development was thus of European origin, that is, it was essentially Eurocentric. As Cowen and Shenton (1996, pp. 5–6) observe: ‘it was in Europe that [the idea of development] was hoped to provide the constructivist means to compensate for results of the development of capitalism. It was here that the development was meant to construct order out of the social disorders of rapid urban migration, poverty and unemployment’. Through colonial conquest, the doctrine of development travelled to Africa, India and other colonies, becoming more systematic by the end of the nineteenth century, when industrial capitalism needed new market areas and raw materials. People outside Europe were harnessed into processes of capitalist development through colonial conquest, violence and destruction. Making a case for interlinkages between colonialism and development from an ethnographic point of view, anthropologist Tania Li (2007), who draws on the thought of Michel Foucault (e.g., 1991), has traced the roots of development to the initial will of colonial administrators and missionaries to improve colonial subjects. This improvement as the practice of government was intimately tied to the exploitation of the lands and labour of colonial subjects. What unites the ideas of Cowen and Shenton and Li is the theme of the importance of trusteeship in guiding improvement schemes. According to Li (2007, p. 21), ‘trustees use a particular population’s failure to improve...or to conserve...as rationales for their dispossessions, and as the justification to assign resources to people who will make better use of them’. For Li, while the intersections of capitalist processes and improvement schemes are a continuous feature of lives and experiences in the Global South, specific forms of trusteeship depend on historical moments, thus varying from colonial officers and missionaries to authoritarian states and contemporary ‘neoliberal governmentality’ (Ferguson and Gupta, 2005) by global banks, foreign consultants, and other development professionals. Ultimately, in the Global South, trustees tend to come from outside, and vulnerable people are their targets, not independent agents, making the duty of ‘doing good’ a relatively patronizing and thus undemocratic enterprise.

After World War II, an overarching international framework, whose aim was ‘to develop’, was set up, creating distinct positionalities for the North and the South in an increasingly post-colonial world. Subsequently, geographer Gillian Hart (2001, p. 650) made a distinction between ‘big D’ Development, defined as a post-World War II development aid apparatus, and ‘little d’ development as the progress of capitalism in ‘a geographically uneven, profoundly contradictory set of historical processes’. Cowen and Shenton’s intentional development and Hart’s (big D) Development refer to Thomas’s (2000) third definition of development – ‘doing development’. While this ‘will to improve’ (Li, 2007) is often framed by altruistic arguments providing moral legitimation for acting on behalf of others, doing development is extremely political. In global terms, it is based fundamentally on unequal power relations between the North and the South. Furthermore, the exercise of trusteeship epitomizes competing political interests and contrasting perceptions of societal transformation.

To situate democracy in relation to this dual constellation of immanent and intentional development is at the same time easy and difficult. To an extent, it is easy to pinpoint the hugely debated topic of democracy promotion as being an important part of (big D) Development ever since modernization paradigms and especially processes of democratization began to appear in the Global South in the 1990s (e.g., Berendsen, 2008; Burnell, 2000; Hippler, 1995).

Yet, a contradiction arises when such a hugely political issue as democracy is portrayed as a technical and neutral exercise of calculated development interventions, often brought from abroad – particularly when we know that the same development donors have supported the derogation of democratic processes perceived to jeopardize Western economic interests. During the Cold War, for example, development aid's role as a device of imperialism to tame communism and control national revolutionary aims was clearly visible (Abrahamsen, 2000, pp. 28–9; Greig, Hulme and Turner, 2007, pp. 80–81). One of the most well-known examples of this is the CIA-supported 1954 *coup d'état* and instalment of an authoritarian regime in Guatemala to protect the interest of the United Fruit Company (Greig et al., 2007, p. 82). During the 1960s and 1970s, the US openly subsidized ideologically favourable dictators in countries such as Bolivia if they facilitated opportunities for US investments (Ranta, 2014, p. 15). Despite scholarly attention to relations between growth and democracy, the prevailing priority was – and still often continues to be – Western corporate interests rather than democracy in the Global South. The immanent logics of capitalism tend to overrule popular aims of democratization. Furthermore, trusteeship from outside and abroad – whether from the World Bank, the IMF, bilateral development agencies, or even some non-governmental organizations (NGOs) – tends to maintain these logics, thus effectively reducing possibilities for citizens in the Global South to decide for themselves and for their own society and rendering trusteeship as an inherently non-democratic exercise.

Democracy's explicit association with Eurocentric normative assumptions of how a good society should work efficiently diminishes the power and potential of viable options for the Global South. Development that see-saws between the duality of the historical process of global capitalism – with its colonial conquests and inequalities – and a system of interventions that tries, ideally, to compensate for capitalism's exploitations and dispossessions, introduces an unresolved tension between democracy and development that is very difficult to solve. In response, critiques, reformulations and even rejection of the concept of development have appeared on the agendas of multiple critical scholars, social movements and activists who are demanding more profound democratization and respect for multiple local forms of democracy. These views of development alternatives are discussed in the following section.

TOWARDS ALTERNATIVES

During the late 1980s, many scholars and activists started to criticize the notion of development and to search for alternatives to it. As part of the post-structuralist and post-colonial turn, development as a metanarrative of either capitalist modernization or structural Marxism – dependency and revolution – came under suspicion (Peet and Hartwick, 2009, pp. 197–8); both were deemed too universalizing, and both represented Western knowledge paradigms. While structuralism saw possibilities for human emancipation in modern development, post-structuralism saw it as a mechanism of 'modern power and social control' (ibid., p. 198), criticizing development thinking and interventions as totalizing and comprehensive 'social engineering' (Nederveen Pieterse, 2000, p. 182). This post-modern 'incredulity toward metanarratives' (Lyotard, 1984) opened a theoretical space for local alternatives: multiple local histories, knowledge and epistemologies. It tried to move from the economic determinism of earlier paradigms to thinking how knowledge, power, imagination, representation and discourse shape our perceptions and understandings of development.

In the search for alternatives beyond growth-oriented paradigms, there were currents that opted for so-called ‘alternative development’, including, for example, human development, participatory approaches, gender-and-development and environmental perspectives. During the rise of neoliberalism from the late 1970s onwards and the shift from state-led development to market-led development, many of these critical views were co-opted into institutional development practice. As Radcliffe (2015a, p. 856) notes, ‘the mainstream policy world is agile in adopting and reworking (often through depoliticization and technical fixing), such that the parameters of power in development’s operations shift continuously and blur the boundaries between mainstream and alternative, between policy and its critique’. From the 1980s onwards, the debt crisis, the associated ‘lost decade’ in economic development and social welfare, and the increasing dependency of African, Asian and Latin American countries on transnational banks, development agencies and corporations gave rise to resistance and critique all over the Global South (Gould and Ranta, 2018, p. 246). Consequently, a more radical critical scholarship emerged that proclaimed the need to seek alternatives to development, a semantic turn that suggested rejecting the concept of development altogether. The search for alternatives outside the parameters of ‘Development’ arose empirically from diverse strands of social movement activism and, theoretically, from the critique of modernization paradigms and emergent neoliberal restructurings.

By introducing the idea of post-development, Columbian anthropologist Arturo Escobar (1995) started to question the very idea of ‘development-as-modernity’ (see also Latouche, 1993; Rahnama and Bawtree, 1997; Sachs, 1992). Modernity here referred to complex long-term assemblages of Western economies, knowledge and power. Its key characteristics were economic growth, capital accumulation, the exploitation of nature, colonial violence and the othering of non-Western identities and experiences. An important influence came from post-colonial scholars, such as Edward Said. In his ground-breaking book *Orientalism* (1979), Said introduced a new kind of discourse analysis of the histories and mechanisms through which the West has produced the Orient as the ‘Other’. Influenced by Said and Foucault, Escobar’s paradigm-changing book, *Encountering Development* (1995), conceptualized development as an all-encompassing post-World War II ‘regime of representation’. He portrayed it as a hegemonic discourse and an apparatus of institutional arrangements, rules and practices that produces and reproduces power and domination, impacting on Third World identities and subjectivities in a negative way. There was, at that instant, a paradigm shift in approaching development as a discourse rather than merely as a form of economic and technological progress or external domination (Gould and Ranta, 2018, p. 247).

In discussing domination, post-development had linkages with structural Marxism, dependency theory and world systems theory, which explained the existence of global inequalities by turning to histories of conquest, imperialism and economic exploitation (Escobar, 1995, pp. 5–6; Nederveen Pieterse, 1998, p. 62). However, more was required of the explanations than this, because socialism was also perceived to be committed to economic development and growth, and to be rooted within the paradigm of modernity (Gudynas, 2011). Post-development sought to look beyond development altogether by portraying such growth as a threat to human existence in terms of its social and ecological effects. These considerations have once again become particularly acute due to the contemporary climate emergency. The history of large-scale development processes, which Cowen and Shenton termed ‘immanent development’, reflected European historical cycles and structures of industrialization, capitalism, modernization and globalization. Indeed, for critical post-development scholarship, it

is the specific ‘developmental logics’ of modern society that sets it apart from other societal arrangements historically (Rist, 2008, p. 13), logics in which ecology, nature and social relations are destroyed in order to produce commodities. Both during the first post-development boom and increasingly now, academic scholars as well as social movements and activist networks alike have fundamentally challenged whether the big D apparatus can ever bring about positive change for the exploited unless its fundamental structures are rethought and, eventually, transformed (Gould and Ranta, 2018, p. 247). However, post-development scholarship has also been criticized for underestimating the desire for development among the poor and the marginalized (Ferguson, 1999; Matthews, 2017; Nederveen Pieterse, 2000), an issue that is prominent in the case of *Buen Vivir*, discussed in the next section.

Subsequently, post-development scholarship has suggested a shift from deliberate social engineering in the name of development into thinking about alternative ways of organizing history. The agents for constructing an ‘alternative regime of representation’ (Escobar, 1995) outside the parameters of development have included numerous pluralist grassroots movements, peasants and Indigenous activists, all of whom have introduced new forms of doing politics, while at the same time encompassing various localized knowledge patterns and epistemologies. Through multiple local histories, knowledge and epistemologies, whole new ways of being and doing have been imagined. In terms of democracy, pluralistic movements have been imagined as representing popular power, and democratization as the basis of radical anti-capitalist struggles (ibid.). While post-development has been accused of romanticizing the local, the grassroots and the community (Nederveen Pieterse, 2000, p. 186), its key legacy nevertheless resides in the idea that it is a necessary condition of democracy that people can determine the direction of their lives, and their own parameters for the good life. Mainstream development has, in consequence, been resisted in many parts of the Global South with the aim of enhancing popular power and reassessing the quality of democratization in alternative ways. The Zapatista movement in Chiapas, Mexico, for example, has been one of the first social movements to combine the vision of alternative democracy through autonomy, redistribution of resources and the cultural identity of Indigenous peoples. Indigenous movements in Bolivia and Ecuador have also criticized the domination of ‘Western development’ and, in particular, the undemocratic dictation of economic and development policies by international financial institutions. A radical change in development thinking has been reflected in the work of those countries’ governments and in the constitutions adopted in recent years, which combine elements of the redistribution of power and resources with Indigenous people’s own conceptions of welfare and democracy. Despite discourses to the contrary, foreign development agencies and NGOs have supported many resistance struggles, thereby demonstrating the multidimensional nature of development and its alternatives. In the following, I illustrate the complexities of development alternatives in more detail through the notion of *Buen Vivir*, with particular attention to the case of Bolivia.

***BUEN VIVIR* AS AN ALTERNATIVE TO THE WESTERN NOTION OF DEVELOPMENT**

During the mid-2000s, Bolivia and Ecuador, which have already experienced a severe political crisis, went through progressive political changes that rhetorically drew on the critique of mainstream development and the search for alternatives to it. The notion of *Buen Vivir*

– a conglomeration of critical ideas, worldviews and knowledge deriving from a complex set of social movements, Indigenous groups, activists networks and progressive scholars – started to circulate in political discourses and state policy documents, eventually becoming a key concept in the constitutions and other legislation (Ecuador SENPLADES, 2013; Ministerio de Planificación al Desarrollo, 2015; República de Bolivia, 2007). As a Spanish translation, it was a concept that superficially condensed several Indigenous terminologies (e.g., *Suma Qamaña* of the Aymara, *Sumak Kawsay* of the Quechua) through which Indigenous activists and grassroots movements had represented their political and cultural claims over the previous few decades (Albó, 2011; Gudynas, 2011; Yampara, 2001). Drawing on localized solutions ‘to liv[ing] well together’, the term was postulated as a post-capitalist, decolonized, democratic and environmentally friendly alternative to ‘Western development’, which was associated with multiple forms of exploitation and loss of sovereignty resulting from the outside dictation of development goals and practices. *Buen Vivir*, on the other hand, was represented as manifesting positive – albeit somewhat romanticized – aspects of Indigenous ways of life: conviviality, reciprocity, popular decision-making patterns and environmental sustainability. Taken to the level of the state in countries with a large proportion of Indigenous populations, it was understood to symbolize local, autochthonous ways of organizing social transformation.

Defined by one of its key protagonists, the economist Alberto Acosta, former president of the Ecuadorian Constituent Assembly and a minister in the government of President Rafael Correa, *Buen Vivir* was ‘a worldview differing from Western patterns that emerges from non-capitalist community roots’ (Acosta, 2011, p. 51). It was thus represented as a locally based alternative that resists ‘the reductionism of life to economic values and the subsequent commodification of almost everything’, as Eduardo Gudynas (2011, p. 445), one of the best-known scholars on *Buen Vivir* and Acosta’s advisor in the Assembly, suggested. Gudynas conceptualized *Buen Vivir* as a very varied, culturally specific and contextualized platform for questioning the conventional concept of development, and listed some of the core components of the term. To begin with, he notes, in contrast to the values produced by capital, *Buen Vivir* produces cultural, spiritual, ecological and historical values. The centrality of nature as a subject is emphasized. Instead of focusing solely on material aspects of development, *Buen Vivir* accentuates affections, feelings and spirituality. He also mentions that the decolonization of Western-dominated knowledge production is considered a necessary condition for setting the stage for alternative epistemologies and ontologies (ibid., pp. 445–6).

Both in Bolivia and Ecuador, the idea of alternatives to development arose gradually during the 1990s and early 2000s from a diverse alliance between Indigenous movements, peasant unions and progressive left-wing movements and scholars (see Ramírez, 2010). The movements in both countries were interested in finding methods to tackle imperialism and injustice, and regain sovereignty. Concerns over climate change and ecological diversity were also a common theme. In terms of the role and governance of the state as the trustee of *Buen Vivir*, there were, however, major differences. Indigenous political goals were intimately tied to the regaining of Indigenous lands, territories and self-governance. For the Bolivian Aymara, for example, the cultural notion of *Suma Qamaña* – later to be translated as *Vivir Bien* in state policy – was a fundamental part in the process of revitalizing traditional Aymara communities and territories (Burman, 2017). Indigenous movements promoted Indigenous territorial sovereignty and self-governance in contrast to emphasizing the role of the state in the redistribution of resources. For Indigenous movements, the notion of *Buen Vivir* provided a legitimate framework for translating complex Indigenous sovereignty struggles into state arenas. Indeed,

in the early stages of Bolivian transformation, Indigenous self-governing practices served as a model for new democratic governance, as witnessed by the statement of Vice-Minister of Foreign Affairs Hugo Fernandez in an interview in 2009: '[W]e do not think that liberal democracy necessarily represents the most democratic practice ever; there are other forms of democracy deriving from Indigenous traditions in which consensus, pacts and agreements are used to gain equilibrium between people' (Hugo Fernandez, interview 28 January 2009). The then Minister of Education, Felix Patzi, of Aymara origin, continued to explain in another interview in 2009 what the governing regime should do, in his opinion, to promote Indigenous democracy: 'Because of elections and the competition between political parties, there is an alienation [from decision-making] in representative democracy. In community democracy, the people will decide, decision-making rotates. There are no parties; instead, parliamentarians, the president and all the authorities are elected by rotation without the interference of political parties' (Felix Patzi, interview 13 January 2009).

Ideally then, *Buen Vivir* state governance was to follow the diverse examples of Indigenous governance in Andean communities, where political decisions, as Bolivian scholars and activists often argue, have been traditionally made on the basis of participation, deliberation and consensus among community members (Medina, 2008; Yampara, 2001). In terms of democracy, Patzi suggested that, in order to facilitate popular power, political leaders at the level of the state, including the president, should rotate, as they do in communitarian democracy (Felix Patzi, interview 13 January 2009).

In addition to the challenge to representative democracy presented by Indigenous governance, the notion of *Buen Vivir* – of individuals, community and nature 'living well together' – added another new dimension to democracy: nature. It was forcefully, albeit in a nostalgic tone, argued policy papers and scholarly accounts in Bolivia and Ecuador that the essence of *Buen Vivir* was Indigenous peoples' harmony with nature. Therefore, *Buen Vivir* was quickly portrayed in political discourses as a new alternative for solving climate and environmental problems caused by capitalism and modernity. In the world of capitalist development, a river, a mountain, a tract of land is nature, which can be harnessed and appropriated as a natural resource, which translates into a commodity serving economic interests. In the Indigenous world, it is an 'earth-being' (de la Cadena, 2015), which is more than nature: earth-beings do not 'follow distinctions between the physical and the metaphysical, the spiritual and the material, nature and human' (ibid., p. 25). Consequently, according to this view, the notion of *Buen Vivir*, as a manifestation of epistemological and ontological difference, would appear to open up horizons for new human and non-human conviviality. Consequently, we have nature as the new element in discussions about democracy, leading to challenging questions about the political agency of nature.

Yet, Bolivian and Ecuadorian regimes governing in the name of *Buen Vivir* became increasingly challenged by practices of the modern state, which operate in conformity with the geopolitical and economic conditions of global capitalism (Radcliffe, 2015a, 2015b; Ranta, 2018a; Postero, 2017). Radical alternatives to mainstream development, such as the cherishing of Indigenous forms of communitarian governance and new perceptions of nature as a rights-holder, were overshadowed by state capture of intentional trusteeship over processes of development and further intensification of global resource extractivism. Grugel and Riggiozzi (2012) have demonstrated that progressive states in Latin America that claimed to have overcome neoliberalism have, in fact, continued to rely on the principle of economic growth and the expansion of an export economy of natural resources, with a revived develop-

mentalist state regulating them. Escobar (2010, p. 20) calls this ‘neo-developmentalism’, that is, ‘forms of development understanding and practice that do not question the fundamental premises of development discourse’. Thus, the capacity of these regimes to offer real alternatives to global capitalism and to transform the underlying political-economic structures is questionable (Petras et al., 2014; Veltmeyer and Petras, 2014). Furthermore, extractive economies and growth agendas are detrimental to the environment and climate change, thereby offering a stark contrast to the ecological values and sustainable human/non-human relationships that *Buen Vivir* claims to represent (Ranta, 2016, pp. 433–5). Consequently, there is an increasing concurrence among *Buen Vivir* scholars that its conceptual introduction into state policies has failed to produce ‘any closure to the eternally contested notion of development’ (Radcliffe, 2015a, p. 861).

It appears that at the centre of the discrepancy in Bolivia was the role of the nation-state and its relationship with Indigenous communities and global capital, bringing us back to the question of trusteeship in development presented by Cowen and Shenton (1996) and Li (2007). In the name of regaining sovereignty, the Bolivian state forcefully took on the role of ‘developer’, becoming the regulator and planner of economic and social programmes, a role previously governed by foreign donors. The government can now reach and gain control over Indigenous and peasant groups through social benefit initiatives, such as pensions and study grants, funded by revenues from the extraction and export of natural resources, such as oil and gas. Yet, in taking on a developmental role, the state contradicted the ideals of alternative forms of popular power exercised through Indigenous democracy. Democratizing forums like people’s assemblies and other local deliberative mechanisms, present in workers’ unions, peasant unions and Indigenous territories at local levels, were thought to be institutionalized but, in the corridors of state power, the idea of an alternative form of direct democracy in which multiple social and Indigenous movements would rule has withered away. Indeed, the Bolivian government, while criticizing mainstream development, was caught implementing authoritarian and non-democratic governing practices despite a formally democratic system (Ranta, 2017a, 2018b), leading to a huge contemporary political crisis that is focused, among others, on the struggles over different meanings of democracy. Although the notion of *Buen Vivir* helped to formulate a post-capitalist, decolonizing, democratic and environmental rhetoric, progressive promises have not lived up to expectations. Detachment from mainstream development has appeared to be difficult – or impossible – especially if undertaken by the state in the conditions of world political capitalist dependencies of the Global South. Much depends on social movements, Indigenous organizations and Indigenous communities whether the critical grassroots potential of *Buen Vivir* can be saved.

CONCLUSION

The purpose of this chapter has been to unravel the multiple meanings of development and its alternatives. Development is a multidimensional concept that seems to defy definition. Entering the 2020s, the concept of development – and its relationship to democracy – has become increasingly contested. Due to the enhanced importance of emerging economies, such as China and India and South–South cooperation, many governments in the Global South have become far less dependent on OECD/DAC³ development funds than before. From one end to the other of the ideological spectrum – and not only in Bolivia and Ecuador where discourses

concerning alternatives to development became prominent nearly two decades ago – leaders in the Global South have been heard criticizing ‘Western development’ and praising alternatives. This is a challenge not solely to the future of the post-World War II development apparatus, but also to democracy, which, although often pushed to the margins (and often losing out to Western economic interests as this chapter argues) was nevertheless in one way or another attached to the concept of (intentional) development. Yet, in detaching themselves from past aid dependencies, new dependencies may arise due to the structural conditions of a capitalist global economy that places the poor countries and peoples of the Global South in a disadvantaged position. Democracy, per se, is also increasingly threatened in Europe and the United States. We are going through interesting times in terms of the future of the development–democracy nexus.

Meanwhile, at grassroots levels, the search for alternatives continues, because, as Radcliffe (2015a, p. 871) perceptively points out, ‘the poorest of the poor...have no choice but to seek alternatives to what they are experiencing’. Deepening economic and social inequalities, the concentration of wealth, a complete lack of poor quality of services and the inability to participate in political decision-making are still part of everyday life for many in the Global South. Furthermore, these conditions are deteriorating fast due to the gravity of climate change and environmental degradation. (Immanent) development as the advancement of global industrial capitalism and its production and consumption patterns has proved socially and environmentally unsustainable, causing global inequalities and global warming. Enormous corporate and political power is attached to control over and access to natural resources and sources of energy. Development agencies may compensate for the worst effects, but they lack both the will and the means to effect structural transformations that target the very core of global capitalist processes. As we enter the 2020s, the emphasis on systemic alternatives is ever more crucial.

NOTES

1. Throughout the chapter, the term *Buen Vivir* will be used to describe the general *Buen Vivir* philosophy and movement, while the term *Vivir Bien* refers to the specific Bolivian case.
2. While the chapter focuses on the empirical case of Bolivia, I have also worked on the development–democracy nexus in Eastern Africa, mainly Kenya, where I have investigated development cooperation (including human rights and democracy-promoting programmes and projects), state formation, and civil society (Katsui et al., 2014; Ranta, 2017b).
3. Organisation for Economic Co-operation and Development’s Development Assistance Committee.

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3. Does democracy need development? Assessing key linkages

Alina Rocha Menocal

1 INTRODUCTION

The positive correlation between (high levels of) wealth and (established) democracy, first captured by Seymour Martin Lipset in his famous 1959 essay ‘Some social requisites of democracy’, is one of the strongest and most enduring relationships in the social sciences. In fact, a democratic regime has never fallen after a certain income level is reached (\$6055 per capita in PENN World Table dollars) (Przeworski et al., 2000).¹ However, as strong as this correlation is, it does not mean causation, and few questions in comparative politics and development studies have generated as much debate and scholarship as whether there is a causal link between democracy and development, and if so, what causal connection that is.

This chapter seeks to untangle the nature of this relationship between development and democracy. The chapter is organized around five sections. Section 2 starts by defining democracy and development, looking at both minimalist and more substantive definitions, and it highlights the importance of avoiding conceptualizations that define one term in relation to the other. The chapter then goes on to explore some of the core linkages between democracy and development in both directions. Section 3 examines the extent to which development matters for democracy. It focuses on two distinct dynamics: whether socio-economic development is a precondition for the emergence of democracy; and whether development may be needed for democracy to become more deeply embedded and more resilient after it has become established. Analysis from existing evidence suggests that there is no causal link between development and the advent of democracy. On the other hand, the literature does strongly suggest that development, and in particular whether development can deliver on citizen expectations and priorities and how prosperity is shared across the population, has a considerable impact on the quality and resilience of democracy. Section 4 turns to look at the puzzle in the opposite direction – that is, whether regime type matters for development. It finds that the evidence linking either democracy or authoritarian systems to developmental performance remains inconsistent and inconclusive. The final section, Section 5, teases out some of the implications from these findings. It argues in particular that the challenge may no longer be whether democracies or authoritarian systems are better suited to promote development, but rather how democracies, especially those across the developing world, can deliver on development needs and expectations.

2 DEFINING BASIC CONCEPTS

2.1 Democracy

Democracy can be defined in minimal or more expansive terms. At its most basic level, democracy is a process through which rulers are elected and decisions are made on the basis of a competitive struggle for the people's vote (Schumpeter, 1942). A set of basic civil liberties and other provisions need to be in place to guarantee that the electoral process is inclusive, free and fair (Dahl, 1971). Beyond political competition, accountability is another central element of democracy (O'Donnell, 1996; Schedler, Diamond and Plattner, 1999). This understanding of democracy is procedural – that is, it focuses on process (how rulers are elected and how decisions are made), and not on outcomes. More substantive or maximalist definitions of democracy go beyond a focus on political and civil rights and procedures to encompass socio-economic dimensions as well. Among other things, such definitions emphasize a more even and broad-based distribution of power and more inclusive developmental outcomes, including greater equity and social justice (Mkandawire, 2001; Sandbrook, 2000).

While there is enormous value in understanding democracy in more substantive and holistic ways, such an approach poses conceptual problems. Defining democracy in terms of desired outcomes makes it much more difficult to distinguish analytically between democracy and development and to disentangle the nature of the relationship between these two concepts. Moreover, such a comprehensive conceptualization of democracy risks overburdening the term and placing unrealistic expectations and/or demands on democratic regimes by sheer virtue of being democracies (Schmitter and Karl, 1996). The distinction between state and regime type is central to this debate. A key function of the state is to promote economic growth and deliver developmental outcomes. Regime type refers to the form of government and the way decisions are made. This chapter therefore opts for a definition of democracy that focuses on process rather than outcome: a democracy should not be expected to produce better socio-economic outcomes simply because it is a democracy (*ibid.*).

2.2 Development

Similarly, development can have minimal or more substantive definitions. In its narrowest conceptualization, development can be defined purely in terms of economic growth, but that does not take into consideration how growth is distributed and who benefits (Leftwich, 2005). On the opposite side of the spectrum, following Amartya Sen (1999), development can be understood as 'freedom' – an expansive definition that incorporates not only economic indicators but also freedoms like human and political rights, social opportunities, transparency guarantees and protective security. Debates on rights-based approaches to development also focus on participation, accountability and other elements that are very closely linked to democratic rights and freedoms (e.g., Carothers and Brechenmacher, 2014; United Nations Development Programme [UNDP], 2007). As with democracy, though, such an expansive definition of development tends to conflate development with democracy, which makes it extremely hard to shed light on the linkages between them. For the purposes of this chapter, then, it is more useful to adopt a definition of development that straddles a middle ground between interpretations that are too narrow or too broad. Development is understood here as a 'transformation of society' that goes beyond economic growth alone to include social

dimensions like literacy, distribution of income, life expectancy and the like that are captured in the UNDP's Human Development Index (Stiglitz, 2003). In addition, development must include some dimension of the (re)distribution of wealth and prosperity (Leftwich, 2005), where 'social and material benefits are equitably distributed across divides within societies, across income groups, genders, ethnicities, regions, religious groups, and others' (Hickey, Sen and Bukenya, 2014, p. 5).

3 DOES DEVELOPMENT MATTER FOR DEMOCRACY?

3.1 Development and the Emergence of Democracy

During the 1960s and the 1970s, structuralist arguments gained considerable prominence in mainstream academic and policy circles, positing that democracy was more likely to emerge in countries with high(er) levels of socio-economic development (Almond and Verba, 1963; Huntington, 1991). Building on Lipset's seminal analysis (1959), which stresses at one point that economic wealth is 'an initial condition for democracy' (p. 105), many analysts interpreted this correlation to imply that development was a precondition for democracy. A seminal study in this tradition was Barrington Moore's *Social Origins of Dictatorship and Democracy* (1967), which set out to explain how different agrarian structures – in particular, the role of landed upper classes and the peasantry – led to the emergence of democracy in some instances and dictatorship from the left or the right in others from the 1920s onward.

This structuralist approach to democratization, which is grounded in modernization theory, understands the emergence of democracy as a consequence of the transformation of class structure, the emergence of a bourgeoisie, economic development, increasing urbanization, the prior development of democratic values, and other cultural and religious factors (Huntington, 1991; O'Donnell and Schmitter, 1986). According to this reading, the emergence of democracy is endogenous to the process of economic and social development – there is a simple, linear progression toward modernization that ultimately culminates in democracy. In other words, once a non-democratic regime acquires a certain level, or threshold, of economic development and social maturation, it will inevitably become a democracy. According to the modernization approach, then, the appearance of democracy should be seen as the end point of a long process of modernization, or as a luxury that affluent countries can (finally) afford.

However, the advent of the so-called Third Wave of democratization that swept across much of the developing world beginning in the 1980s challenged this concept of prerequisites for democracy. Many of the movements towards formal democracy since then have taken place in countries where such transformation would not have been expected based on low levels of economic development and other socio-economic indicators. As has been amply documented, a large number of countries experiencing a transition to democracy during the Third Wave fell in the bottom third of the Human Development Index (Diamond, 1992, Przeworski and Limongi, 1997). Third Wave transitions also defied cultural arguments positing that democracy is incompatible with certain faiths and religious values.² Even the Middle East, a region that long seemed immune to such pressures, has experienced momentous change since the Arab Uprisings of 2011, despite the fact that only Tunisia has embarked on a process towards constitutional democracy (Cammack et al., 2017). Moreover, many authoritarian regimes have been able to survive even after reaching a considerable level of development, so there does not

seem to be a natural progression from authoritarianism to democracy after reaching some kind of developmental ‘threshold’.

In response to the perceived limitations of modernization theory, a budding literature emerged from the 1980s onwards that sought to understand democratic transitions from a process-oriented approach (see especially O’Donnell and Schmitter, 1986). This ‘transitology’ school developed a framework to understand the transitions to democracy in Latin America and Eastern Europe in the 1980s from an agency perspective based on elite divisions, uncertainty and contingent choice. This approach highlighted the importance of decisions, ideas and the interaction among strategic political actors in bringing about transitions in ‘unlikely places’, while acknowledging the importance of structural as well as international factors in shaping actor choices to varying degrees (see Higley and Burton, 1992; O’Donnell and Schmitter, 1986, among others). The focus of this literature is on elite pacts and bargains. In some cases, however, widespread social mobilization and (the threat of violent) protest from below have been instrumental in bringing about democratic change. This was very visibly the case in the ‘People’s Power Revolution’ that brought down Ferdinand Marcos in the Philippines in the late 1980s and in the establishment of non-racial democracy in South Africa in the early 1990s, as well as more recently, during the early days of the Arab Spring that saw the downfall of dictators in Tunisia, Egypt, Libya and beyond (Heydeman, 2017).

There is also an important body of academic work that has sought to combine both structural factors and agency more purposively to provide a more comprehensive understanding of democratic transitions. This includes, for example, the sweeping historical analysis by Rueschemeyer, Stephens and Stephens (1992) of what made the advent of democracy and development possible in some places and not in others; and the work of Deborah Yashar (1997) explaining why state formation processes in Guatemala and Costa Rica took such divergent paths from the 1950s onwards, leading to an oppressive military regime in the former and democracy in the latter (see Box 3.1).

BOX 3.1 THE EVOLUTION OF THE POLITICAL SETTLEMENT IN COSTA RICA AND GUATEMALA

Until the middle of the twentieth century, Costa Rica and Guatemala shared many important characteristics and similar periods of political change and development. This included seven decades of authoritarian rule beginning in the 1870s, just under a decade of democratic reforms in the 1940s, and brief but consequential counter-reform movements that overthrew both democratic regimes in the mid-twentieth century. Despite these similarities, however, the two countries followed drastically different trajectories from then onwards. In the end, democracy took root in Costa Rica, while Guatemala experienced decades of authoritarian (and often brutal) rule. According to Deborah Yashar (1997), the key difference is that, in Costa Rica, elite divisions combined with organized popular demands led to a progressive pro-reform coalition committed to democracy and broad-based development. In contrast, in Guatemala, a much more reactionary regime prevailed based on the strategic alliance of the army with landed upper classes.

Thus, what accounts for the pro-development trajectory of Costa Rica, in comparison to Guatemala, is the emergence of a political party that transformed the nature of the political settlement underpinning the state. The Partido Social Democrático (PSD) came to power in

Costa Rica in 1951 by gaining political control of the countryside. In addition to weakening the power of land-holding elites, the PSD undermined the oligarchic elite by nationalizing the banking system and dismantling the army. By challenging traditional elites in this way, the PSD created the political space in which to press for political and economic reform, including redistributive policies, land reform and the creation of an inclusive welfare state (financed by drastic increases in tax takes and income tax).

The different experience of Guatemala in this period starts with its military regime clamping down on popular demands for democracy and social reform throughout the 1940s and 1950s and introducing a long-term ban on political parties and trade unions. The economic Guatemalan elites were less diversified than in Costa Rica, with power concentrated more in large landowners and less in financial and merchant groups. Their interests were also much more closely aligned to those of the military. The ensuing political settlement was not designed for social welfare provision but for maintaining the status quo.

Source: Yashar (1997).

The focus of this work is on the balance of power, resources and wealth between different elites as well as between and among different social groupings (the military, different social classes, etc.), and on how these power dynamics shape the underlying rules of the game, both formal and informal. This literature also seeks to understand what coalitions become feasible between different groups, depending on the different interests driving them, and how these different coalitions affect prospects for change in both more and less progressive ways. Elites and leaders are instrumental, but they are not free-wheeling agents and they operate within historical, institutional and structural boundaries that are important in shaping the choices they make.

This approach centres around what in international policy circles has come to be understood as ‘political settlements’ (see e.g., Khan, 2010, 2012; Hickey et al., 2014; Rocha Menocal, 2017a) – even if that term has not been widely used in academic circles until fairly recently (Rocha Menocal, 2015). In essence, political settlements constitute a common understanding or agreement among elites on the balance and distribution of power, resources and wealth. This includes both formal institutions and, crucially, informal ones. It is precisely this interplay between how formal and informal institutions interact that helps explain why settings that share similar formal institutional compositions and endowments can have different developmental trajectories and outcomes. Political settlements thus define who has power and, critically, who does not. They outline the parameters of inclusion and exclusion in a given political system, in terms of both process (such as who is included in decision making) and outcomes (e.g., how wealth is distributed) (Khan, 2010, 2012; Hickey et al., 2014; Putzel and Di John, 2012; Rocha Menocal, 2017a).

3.2 Revisiting Modernization Theory

While most countries in the world today are considered formal democracies, only a limited number of them, especially across developing regions, has succeeded in establishing deeply rooted and functioning democratic regimes (The Economist Intelligence Unit [EIU], 2016; Varieties of Democracy Institute, 2018). It is telling that, with very few exceptions (most notably India and Costa Rica), most democracies that can be considered institutionalized and resilient also happen to be wealthy. Lipset’s (1959) dictum six decades ago that ‘the more well-to-do a nation, the greater the chances that it will sustain a democracy’, has withstood

the test of time. Against this backdrop, many analysts are revisiting modernization theory, advancing the argument that, while structural factors – such as underlying economic, social and institutional conditions and legacies – may not have a bearing on the advent of democracy, they do in fact have a considerable impact on prospects for democratic deepening.

Lipset himself (1994) has proposed that, while higher levels of income may not be a precondition for democratization processes to *start*, they may be nonetheless advantageous for democracy to *endure* and become *consolidated*. This is because economic development tempers class struggle and fosters the moderation of political conflict, which attenuates polarization and contributes to the stability of a democracy once it has been established (Huntington, 1968, 1991). In an influential quantitative analysis, Przeworski and Limongi (1997) also find that economic development has a very important impact on the *sustainability* of democratic systems. Looking at cross-regional data from 1950 to 1990 on a wide variety of well-performing and poor-performing democracies, the authors find that the less successful democratic regimes are in generating economic growth, the more likely they are to break down. Beyond this, ongoing research also suggests that it is not just development per se that matters for the sturdiness of democracy, but also how wealth and prosperity are distributed across the population (Houle, 2009; Karl, 2000; also see Chapter 21 in this book).

Contrary to what Przeworski and Limongi (1997) would have predicted, there have been few full-fledged, formal reversals to authoritarianism even among the poorest countries. However, expectations for these incipient democracies to deliver in terms of development and well-being tend to be extremely high and often unrealistic, and this can put them under considerable strain. Witness, for example, the kinds of pressures the newly established democratic system in Tunisia is under to address the priorities and demands of its population: now that democracy has been put in place, it is expected to solve all sorts of socio-economic and other problems almost overnight (Carothers, 2018).

A crucial challenge is that, very often, people's commitment to democracy tends to be much more *instrumental* (based on how it performs) than *principled* (based on the intrinsic value of its processes). For instance, surveys covering countries in Africa, Asia, Latin America and the Middle East consistently reveal that what respondents care most about is whether their governments 'deliver the goods' in areas such as economic management, growth stimulation, job creation, health, education and security (Bergh, Rocha Menocal and Rodríguez Takeuchi, 2014; Bratton and Gyimah-Boadi, 2015; Fukuyama, 2011). Corruption is a central part of this story, as it has a considerable impact on people's satisfaction with their governments and their perceptions of its overall performance. Surveys as well as other research show that people do tend to support democracy, but concerns about political freedoms, rights and democracy as an intrinsic value remain decidedly secondary (Bergh et al., 2014). In other words, citizens tend to assess a state's legitimacy based on its performance and the government's ability to deliver on key needs and expectations, rather than on democratic rights and processes such as elections (Chu, Chang and Welsh, 2013).

In addition, evidence from existing literature also suggests that inequality and exclusion have become another defining challenge of our time. While existing literature finds that inequality has no clear effect on regime change – an authoritarian regime will not break down and lead to democratization on the basis of inequality alone, and similarly a highly unequal democracy will not collapse because of inequality (Knutsen, 2015) – inequality does profoundly undermine the quality of democratic governance and its resilience, and this is true in wealthier and poorer countries alike (see Chapter 21 in this book). Social, economic and

political inequalities *within countries* have increased considerably over the past 30 years, often exacerbated by structural adjustment reforms and other austerity measures (dating back to the 1980s or instituted in the aftermath of the global financial crisis in 2008) which have affected marginalized and otherwise vulnerable groups disproportionately. This growing chasm between those who have and those who are left behind has fed a profound disillusionment with and even backlash against how democracy works, not only in the developing world but also in countries that have much deeper and sustained democratic histories, including the USA and the UK (Levitsky and Ziblatt, 2018; Rocha Menocal and Domingo, 2018). As can be seen from the rise or resurgence of populism and nationalist and anti-immigrant movements across countries and continents, this dissatisfaction with democracy is rooted in concerns from growing pockets of the population that development and prosperity are skewed and that the political and economic establishment is stacked in favour of a privileged few who are far removed from the reality of most people (EIU, 2016; Gershman, 2016; International IDEA, 2017; *The Economist*, 2014; Vance, 2016; Varieties of Democracy Institute, 2018). The fears of social decline and exclusion that these patterns of uneven development generate feed fragmentation, social polarization and a fundamental loss of trust in and commitment to democratic political processes and institutions (Fukuyama, 2018; Karl, 2000; see also Chapter 21 in this book).

It is in establishing the causal connections between development and how evenly it is distributed on the one hand and the maintenance/consolidation of democracy on the other that some of the insights of modernization theory may prove to be most useful. Above all, democratic resilience requires the evolution of a political culture in which the commitment to democracy is based on its intrinsic or normative value, and not simply on its instrumental value. Inequality and exclusion are central to the quality of democracy because they profoundly affect the possibility of fostering this kind of supportive democratic culture (Karl, 2000). Democracy is more easily maintained and will prove more resilient when prosperity and privileges are distributed in a more or less equitable manner across society. As modernization theory would posit, it is precisely a more even distribution that attenuates polarization and distributional conflict, tempers class struggle and fosters moderation and more tolerant and gradualist views of politics across the population at large (Bermeo, 2009; Karl, 2000; Levin-Waldman, 2016). The challenge lies, of course, on how democracy can tackle inequality and social exclusion.

And this is what I refer to as democracy's catch-22 (see Chapter 21 in this book). If democracy is to prove sturdy over time and withstand shocks peacefully, it urgently needs to address – and redress – inequality. Yet, as Section 4.1 in this chapter will outline (and elaborated in further detail in Chapter 21), there is nothing about democratic processes and mechanisms, including greater participation and elections, among other things, that will automatically lead to the greater equality and inclusion and an even distribution of power. Developmental and distributional outcomes depend on the underlying political settlement, or the politics and power relations underpinning a political system, and these may not be aligned with efforts to address inequality (which is true of non-democratic systems as well).

4 PROMOTING DEVELOPMENT: DOES REGIME TYPE MAKE A DIFFERENCE?

A key insight from the literature discussed above is that economic development per se is neither a necessary nor a sufficient condition for the emergence of democracy (Przeworski et

al., 2000), but that development, and in particular the way in which prosperity and well-being are distributed, may profoundly affect prospects for democracies to become more deeply institutionalized and therefore more sustainable and resilient over time. On the other hand, the nature of the relationship between democracy and development remains a hotly contested issue along another dimension of this debate: the question of whether democracy is better at promoting development, or if it is authoritarian regimes that are better suited to that task. I explore each of these arguments in turn below.

4.1 The Case for Democracy

The core of the argument that democracy helps promote development (more than the other way around) rests on some of the core institutional features of democratic systems – including civil liberties (Acemoglu et al., 2004), accountability and checks and balances mechanisms (Diamond, 2006; Halperin, Siegle and Weinstein, 2005). These features play a crucial role in limiting the abuse of power by government representatives and other state actors. Elections and other processes of democratic participation and representation also provide a predictable, transparent, periodic and reliable system of rewards and punishments based on pre-established and agreed rules of the game. According to Sen (1999), for example, it is these institutional characteristics of a democracy that explain why famines have never occurred in democratic systems.

In their book *The Democracy Advantage: How Democracies Promote Prosperity and Peace*, Joseph Halperin et al. (2005, p. 33) also make a strong case for the developmental benefits of participatory and accountable systems of governance over time, as compared to authoritarian regimes, arguing that the better performance of democracies can be attributed to their relatively greater propensity for establishing institutions of shared power, information openness and adaptability. The authors find that low-income democracies outperform autocracies across a wide range of development indicators. They show, among other things, that over time democracies experience more stable and steady growth patterns than autocracies. In addition, low-income democracies have higher levels of social welfare across various measures of development progress.

Other comparative research also finds that democracies invest more in social security and welfare (e.g., health and education) (Huber, Mustillo and Stephens, 2008), and can be more conducive to policies that promote economic growth (Masaki and van de Walle, 2015). Evidence (both quantitative and qualitative) suggests that democracy has a positive impact on growth and economic and social development more broadly, though very often the effect is through indirect channels, including, for example, policy certainty, political stability, the establishment and enforcement of rules that protect property rights, the promotion of education and higher levels of social welfare in other dimensions, the ability to promote private capital, the reduction of inequality, higher human capital accumulation, lower inflation and greater economic openness (Doucouliagos and Ulubasoglu, 2008; López Calva and Lustig, 2010). According to Feng (2003), for instance, a democratic regime is vital in bringing about these kinds of indirect benefits because it is a system that provides for regular government change while inhibiting irregular/erratic/unconstitutional change and instability more generally (see also Norris, 2011).

On the other hand, the wave of democratic optimism that accompanied this momentous transformation toward democracy in a vast number of developing countries – what Francis

Fukuyama (1992) enthusiastically described as ‘the end of history’ – may itself have placed unusually high expectations of what these newly emerging democratic systems could and should accomplish. Turning many of the more traditional assumptions embedded in modernization theory on their head, a new orthodoxy began to emerge in the 1990s that postulated that democracy is not an outcome or consequence of development, but rather a necessary ingredient to bring about development (see, for example, Grindle, 2010; Leftwich, 2001; Norris, 2011; UNDP, 2007; UN-OHRLS³ and UNDP, 2006).

This is the thinking underpinning much of the ‘good governance’ agenda promoted in particular by the international development community, including the World Bank and other leading players in the field (Grindle, 2007, 2010). This agenda is fundamentally concerned with the rules and practices according to which governments are chosen and state power and authority are exercised (Kjaer, 2004). Although democracy as such is not always explicitly spelled out as an element of good governance efforts, there is a clear normative commitment to democratic politics embodied in this agenda. Among other things, good governance emphasizes the importance of transparency and (both horizontal and vertical) accountability, and it also calls for broadly inclusive and participatory decision-making processes as an essential condition to the effective promotion of development (Grindle, 2010; Joshi, Hughes and Sisk, 2015; Kaufmann, Kraay and Mastruzzi, 2010).

There are several advantages to an open, democratic and participatory process to policy making from a good governance perspective – even if this implies that decision-making processes are more protracted and less speedy or efficient in the short term. Following Sáez (2005, p. 16), they can be summarized as follows:

In the first place, [participation] allows for the creation of alliances of various interests in favour of set objectives. Second, it creates a sense of ownership of adopted decisions, even if they oppose certain interests defended by them. Third, it contributes to sustainability of policies over time: it reduces the chances of backlash if participation is solid and decisions taken are considered legitimate in their origin and outcome. Fourth, participation...fosters...more informed decisions. Last, participation permits society to demand more accountability of those in charge of public policies.

However, as numerous scholars and experts have argued, the good governance agenda tends to espouse a view of politics that may be overly idealistic and technocratic, and it can impose demands with regard to the quality of governance that are far beyond what is needed (or even possible) at very low levels of development (Booth, 2012; Grindle, 2007, 2010; Khan, 2010, 2012; Unsworth, 2014). It also tends to assume too easily that ‘all good things go together’ (Fritz and Rocha Menocal, 2007) and that democracies will automatically lead to policies favouring redistribution. However, in many developing countries, democratization has not been associated with (much) redistribution (Chong, 2004; Gradstein and Milanovic, 2004). On the contrary, according to research from Walter Scheidel (2017), the struggle to promote greater equality has historically been much more disruptive. It has not been democratic politics, but far more contentious and perverse factors like mass violence (e.g., the disintegration of the Roman Empire or total revolution as in Russia and China) and catastrophes (e.g., the Black Death) that have acted as ‘the great equalizers’ (see also Chapter 21 in this book).

In addition, as Bardhan (2005) has put it, democratic decision-making processes are not always ‘pretty’ from a developmental perspective, and they do not necessarily lead to the enactment of policies that are (more) conducive to development. The fact that decision-making processes are intended to be more participatory and inclusive does not automatically make

them developmentally more effective (Zhuang, de Dios and Lagman-Martin, 2010). Indeed, greater access to the state also means that the bureaucracy can be more easily politicized. In Bardhan's (2005, p. 98) words, among other things '[n]ot all cases of public pressure that democracy facilitates help development... Democracies may be particularly susceptible to populist pressures...and other particularistic demands that may hamper long-run investment[,] growth [and] development more broadly'. As other ongoing analysis and research further highlights, while elections are a crucial mechanism to enable citizens to exercise voice and hold elected officials to account in democratic settings (Knutsen et al., 2019), they also have considerable limitations (Rocha Menocal, 2014). Among other things, elections tend to be associated with increased clientelism and corruption. Money in politics, whether legitimate or 'dirty', has become a pernicious problem that has done much to pervert the process of democratic representation in both developed and developing countries. The relentless need to win elections often generates incentives to focus on the short-term needs and demands of narrow constituencies at the expense of the broader public goods and longer-term policy-making priorities (Booth, 2012; Carothers, 2006; Knutsen, Gerring and Skaaning, 2016). Kurt Weyland's (1996) analysis of the striking failure of the first three governments after the restoration of democracy in Brazil (from 1985 to 1994) to enact badly needed redistribution reforms provides a particularly stark example of just how poor the developmental outcomes of a democracy characterized by too much fragmentation and too many competing interests can be.

4.2 The Case for Authoritarian Rule

Democratic systems have a natural tendency to diffuse and divide power among a variety of stakeholders at different levels, both within the state and among societal actors (Dahl, 1971). Under a democratic regime, public authorities are expected to engage with a wider range of actors when deciding on and implementing policy. This is a core principle behind checks and balances mechanisms and other processes to promote accountability. On the other hand, it also creates more veto players and the proliferation of interests, which can encourage fragmentation, make decision-making processes more time consuming, and/or obstruct the emergence of a united front for (progressive) reform (Rocha Menocal, 2017b). This is in part why many other analysts in academic and policy circles alike have argued that authoritarian regimes may be better suited than democratic ones to promoting economic development, especially in countries in the developing world that need to play 'catch up' (Leftwich, 2005). As Halperin et al. (2005, p. 19) have noted, 'the appeal of the authoritarian-led approach has...at least something to do with its expediency, in comparison to the messy and time-consuming procedures typical of democracy'. The crux of this argument is that development requires a strong, centralized, highly autonomous government, especially when poor countries need to catch up with more advanced ones, and that democratic politics are simply too messy and unpredictable to provide such a structure (Booth, 2012; Leftwich, 2005). In an authoritarian system, state actors are also supposed to enjoy much longer time horizons, since they do not need to worry about the short-term politicking that arises from electoral cycles (Booth, 2012; Halperin et al., 2005, Hickey et al., 2014, 2015; Kelsall, 2018; Levy, 2014; Whitfield et al., 2015).

Much of the empirical evidence sustaining the thesis that authoritarian regimes are in general more effective than democratic ones in promoting rapid development comes from the so-called East Asian Tigers (Korea, Taiwan, Hong Kong and Singapore). In each of these cases, the state oversaw and led a process of rapid economic growth and radical socio-economic transforma-

tion over a period of 40–50 years that was based on the selective incorporation of some groups (business elites) and not others (labour) (see among others, Evans, 1995; Leftwich, 2005). However, overall prosperity was much more widely shared, and these developmental states, as they came to be known, became leading examples of performance-based legitimacy (Rocha Menocal, 2017a). More recently, the experiences of countries like China, Vietnam and Oman have also highlighted how more centralized, authoritarian rule can enable fundamental developmental transformation in rather compressed timeframes (Phillips and Hunt, 2017; Reilly, 2017). In the African context, contemporary Rwanda and Ethiopia come to mind as well: in both countries, there are institutional arrangements in place that limit democratic competition, but the regimes have nonetheless fostered other types of outcome-based inclusion that have encouraged significant growth with a degree of redistribution, at least for now (Booth, 2012; Matfess, 2015).

As analysts have suggested (Evans, 1995; Haggard, 1990), the secret of such developmental states lies in what Peter Evans has described as their ‘embedded autonomy’, or their institutional capacity/autonomy to promote developmental goals without being captured by particularistic interests while remaining embedded in society through ‘a concrete set of social ties that binds the state to society and provides institutionalized channels for the continual negotiation and renegotiation of goals and policies’ (Evans, 1995 p. 12). Importantly, Evans (1995) himself does not explicitly argue that developmental states need to be authoritarian to be successful, and in fact he analyses the cases of India and (post-transition) Brazil as examples where partial developmental success has been achieved in some ‘islands of excellence’ despite being surrounded by a sea of widespread incompetence. However, Evans tends to skirt the issue of regime type altogether, leaving open the question of whether democratic politics somehow constrain the developmental state or impinge upon its actions. And indeed, democracies do operate within conditions and contexts that may offer opportunities but also pose distinct constraints on this front (Rocha Menocal, 2018; see also Chapter 21 in this book). As Ronald Herring (1999, p. 334) has argued, a country like India has faced ‘terrific obstacles... in managing...[its] political economy...with one arm tied behind its back by its commitment to liberal democracy’.

Adrian Leftwich (2005) has been much more explicit about the kind of political system that may be required to sustain a developmental state. As he has argued, when and if developmental states are democratic, they can be thought of as ‘authoritarian democracies’ (as in the case of Malaysia, for instance), where basic characteristics of a democracy exist, such as free and fair elections, but where human rights are less of a priority and some stability is brought about by one party rule and strong centralized control. Leftwich has also suggested that it is unrealistic to assume that political and economic development goals (alongside equity, stability and national autonomy) can be achieved simultaneously, at least from past historical experience. Fareed Zakaria (2003) has made a very similar point, arguing that the goal should be to support ‘liberal autocracies’, given that authoritarian regimes seem to have a superior developmental record.

On the other hand, it is not self-evident that an authoritarian ruler or regime will always be interested in playing a positive role in the developmental process. Quite on the contrary, historical examples of ‘anti’-developmental or non-developmental authoritarian states in Africa, Latin America, Eastern Europe and the former Soviet Union have been abundant (Bardhan, 2005; Bates, 1981; Evans, 1995). In fact, one of the critiques to the ‘development first, democracy second’ school of thought is that it relies on empirical evidence that is extremely limited

and highly selective (Cheeseman, 2019; Halperin et al., 2005; Sen, 1999). In a sense, betting on the greater developmental efficiency of such regimes implies a rather dangerous wager – and it cannot be ascertained a priori that the ends will justify the means.

In addition, an argument can be made that in many authoritarian states, insulated, centralized and highly autonomous decision-making processes have played a major role in the triggering and/or deepening of serious economic crises, and that such crises would have been either less profound or even avoidable had effective democratic mechanisms to keep executive power under check been in place. This certainly seems to have been the case of the 1994 Mexico peso crisis, which triggered one of the deepest crises the country had ever experienced and also spread throughout the region (Rocha Menocal, 1998). According to Sen (1999), the absence of an effective ‘democratic forum’, which among other things resulted in poor accountability and transparency mechanisms, was also central to the Asian economic crisis of the late 1990s. Thus, while more open, inclusive and participatory decision-making processes can be problematic in some respects (as highlighted in the discussion above), they also contain essential institutional features to keep power holders in check, to promote greater accountability, and, crucially, to help correct policy decisions as may be necessary.

5 WHERE TO FROM HERE?

As can be discerned from the discussion above, there are several different arguments that can be harnessed to support both the view that democratic institutions play a crucial role in promoting development and the counterview that authoritarian regimes may be more effective in this endeavour, especially in countries that need to catch up more rapidly. The terms of the debate are far from settled. The existing literature seeking to establish a causal relationship between regime type and economic development remains inconclusive, and the evidence is inconsistent. For every study providing evidence for the argument that either a democratic or an authoritarian regime is more conducive to (if not a precondition for) development, another one can be found that makes the opposite claim.

This highlights just how complex and non-linear the nexus between democracy and development around performance is, and it raises the question of whether in fact the regime type–development (causal) nexus is the right puzzle to focus on. Indeed, as Adam Przeworski and his collaborators (2000) argued in an ambitious study looking at the causal relationship between democracy and development and the direction of this relationship in 135 countries (including established democracies and democratizing countries) between 1950 and 1990, whether democracy or authoritarianism fosters or hinders development remains an open question, and the results of the relationship between regime type and economic development are inconclusive. In effect, the authors find that regime type as such has no significant influence on states’ economic growth and national income.

These kinds of analyses help to crystallize some important insights. Among other things, the dichotomy between democracy and development may be too stark. From the discussion above, it is clear that different political regimes are equally capable of fostering or undermining environments conducive to development, and democracies and authoritarian systems alike have had varied and uneven success in supporting and implementing policies that can create and nurture that kind of supportive environment (through the rule of law, security and justice, the protection of property rights, political and economic stability and/or the provision of basic

services and public goods, for instance). Moreover, as highlighted in Section 3 of this chapter, there has been a formidable shift to formal democracy throughout the world, but many of these democracies have yet to become deeply rooted because of difficulties they confront in delivering development and prosperity, especially in a context of growing inequalities and exclusion.

This throws up a crucially important implication. The pressing question to be asking may no longer be whether one type of regime is superior to the other in terms of performance, but rather how democracy can deliver prosperity and well-being more effectively, in ways that are more inclusive and broadly shared (Rocha Menocal, 2017b).

As part of this, it is essential to look at how different democracies work and why: what kinds of institutional arrangements are in place in a particular (democratic) setting, and how do these determine the way in which policies intended to promote development work in actual practice? A variety of studies focusing on institutions and development have shown that political settlements, and the power dynamics that undergird them, are instrumental in this respect. As Khan (2010, 2012) has put it, the political settlement defines the overall boundaries of what is possible or feasible within a given society or context. Reforms to promote development may require changes in existing power structures and linkages between state and society. Where elites perceive a zero-sum game in which change to promote development results in a relative loss of wealth and privilege or a challenge to established power relations and predominant ideologies, there will be strong incentives to divert or block even the most well-intentioned policies (Hickey et al., 2014, 2015; Putzel and Di John, 2012; Rocha Menocal, 2017a).

State capacity also emerges as a far more fundamental variable than regime type in shaping developmental prospects. In effect, both democracy and development need effective and capable states to underpin them and enable them to thrive. As a rich body of literature shows (dating much further back in academic than in policy circles), state institutions matter (Evans, 1995; Hickey et al., 2014), and the orientation and effectiveness of the state is the critical variable explaining why some countries succeed whereas others fail in meeting development goals (Fritz and Rocha Menocal, 2007; Rocha Menocal, 2017a). Or as Fukuyama (2014, p. 3) has put it, ‘there is a political deficit around the world, not of states, but of *modern* states that are capable, impersonal, well organized and autonomous’ (original emphasis).

Across much of the developing world, many countries that are trying both to consolidate fledgling democratic institutions and to promote development are also attempting to build effective, capable states to begin with. However, current thinking and debates on democratization in the developing world seem to be based on the assumption that today’s emerging democracies are being built on the foundations of coherent, functioning states. Most of the literature presupposes that a more or less effective state exists before a democratization process starts (Fukuyama, 2005; Linz and Stepan, 1996). In reality, many of the countries stuck in incomplete democratization processes, especially poor ones, are not only trying to democratize or to foster development, but also more fundamentally to build effective, capable states – very often against a backdrop of structural adjustment and neoliberal reforms that have been responsible for retrenching the state and undermining its effectiveness and capacity in the first place (Fritz and Rocha Menocal, 2007). The relationship between democratization, the promotion of development and the building of effective and capable state institutions can be fraught with tensions and dilemmas, and this poses distinct challenges to successful political and economic transformation. For instance, as mentioned earlier, democratization often entails establishing checks and balances mechanisms and diffusing power more evenly across a greater number of actors both within and outside government, while strengthening state capacity and promoting

development within shorter timeframes may call for greater autonomy and centralization of power.

Contemporary Rwanda offers a powerful illustration. The country has made remarkable progress in moving beyond the genocidal violence that engulfed it almost three decades ago and in building an effective state, especially in terms of establishing its authority, developing its capacity and performing core functions in ways that have contributed to (inclusive) development. But its trajectory is more controversial in other ways. In particular, although Rwanda is formally a democracy, power remains highly centralized in the hands of President Paul Kagame, political rights are curtailed and dissenting voices repressed (Bouka, 2014).

Historically, with very few exceptions, countries that today are characterized by deeply rooted democratic institutions and practices had an effective state in place first, and then opened up (Fukuyama, 2014). But for a majority of countries today, issues of sequencing – which comes first, an effective state, inclusive processes, or inclusive development? – are no longer on the table (ibid.). Instead, most of these countries are attempting to transform themselves along a variety of dimensions simultaneously. Supporting democracies to deliver, especially those across the developing world, is vital if they are to prove sustainable and resilient over time. But having realistic expectations about what they can be reasonably expected to accomplish, especially in the short term, is an important place to start. This means understanding and addressing the problems they face, rather than wishing them away or ignoring them as a result. If the literature is right about trade-offs and potentially competing (if not outright negative) dynamics between efforts to strengthen democracy, promote development, and/or build state capacity, given the underlying political settlements and power relations that are in place, then such tensions need to receive far greater attention in research, policy and practice alike so that they can be managed more adequately.

NOTES

1. On the other hand, dictatorships follow a more capricious pattern: they can survive in both very poor (less than \$1000 per capita a year in PENN World Table dollars) and very rich (more than \$7000) countries.
2. (Peaceful) transitions to democracy took place in countries evincing every major religious or philosophical tradition, including Christian, Jewish, Hindu, Buddhist, Confucian and Muslim.
3. The United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

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4. Sen and development as freedom

Darley Jose Kjosavik

1 INTRODUCTION

Much has been written and debated on Sen's idea of development as freedom. Since the publication of this seminal work (Sen, 1999a) the capability approach has gained wider currency in development studies, policies and practices. Sen developed his capability approach as a critique of the existing approaches to understanding and evaluating human well-being, such as the utilitarian approach (Bentham [1789] 1907), which gives primacy to subjective well-being (utility) of individuals and the Rawlsian approach, which focuses on primary goods (Rawls, 1972). Sen (1987b, p. 76) identifies at least three general approaches to understanding the standard of living of an individual – as some notion of the *utility* of a person, the notion of *opulence* and as some type of *freedom*. Sen in his various writings goes on to develop the idea of capability and freedom (see, for example, Sen, 1980, 1982, 1992, 1993b, 1999a, among others). His point of departure is that 'We live in a world of unprecedented opulence, of a kind that would have been hard even to imagine a century or two ago... And yet we also live in a world with remarkable deprivation, destitution and oppression' (Sen, 1999a, p. xi). Sen argues for the central role of freedom in overcoming these deprivations and achieving development. The overarching objective – the end – of development is freedom, but substantive freedoms also contribute to development. Freedom, thus, is at once a means and an end. Sen gives two reasons to place freedom at the centre of development processes: first, the evaluative reason – that the assessment of progress must be made in terms of enhancement of human freedoms; second, the effectiveness reason – that the achievement of development depends on the free agency of people.

Sen highlights the interconnections between economic, social and political freedoms. 'Economic unfreedom can breed social unfreedom, just as social or political unfreedom can also foster economic unfreedom' (Sen, 1999a, p. 8). Therefore, the objective of development must be to remove all the unfreedoms. He argued for democracy as a universal value and emphasized the importance of democracy in removing unfreedoms and advancing development and human freedoms. He considers the 'rise of democracy' as the pre-eminent development of the twentieth century (Sen, 1999b, p. 3). This chapter outlines Sen's view on the relationship between democracy and development, focusing on his notion of development as freedom. In the process the chapter reviews some of the critiques of his work and looks at attempts at operationalizing his ideas through empirical applications. Section 2 explores Sen's ideas of freedom, while Section 3 attempts to delineate the linkages between capability, substantive freedoms and development. A brief comparison of Sen's and Nussbaum's capability approaches is presented in Section 4. The connections between democracy, freedoms and capability approach is elucidated in Section 5. This is followed by an overview of the main criticisms of Sen's work in Section 6. In Section 7, I discuss some attempts by scholars to operationalize Sen's capability approach. Section 8 provides a gist of how gender dimensions are incorporated into Sen's capability approach. Section 9 concludes the chapter.

2 AN EXPLORATION OF FREEDOM

Freedom, of course, has its ‘many charms’, but what is freedom? Who has it? How is it achieved? How is freedom linked to development and vice versa? Sen attempts to provide answers to these questions in his various writings (Sen, 1984, 1985a, 1999, 1985b, 1987a, 1987b, 1988, 1990, 1992, 1993b, 1995a, 1999a, 2004). Primacy is accorded to individual freedoms. While Sen radically redefines development as *freedom*, in the singular, he highlights the interconnectedness of different types of freedoms, and argues that free and sustainable agency is crucial for development. Free agency is indeed constitutive of development, but it also plays a role in developing and strengthening other kinds of free agencies. These two aspects are important for the ‘idea of “development as freedom”’ (Sen, 1999a, p. 4). Thus, for Sen, freedom is instrumental in and an instrument of development (Navarro, 2000). Sen (1999a) identifies five *instrumental* freedoms:

1. Political freedoms: these include people’s opportunity to decide who should govern them, based on what principles, and to criticize authorities, freedom of political expression, free press, and so on. They also include civil rights, and all other opportunities that are associated with democracies.
2. Economic facilities: these refer to an individual’s opportunity to access, own or use economic resources for consumption, production or exchange. Sen discusses the importance of market and relative prices and observes that the increase in income and wealth of a country need to be reflected in the economic situation of the people. The distributional aspect is also important.
3. Social opportunities: these include the social arrangements made by a society to provide education, healthcare, and other services so that people can improve their substantive freedom to live a better life, as well as participate in social and political activities.
4. Transparency guarantees: these refer to openness in social, economic and political life so that there is basic trust in a society.
5. Protective security: a social safety net for vulnerable people to avoid misery, starvation and death. It may include institutional arrangements for providing unemployment benefits, statutory income, emergency relief, and so on.

These freedoms are not stand-alone but are interconnected and complementary. For instance, economic freedoms may increase the wealth of a nation, but this needs to be invested in providing social opportunities through public education and healthcare, protective security, or the free press in order to further contribute to economic development, reduction in mortality, and so on. In the absence of such policies, there could be an increase in economic inequalities, which in turn could lead to the inability to exercise political freedoms.

Sen has been criticized for not having any ‘ordering of priorities’ of his list of freedoms, and for not establishing ‘a scale of relationships among them’ (Navarro, 2000, p. 664). Sen is, of course, critical of those who view civil and political rights as independent of socio-economic rights. Navarro’s point is that while Sen has established the interdependence of these instrumental freedoms, he has not explained ‘the nature of the relationship or the reason for the interdependency’ (ibid., p. 665). This, according to Navarro, is because Sen is reluctant to point to the sources of power in a society and to look at how power is reproduced. While sources of power are multiple – class power, race power, gender power, national and regional power, and so on, structurally within the capitalist system – some powers are more significant than

others. For Navarro, ‘class power is the frame within which the power matrices operate’ (ibid., p. 666). The sources of class power are ownership of the means of production and resources, knowledge, or organization (Wright, 1998). The reproduction of class power occurs in many different spheres, but the role of the state – the public sphere – is critical. Both Smith and Marx had concerns about the relation between class power and state power within the capitalist framework. Smith stated that, ‘Civil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor or of those who have some property against those who have none at all’ (Smith [1776] 1976, p. 149), while Marx and Engels pointed out that ‘the bourgeoisie has at last, since the establishment of Modern Industry and of the world market, conquered for itself, in the modern representative State, exclusive political sway. The executive of the modern State is but a committee for managing the common affairs of the whole bourgeoisie’ (Marx and Engels [1848], 2002, p. 221). The state, within capitalist regimes, could be understood as a conglomeration of power relations, and understanding class power relations is important to understanding the nature of the state. The state indeed plays a crucial role in reproducing class power relations. Navarro argues that ‘Power, and thus class power, is what gives meaning to the freedoms Sen describes’ (Navarro, 2000, p. 666).

3 CAPABILITY, SUBSTANTIVE FREEDOMS AND DEVELOPMENT

The intellectual roots of the capability approach lie in the ideas of thinkers such as Aristotle and Adam Smith, who were concerned with the actual living conditions of humans. Sen considers the freedoms of individuals as the basic building blocks of development. Therefore, the focus of his analysis is on the ‘expansion of the “Capabilities” of persons to lead the kind of lives they value and have reason to value’ (Sen, 1999a, p. 18). Thus, his focus is on positive freedoms as opposed to the concern for negative freedoms in the economics literature (Gaspar and Stavereen, 2003). Negative freedom is understood as the absence of coercion and interference by others, including the state. Sen has been critical of the focus on negative freedoms (see Sen 1977, 1987a, 1995b). The capability approach emerged as an alternative with a focus on what a person is able to do and be and achieve valuable functionings:

Functionings represent parts of the state of a person – in particular, the various things he or she manages to do or be in leading a life. The *capability* of a person reflects the alternative combinations of functionings the person can achieve and from which he or she can choose one collection. The approach is based on a view of living as a combination of various ‘doings and beings’, with quality of life to be assessed in terms of the capability to achieve valuable functionings. (Sen, 1993b, p. 31; original emphasis)

In the normative framework adopted by Sen, substantive individual freedoms are critical, and the success of a society should be assessed based on the substantive freedoms enjoyed by the members of that society. Having more freedoms to do the things one has reason to value is (1) important in itself as it promotes an individual’s overall freedom; and (2) helps increase an individual’s opportunity to achieve valuable outcomes. These are important for assessing the freedom of the members of a society and thus a society’s development. The other reason for the importance of substantive freedom is that it is a ‘principal determinant of individual

initiatives and social effectiveness' (Sen, 1999a, p. 18). This he calls the 'agency' aspect of the individual, an agent being an individual whose acts bring about social change. Well-being freedom and agency freedom are thus distinguished from each other, even when they are interconnected (see also Shanmugaratnam, 2001).

In measuring development and equality of a society (well-being), Sen seems to have ethical priorities, where capabilities are given priority over functionings. According to Gasper and Staveren (2003), Sen's priority ranking is as follows: (1) capability – the set of options available for an individual to choose from is ranked first as freedom is accorded priority; (2) functionings – how a person actually lives; (3) utility in terms of feeling of satisfaction, or preference satisfaction – ranked lower as preference might be formed under conditions of deprivation; and (4) goods or commodities, placed lowest perhaps because individuals' requirements may vary.

Indeed, this is not surprising, as Sen's point of departure for capability approach is Aristotle. He quotes from Aristotle's *Nicomachean Ethics*: 'Wealth is evidently not the good we are seeking; for it is merely useful and for the sake of something else' (Aristotle, 1980, quoted in Sen, 1999a, p. 14). Sen clearly emphasizes a shift of focus from the 'means of good living' to 'the *actual livings* that people manage to achieve (or going beyond that, on the *freedom* to achieve actual livings that one can have reason to value' (Sen, 1999a, p. 73; original emphasis). Sen invokes Nussbaum's (1988) discussions on Aristotle's account of the human good as explicitly linked to the necessity to "first ascertain the function of man" and then to proceed to explore "life in the sense of activity" as the basic block of normative analysis' (Sen, 1999a, p. 73). Adam Smith ([1776] 1976) was also much concerned with such capability to function as "the ability to appear in public without shame" (rather than only with real income or the commodity bundle possessed)' (Sen, 1999a, p. 73).

The capability approach is concerned with the 'substantive freedoms – the capabilities – to choose a life one has reason to value' (ibid., p. 74). This is also linked to the concept of 'functionings' – (Aristotelian roots) 'the various things a person may value doing or being' (ibid., p. 75). Functionings could be, for example, being adequately nourished, being free from avoidable diseases, being able to participate in community life, having self-respect, and so on. 'A person's "capability" refers to the alternative combinations of functionings that are feasible for her to achieve. Capability is thus a kind of freedom: the substantive freedom to achieve alternative functioning combinations' (ibid.). It is the freedom to achieve various lifestyles. The 'capability set' consists of the alternative functioning vectors a person can choose from, while the actual achievements of a person are reflected by the person's combination of functionings. Therefore, Sen's account of substantive freedoms has two components – opportunity freedom, meaning real opportunities to choose from a capability set, and the realized functions. Sen's capability approach to freedom is at once of intrinsic value and instrumental value (Alkire and Deneulin, 2009; Robeyns, 2005; Sen, 1992, 1999a). Based on Sen's argumentation of capability/capabilities, development is seen as an expansion of capabilities and poverty is then understood as capability deprivation (Sen, 1999a). As capability represents substantive freedoms, then development could be seen as freedom, where freedom is at once the means and the end. Sen sees 'development as a process of expanding the real freedoms that people enjoy. In this approach expansion of freedom is viewed as both (1) the *primary end* and (2) the *principal means* of development' (Sen, 1999a, p. 36; original emphasis). Viewing development in terms of substantive freedoms, argues Sen (1999a), has important implications

for how we understand the process of development, and how to promote it. In a sense then, development could be seen as removal of unfreedoms.

4 SEN, NUSSBAUM AND CAPABILITIES

Martha Nussbaum has been engaged with the further development of capability approach for some time (Nussbaum, 1988, 1992, 1995, 1999, 2000a, 2000b, 2003). While Nussbaum largely agrees with Sen's approach, she differs from Sen on several aspects. Robeyns (2005) identifies some differences between their approaches.

First, Nussbaum's goal is to develop a partial theory of justice and hence she argues for the political principles that ought to underlie each constitution. Her approach, therefore, is from a moral-legal-political philosophy perspective in order to argue for certain political principles that states should guarantee to their citizens. Nussbaum, thus develops and argues for a general list of 'central human capabilities' that should be incorporated in all constitutions. Her capability approach is thus universalist, as she argues for universal endorsement of these capabilities by all states. Second, Sen's capability approach is closer to economic reasoning than Nussbaum's, and is more amenable to quantitative empirical measurements, while Nussbaum's work is closer to traditions in the humanities. Third, Sen's idea of capability is that of real opportunity, whereas Nussbaum's capability notion is more attentive to people's skills and personality traits. Fourth, Nussbaum has developed three categories of capability: (a) basic capabilities that are innate abilities; (b) internal capabilities – states of a person that enable her or him to exercise a specific capability; and (c) combined capabilities – internal capabilities together with external provisions that enable the exercise of a capability. Fifth, Nussbaum has proposed a concrete list of capabilities: life; bodily health; bodily integrity; senses, imagination and thought; emotions; practical reason; affiliation; other species; play; and control over one's environment (see Nussbaum 1998, 2000a, 2000b, 2003). This list is not fixed, but open for revisions. Sen, however, has refused to endorse a list of capabilities, as he would rather leave it to the societies to come up with a list through democratic deliberations. This aspect will be discussed in more detail in the following section. Sixth, Nussbaum (2003) claims that her approach provides necessary justifications and arguments for constitutional principles, thereby providing citizens with a right to demand support from the government for achieving the capabilities set out in the constitution. Sen's approach, however, need not necessarily have claims on the government. It is possible to discuss inequalities in capabilities in Sen's approach without a discussion on how these can be rectified. Finally, Sen has distinguished between agency well-being and capability well-being. Nussbaum does not subscribe to this view. Her position is that all forms of well-being can be captured within the capability/functioning notions (Robeyns, 2005). Nussbaum has been criticized for her faith in a benevolent state, and that her approach does not allow for different expressions of agency (Crocker, 2008; Menon, 2002).

5 DEMOCRACY, FREEDOMS AND CAPABILITY APPROACH

Sen's capability approach to development and freedom is committed to a democratic polity, where democracy is not merely majoritarian rule but where citizens have the freedom to

demand development (Sen, 1999b). His commitment to democracy as a universal value is related to certain virtues that go with democratic practice. Sen (1999b) distinguishes three different ways in which democracy caters to citizens. (1) Intrinsic value: the political freedom associated with democracy is constitutive of human freedom in general, and political and social participation has intrinsic value for well-being. (2) Instrumental value: democracy has an instrumental value in that democratic governments are more responsive to people's demands including economic demands. Sen disputes the claim that there is a necessary conflict between democracy and economic development. In fact, he has argued that there have never been famines in democratic countries with a free press (Sen 1999a, 1999b). (3) Constructive importance: through democratic participation citizens learn from one another, in a way that a society is able to form its values and priorities. To quote Sen extensively on this:

The conceptualization – even comprehension – of what are to count as ‘needs’, including ‘economic needs’, may itself require the exercise of political and civil rights. A proper understanding of what economic needs are – their content and their force – may require discussion and exchange. Political and civil rights, especially those related to the guaranteeing of open discussion, debate, criticism, and dissent, are central to the process of generating informed and considered choices. These processes are crucial to the formation of values and priorities, and we cannot, in general, take preferences as given independently of public discussion, that is, irrespective of whether open interchange and debate are permitted or not. (Sen, 1999b, p. 10).

This is indeed important for Sen's capability approach, as he argues that each society should decide on the capability sets and functionings that they have reason to value through public reasoning. It involves democratic participation and deliberation. ‘This is a “social choice” exercise, and it requires public discussion and a democratic understanding and acceptance’ (Sen, 1999a, pp. 78–9). He has consistently refused to make an a priori list of basic functionings that individuals have reason to value, arguing that it is best left to the reasoned consensus of the society. Sen has indeed been criticized for not providing a basic set of capabilities and functionings, not least by Martha Nussbaum, among others. This will be discussed further in a later section.

In this context Sen emphasizes the role of democracy in the following words:

Democracy has to be seen as creating a set of opportunities, and the use of these opportunities calls for analysis of a different kind, dealing with the *practice* of democratic and political rights... Democracy does not serve as an automatic remedy of ailments as quinine works to remedy malaria. The opportunity it opens up has to be positively grabbed in order to achieve the desired effect. This is, of course, a basic feature of freedoms in general – much depends on how freedoms are actually exercised. (Sen, 1999a, p. 155; original emphasis).

Democracy provides the space for public reasoning and this has a constructive role in policy changes and setting priorities to advance substantive freedoms (Sen, 2006). While discussing the interconnections between human rights and capabilities, Sen once again emphasizes the importance of democratic processes. There are many human rights that can be viewed as rights to specific capabilities (the opportunity aspect of freedom), while human rights to certain process freedoms cannot be understood within the capability approach. However, public reasoning through democratic processes is important for the formulation of both human rights and capabilities (Sen, 2005). Sen draws on the Rawlsian ‘objectivity’ in ethics to develop a methodology of public scrutiny, but goes beyond Rawls to argue that ‘the impartiality that is

needed cannot be confined within the borders of a nation. Public reasoning without territorial confinement is important for both' (human rights and capabilities) (ibid., p. 151). Sen argues: 'A theory of justice – or more generally an adequate theory of normative social choice – has to be alive both to the fairness of the processes involved and to the equity and efficiency of the substantive opportunities that people can enjoy' (ibid., p. 156). While the capability approach is helpful in dealing with the latter, that is, substantive opportunities, unlike the Rawlsian 'primary goods', Sen (2005) concedes that when it comes to the considerations related to process fairness, the capability perspective is rather inadequate. For Sen, however, the public reasoning involved in the formulation and vindication of human rights (and capabilities) should not be confined to the domain of particular cultures, countries or social groups. It should be open to others for scrutiny due to 'the inescapably universalist nature of these rights' (ibid., p. 161). This is contrary to the Rawlsian inclination to confine these discussions within particular nations or collectivities. Indeed, for Sen, the universalist character of public scrutiny and impartiality are important considerations. The necessity of views from 'a certain distance' was emphatically stated by Adam Smith:

We can never survey our own sentiments and motives, we can never form any judgement concerning them; unless we remove ourselves, as it were, from our own natural station, and endeavour to view them as at a certain distance from us. But we can do this in no other way than by endeavouring to view them with the eyes of other people, or as other people are likely to view them. (Smith [1776], 1976, p. 110, quoted in Sen, 2005, p. 161)

Shanmugaratnam (2001) sees Sen's capability approach to development as *intentional* development *via-à-vis immanent* development (Cowen and Shenton, 1996) and 'it suggests that the process needs to be democratically governed to promote expansion and avoid failure of capabilities' (Shanmugaratnam, 2001, pp. 270–71). As such, free and well-informed participation is a necessary condition for policy makers to formulate the needs of a heterogeneous society. 'In other words, in a freer, better-informed and ethically grounded society, public policy can be shaped in ways that enable capability expansion for all' (ibid., p. 273). The vision of development, thus, is one in which the state–market–society relations play a complementary role to each other. Given the democratic imperative, Sen provides a broader interpretation 'of public action to include not only what the state does for the public, but also what the public does for itself through actions such as demanding remedial measures and accountability from government' (ibid.). Collective action by civil society is, thus, brought under the realm of public action. Sen's capability approach to development as freedom has firm groundings in capitalist liberal democracy, and it is indeed left to the democratic deliberative reasoned consensus to decide on people's well-being and substantive freedoms.

Gaspar and Staveren (2003) point out that it is Sen's concerns for positive freedom and his arguments for replacing per capita gross domestic product with human development indicators as a measure of development that led him to a more unified conception of development as freedom. They criticize Sen for over-emphasizing freedom, and that the notion of freedom is under-elaborated and overextended in his account. In the next section I review some critiques of Sen's work.

Sen has repeatedly emphasized the protective role of democracy. For example, in his various writings he argued that democracy is crucial in preventing famines due to the interventions by a free press and other political pressures on the government in a multiparty democratic system. For instance, he states:

[I]n the terrible history of famines in the world, no substantial famine has ever occurred in any independent and democratic country with a relatively free press... Famines are easy to prevent if there is a serious effort to do so, and a democratic government, facing elections and criticisms from opposition parties and independent newspapers, cannot help but make such an effort. (Sen, 1999b, pp. 7–8)

In Tungodden's (2001) view, the seminal contribution of Sen in relation to political freedoms enhancing economic freedoms, and the role of the free press 'is the precise empirical content of his argument, and the fact that this observation – as an early contribution to modern political economy – made economists and other social scientists again aware of the need for broadening their analyses of famines in particular and distributive issues more generally' (p. 18). Based on a study on government responsiveness in India to the press, Besley and Burgess (2002) argue that their findings are consistent with Sen's argument, but there are other factors that are important to government responsiveness – voter turnout, political competition and the timing of the elections. They also highlight the importance of local-language newspapers. Sen is quite vocal about the positive role of political and civil rights in avoiding economic and social disasters (Sen, 1999b). However, Myhrvold-Hanssen (2003) argues that the political rights such as free press, freedom of speech, and so on are not sufficient to prevent the occurrence of famines. He highlights the case of the Bihar famine of 1966–67. While he hastens to add that the Bihar famine does not undermine Sen's sophisticated account of famine in terms of entitlements and capabilities, it could be viewed as a counter-example, that democracy with a free press is not sufficient to prevent famine occurrences. Distributional considerations become important.

Sen's arguments for the universal value of democracy is underpinned by his conception of democracy as a collective engagement in practical reason, that is, reasoning about what to do in a society (Anderson, 2003). Anderson sets out to analyse Sen's conception of democracy in terms of: (1) democracy as an embodiment of collective practical reasoning, where democracy is regarded as a dynamic institution where policies are made based on collective deliberations, and experimented with, and criticized and changed; (2) democracy as promoting practical reason – where democracy includes not only state action but also public discussions in civil society enabling citizens to learn about better ways of lives or values from each other; (3) democracy as the conclusion of practical reason – where positionally objective value judgements are deliberated, evaluated and then collectively move towards a superior position, which then could be viewed as a universal value (Anderson, 2003, pp. 11–14).

6 CRITIQUE OF SEN'S APPROACH: AN OVERVIEW

Sen's work over the years has been highly influential, not only among academia, but also practitioners and policy makers. However, he has received criticisms on various accounts and standpoints. This section gives a brief overview of some of the criticisms, particularly related to development, freedom and democracy.

Navarro (2000), while appreciating Sen's work as a break from the dominant neoliberal position, argues that it does not go far enough to explain the key relationship between freedom and development. Sen, indeed, shies away from an analysis of the power relations that produce and reproduce underdevelopment through the interplay of national and international political institutions. Sen's failure to prioritize different types of freedoms has already been mentioned in an earlier section. Being firmly located within the classical economic tradition of Adam

Smith, Sen treats the individual as ‘the subject and object of analysis’ (Navarro, 2000, p. 665). Within this framework, collective agents and subjects such as social classes, as well as an analysis of what articulates these collective agents, viz., exploitation or domination, are bound to disappear. For a work that places freedom and democracy at the centre, argues Navarro (2000), Sen has not engaged in an analysis of the political context within which development occurs. Serious attenuation of civil and political rights as well as socio-economic rights can occur when property such as land, knowledge and organization are highly concentrated. For Navarro, Sen’s analysis is highly depoliticized; for instance, Sen (1999a) repeatedly invokes the examples of China, the state of Kerala in India and Costa Rica as countries that have successfully combined economic development with redistribution, without ever mentioning the fact that the governance system in these countries has been largely influenced by socialist parties of the Leninist and social democratic traditions. While democracy is indeed necessary to guarantee development, the specific types of property relations in several democratic countries are a major impediment to democratic and human development (Navarro, 2000).

Sen (1999a) has highlighted the role of markets in promoting freedom. In a critical analysis of Sen’s capability approach, Shanmugaratnam (2001) concedes that market functions as part of the means of development – however, whether it should be free, regulated or avoided must be viewed in terms of how best it can promote human capabilities together with other means. ‘Freedom of exchange is a basic freedom indeed, but so is the freedom from the harsh consequences of market uncertainties’ (p. 277). Capability expansion in European social democratic systems was achieved by intense market interventions by the state. The freedoms and capabilities in these countries are an outcome of political mobilization and sustained struggles (Shanmugaratnam, 2001). The instrumental freedoms, Sen advocates, are practically non-existent in many countries, and people must struggle for them. Sen refrains from exploring this aspect; the historical struggles and the continuing social and political struggles for social security and other rights and freedoms are not paid attention to in Sen’s analysis (ibid.). According to Patnaik (1998, p. 2858) in an article paying tribute to Sen following his Nobel Prize for economics, Sen’s silence on political struggles is ‘intriguing...these silences relate to the fact that social processes do not figure much in his writings’. Shanmugaratnam, nevertheless, argues that it is possible to link Sen’s capability approach to socio-political processes with the support of a ‘political economy framework and independent of Sen’s own views about the virtues of free markets’ (Shanmugaratnam, 2001, p. 281). In a conversation on freedom with Wisborg, Shanmugaratnam observed: ‘Sen believes that it [freedom] can be achieved to a great extent within the existing capitalist order, with the aid of policies and public reason, as he would call it’. ‘However,...due to its philosophical and normative orientation, the capability approach tends to neglect the causal understanding of the links between real political economic contexts and people’s lives’ (Shanmugaratnam, quoted in Wisborg, 2011, p. 99). According to Shanmugaratnam, it is imperative that we go beyond the Senian framework of development as freedom, in terms of imagining the kind of political order people want to live in. He emphasizes the importance of struggle, as the ruling class would never voluntarily offer equality or concede to an equitable distribution of income and resources.

The absence of political economy in Sen’s account is also noted by Stewart and Deneulin (2002). They argue that Sen’s individualistic perspective acts as a handicap that prevents him from fully identifying the good life as well as engaging in an analysis of the political processes for achieving it. Moreover, his discussions on choice, democracy and politics are at best

idealistic and at times unrealistic, and might not be capable of making tangible changes in the real world.

According to Evans (2002, p. 59), Sen provides an invaluable analytical foundation, ‘but it is a foundation that must be built on, not just admired’. While for those who are already privileged, and have achieved capabilities, collective action may be superfluous, says Evans (2002), but for the underprivileged, collective action is the way forward. Therefore, collective capabilities must be fostered through institutional strategies for expansion of freedoms. For Evans, this is as important as sustaining formal democratic institutions.

The Indian state of Kerala is often referred to in Sen’s account as an oasis of capability expansion and freedom in democratic India. Sen, however, has not devoted much time to discuss why. Kerala’s capability achievements have been a result of decades of political mobilization and sustained struggles led by the communist parties within the spaces of India’s parliamentary democratic system (Kjosavik and Shanmugaratnam, 2004).¹ However, Oommen’s (2008) analysis on the impact of neoliberal reforms on Kerala from a capability perspective shows that the increased functionings and freedoms achieved under the Kerala model of the ‘earlier vintage’ are under threat. He raises concerns about the diminished expansion of capabilities in terms of poverty and inequality in the reform period (*ibid.*). He argues that it is not possible to have meaningful democracy without public resources. Corbridge’s (2002) criticism of Sen, among other things, is that, ‘Sen’s arguments skirt too easily the vexed question of trade-offs between different freedoms’ (p. 194). Sen is, of course, right to insist that development is about freedom. A society, however, does not attain development by maximizing individual freedoms. Concerted struggles at all levels and spaces are indeed crucial in attempts to become developed (*ibid.*, p. 209).

Nussbaum (2000a, 2003), while conceding that the capability approach is a powerful tool for building a theory of social justice, argues that Sen’s work falls short when it comes to social justice. Obviously, his work provides us with a general sense of what societies should aspire to achieve, but he does not provide the substance – which capabilities ought to be central for societies. What is the minimum level of capability for a just society is also something Sen does not pursue. ‘Sen has conspicuously refused to endorse any account of the central capabilities... The reason for this appears to be his respect for democratic deliberation’ (Nussbaum, 2003, p. 44). Nussbaum is quite critical of Sen’s reluctance to specify a fundamental list of capabilities that all individuals in a society ought to have. She reiterates:

If capabilities are to be used in advancing a conception of social justice, they will obviously have to be specified, if only in the open-ended and humble way I have outlined. Either a society has a conception of basic justice or it does not. If it has one, we have to know what its content is, and what opportunities and liberties it takes to be fundamental entitlements of all citizens. One cannot have a conception of social justice that says, simply, ‘All citizens are entitled to freedom understood as capability.’... It would be impossible to say whether the society in question was just or unjust. (Nussbaum, 2003, pp. 46–7)

Sen, however, has been disinclined to specify a fixed list of capabilities in his general approach to capability, even when he has discussed various capabilities such as the freedom to be well nourished, to lead healthy lives, mobility, to be educated, to participate in public life, and so on. He insists that:

[P]ublic reasoning and discussion are necessary for selecting relevant capabilities and weighing them against each other in each context. It would be a mistake to build a mausoleum for a 'fixed and final' list of capabilities usable for every purpose and unaffected by the progress of understanding of the social role and importance of different capabilities. (Sen, 2004, p. 77)

Crocker (2006) takes a sympathetic view of Sen's position, pointing out that Nussbaum gives the role of producing a capability list to the philosophers and the constitution, while Sen leaves it to the society. Srinivasan (2007), however, sees it as problematic – as Sen is concerned with political freedoms, it 'inevitably returns him to unanswered questions of egalitarian justice that are "constitutional" in nature' (Srinivasan, 2007, p. 462). Democratic processes are central to the capability approach of Sen, but these processes themselves could be inhibited by the lack of protection of basic entitlements that are necessary for achieving a certain standard of equality of political participation (Srinivasan, 2007). According to Srinivasan:

Despite Sen's concern that society chooses its values, capabilities and standards of justice for itself, the very fact of each and every individual participating effectively in such choice is not only a substantive freedom of intrinsic value but also a condition for critical public reasoning and decision-making processes. Effective opportunity to participate thus requires adequate and fair protection, lest the choices available slip to becoming Hobson's choices for the marginalized, socially excluded and disadvantaged. (Srinivasan, 2007, p. 464).²

In Sugden's (2006, 2008) view, Sen's approach related to public reasoning to decide on what is good for a society in turn could lead to restrictions on liberty. Qizilbash (2011, p. 21) views this criticism as 'sounding a cautionary note'. Khader and Kosko (2019) discuss at length Sen's notion of 'reason to value' in his formulation of the capability approach. They see it as clearly normative, but limited to the procedural autonomy interpretation, and the process interpretation. The normative content could be saved by introducing the perfectionist interpretation; in its broad usage 'perfectionism is the idea that there is such a thing as an objective good for human beings, according to the narrower one, the human good is "the development of human nature"' (Hurka, 1993, p. 3, quoted in Khader and Kosko, 2019, p. 189). It could be a way out of Sen's concerns on 'paternalism' in providing a list of capabilities.

Chimni (2008) analyses the striking parallels between Sen's vision of development as freedom and the discourse of development in contemporary international law. While Sen's idea is incorporated in contemporary international law, 'it is far from realized in practice' (Chimni, 2008, p. 3); the structures and processes in the international system that prevent the realization of development are not identified and interrogated by Sen. Similarly, the mainstream international law is unaware of the deep structures that constrain the attainment of common good through, for instance, an international declaration such as the Declaration of the Right to Development. From a critical theory perspective, Zheng and Stahl (2011) criticize Sen for not theorizing social structures and the constraints on individual choices. In their view, this 'weakness' could be addressed by using critical theory, which focuses on the structural conditions of individual agency – for instance, the way the agents' options are structured within the capitalist system. 'Critical scholars tend to point to the importance of historical backgrounds in understanding social situations. They tend to underline the importance of social structures in enabling or denying emancipation, that is, the ideological character of social structures which limit personal freedoms' (Zheng and Stahl, 2011, p. 74).

7 OPERATIONALIZING CAPABILITY APPROACH

Research over the past three decades has taken Sen's capability approach forward in terms of how to use it for practical purposes – for example, to measure human well-being, capabilities, functionings, and so on, between countries, between regions, between social groups, and so forth – and also, how to identify capabilities and functionings that are valued by particular social groups through democratic processes. The capability approach is innovative in that it has introduced a 'sociological turn' in economics and is quite interdisciplinary so that it allows for a blend of quantitative and qualitative data and methods of data collection, as argued by Robeyns (2006). Robeyns's survey on the practical applications of the capability approach identifies nine types of applications: (1) assessments of the human development of a country; (2) assessments of small-scale development projects; (3) identification of the poor in developing countries; (4) poverty and well-being assessments in developed countries; (5) analysis of deprivation of disabled people; (6) assessment of gender inequalities; (7) theoretical and empirical analysis of policies; (8) develop critiques of social norms and practices; and (9) the use of the concepts of functionings and capabilities in non-normative research (Robeyns, 2006, pp. 360–361).

The United Nations Development Programme's *Human Development Reports* (HDRs) initiated by Mahbub ul Haq in 1990 is perhaps the first attempt at the practical application of the capability approach. With this, 'the idea of "human development" as an illuminating concept that serves to integrate a variety of concerns about the lives of people and their well-being and freedom' (Sen, 2000, p. 17) emerged as an important way of understanding development. The HDRs, it has been argued, treat human beings as the 'end' of development (Alkire, 2005). The operational tool used by HDRs is the Human Development Index (HDI), and its gender-sensitized variations such as Gender Related Development Index (GDI), and Gender Empowerment Index (GEM) (see Alkire, 2000; Anand and Sen, 1993, 1994, 1995, 1997, 2000a, 2000b; Fukuda-Parr 2002, 2003). The HDI continues to focus policy attention on basic human capabilities. The relevant capability indicators included in the HDI measurements are (1) the capability to survive and be healthy; (2) to be knowledgeable; and (3) to have a decent standard of living. However, in accordance with Sen's position that 'the task of specification must relate to the underlying motivation of the exercise as well as dealing with the social values involved' (Sen, 1989, quoted in Fukuda-Parr, 2003, p. 305), the HDRs hold that the capabilities prioritized within public policy may change over time and based on the communities concerned (Fukuda-Parr, 2003).

According to Alkire (2002), operationalizing the capability approach is a continuous process – for example, the list of basic capabilities and functionings may vary for each evaluation purpose and hence are done repeatedly. As envisaged by Sen, these should be done through participatory, deliberative, democratic processes. Accordingly, a participatory exercise in Latin American countries yielded descriptions of four kinds of expressions of each need: being (attributes); having (tools, norms); doing (agency); and interacting (social expressions in time and space) (Max-Neef, 1993, cited in Alkire, 2002). Narayan et al.'s (2000) participatory study of 23 countries revealed that poverty is multidimensional from the perspective of the poor. The point of departure for the study was to understand how people define well-being or good quality of life, and ill-being or bad quality of life (also see Alkire, 2002). Dimensions of well-being that emerged from the study included: (1) material well-being: having enough food, assets, work; (2) bodily well-being: being and appearing well; (3) social well-being: being

able to care for, bring up, marry and settle children; self-respect and dignity; peace, harmony, good relations in the family/community; (4) security: civil peace, physically safe and secure environment; personal and physical security, lawfulness and access to justice, security in old age, confidence in the future; (5) freedom of choice and action; (6) psychological well-being: peace of mind, happiness, harmony (including spiritual life and religion) (Narayan et al., 2000, cited in Alkire, 2002, p. 190).³ Alkire and Foster's (2011) Multidimensional Poverty Index (MPI) and Alkire et al.'s (2015) Capability Poverty are further attempts at operationalizing Sen's ideas. The Gross National Happiness (GNH) index developed for Bhutan (Ura, Alkire and Zangmo, 2012) is an offshoot of the capability approach. Policy-relevant methodologies for well-being measurements are discussed further in Alkire (2015).

Clark's (2005) study among the poor in South Africa to identify valuable capabilities showed considerable overlap between mental and material states of well-being and development. He argues that the capability approach should be more accommodative of utility (defined broadly as all valuable mental states) and take into consideration the role of material things (which may have intrinsic and/or instrumental value). Using quantitative data, Hojman and Miranda (2018) demonstrate the importance of human agency and human dignity in explaining subjective well-being of individuals in the context of Chile and argue that welfarist measures can be aligned with capabilities. Their study highlights the significance of human agency, shame and discrimination relative to traditional measures – for example, income variables – in explaining subjective well-being. Walker (2003, 2005, 2006) provides insights into how the capability approach can be usefully deployed in the field of education research and policy making.

8 GENDER AND CAPABILITY APPROACH

Feminists have drawn on the capability approach to work towards advancing the well-being freedom and agency freedom of women and other oppressed social groups. Sen (1999a) has highlighted the intersection between women's well-being freedom and agency freedom. 'Nothing, arguably, is as important today in the political economy of development as an adequate recognition of political, economic and social participation and leadership of women. This is indeed a crucial aspect of "development as freedom"' (Sen 1999a, p. 203). While arguing for democracy as a universal value, Sen has also explored his views on democracy in the context of feminist concerns (Anderson, 2003; Qizilbash, 2005). Sen (1993a) has extensively discussed the idea of positional objectivity, which has epistemological importance as it can contribute to building more universal understandings or values through democratic deliberations. Building on Sen's work, Anderson (2003, p. 239) proposes an analysis of democracy 'as a set of institutions that aims to intelligently utilize positional information for shared ends' and explicates the rationale for reserving seats for women in political bodies. Indeed, Sen's conception of positional objectivity is epistemologically complementary to the work of feminists such as Harding (1986, 1990), Haraway (1991), Crenshaw (1991), Longino (1993), Collins (1998).

Assessing human development through a gender lens is critical for understanding the extent of gender equality/inequality in a society. The *Human Development Report 1995* proclaimed: 'Moving toward gender equality is not a technocratic goal – it is a political process' (United Nations Development Programme, 1995, quoted in Fukuda-Parr, 2003, p. 309). The 1995 HDR devised two indices to capture the gender dimensions – the Gender Related Development

Index (GDI) to measure the gender equity/disparity in human development and the Gender Empowerment Measure (GEM) to measure women's influence in decision making, in politics, professional life and organizations, that is, women's agency (Fukuda-Parr, 2003). While criticisms abound with regard to these measures (see for example, Hirway and Mahadevia, 1996), feminist researchers and activists have continued their work and have enhanced the focus on women's education and political participation in addition to incomes. Hirway and Mahadevia (1996) argue that GDI and GEM are unsatisfactory, and they developed an alternative framework for measuring gender development in the South. They developed the Gender Development Measure (GDM) for 15 Indian states, which is more focused on the needs of poor women. Nussbaum (2000), while proposing a list of central human functional capabilities, argues for the advantages of the capabilities approach in understanding women's human development as compared to other approaches to development. Robeyns (2003) argues against a preformed list of capabilities in gender inequality studies. She proposed a participatory democratic methodology for generating and selecting a list of relevant capabilities, and subsequent revising of the list based on debates and discussions. She is indeed concerned about group inequalities as well and takes the position that 'the default position should be that group inequalities in achieved functionings mirror inequalities in capabilities, unless there is a plausible reason to expect one group to systematically choose different functionings from its capability set relative to another group' (Robeyns, 2003, p. 87).

9 CONCLUSION

This chapter set out to understand Sen's ideas on development as freedom and the importance of democracy in achieving development. The capability approach sees development as the expansion of human capabilities. At the same time, as capability represents substantive freedoms, then development could be seen as freedom, where freedom is both the means of achieving development as well as the end. This leads to the normative argument that the objective of development should be to remove all the unfreedoms. For Sen, it can be achieved within the framework of a democratic polity. Indeed, Sen's capability approach is committed to a democratic polity – not merely in terms of majoritarian rule, but also in terms of the political spaces available within a democratic state for demanding development. Sen has highlighted the three-dimensional value of democracy – the intrinsic value, the instrumental value and the constructive value. He has repeatedly argued that democracies with a free press have historically avoided famines. Democratic participation and deliberation are the hallmarks of the democracy pictured by him. This is crucial for the formation of values, and the choices to be made in terms of development by the society. Indeed, Sen's capability approach to development and freedom necessitates participatory democracy; he argues that it should be left to each society to decide on the capability sets and functionings they have reason to value through public reasoning. For Sen, democracy is thus the embodiment of collective reasoning, and is the cornerstone of development and freedom. Sen has, however, been criticized for not paying sufficient attention to the power relations between social classes and social groups, and the existing property relations within democratic societies that limit possible democratic engagements. It is indeed important to recognize the ideological character of the liberal democratic state and the consequent choice of development trajectories. Such a state gives primacy to private property ownership and market-based production relations, and the subsequent

unfolding of a development trajectory favouring the property owning and other powerful and privileged social classes and groups. As feared by both Smith and Marx, the liberal democratic state apparatus functions largely to defend the interests of the rich against that of the poor, and facilitate the activities for accumulation by the bourgeoisie. I would argue that the 'public reasoning' Sen has envisaged within such a democracy would largely result in bourgeoisie reasoning with the purpose of legitimizing their hegemony. The expanded accumulation at the expense of the underclasses that has been happening within the globalized regime championed by liberal democracies bears witness to this. If the democratic deliberations and public reasoning have to be substantive and meaningful, it needs to assume a radical dimension in order to reach a consensus that would uphold values of equity and social justice from the standpoint of the marginalized and the underclasses. Sen's notion of public reasoning within liberal democracy therefore lacks the edge either to define the capability set or achieve development as freedom.

Sen's idea of development as freedom is indeed a breakthrough in thinking about development in that the two-way feedback between development and freedom is elucidated in no uncertain terms. Therefore, we can forget, once for all, the chicken and egg question that plagued development economics and by extension development studies for quite some time – for example, the growth vs distribution debate. Sen is indeed an analyst par excellence of socio-economic issues and cleverly intertwines his analysis with liberal democratic imperatives, while mostly using the term democracy or democratic societies. What Sen does not delve into is the type of democracy that is conducive for development as freedom. Sen often invokes the example of India as a democracy with free press etc. and hence did not experience famines after independence. For a vast majority of the Indian population, however, there has neither been development nor freedom even after seven decades of independence. The post-independence consensus on democratic socialism with a substantial developmental role for the state has been derailed with the advent of neoliberal globalization and the capitalist restructuring that ensued. With the diminution of the state, including disinvestment and the promotion of transnational and domestic corporations, the development and freedoms of the working class and other marginalised social groups including women have been on the path of erosion. The concomitant wave of populist right-wing democracy (also liberal) has been inimical to individual rights and freedoms as well as human development in terms of education, health care and real incomes of the underclasses. More and more public resources are being privatized and transferred to big capital and more and more developmental resources are siphoned up to corporations in the form of tax cuts and subsidies. Therefore, we need to take a position and argue for the nature of the democracy and the democratic state that are necessary for achieving development and freedom. Such a democracy needs to be fought for and won and defended against the power of capital, for which continuous struggles are required. It is obvious that we need a democracy that is committed to the underprivileged classes and social groups in order to achieve development and freedom. Indeed, a democratic state that owes its allegiance to the privileged classes and social groups is far from achieving that. Much of the criticisms of Sen's work on development as freedom stand valid. I must, however, hasten to add that these criticisms do not undermine Sen's contribution as it stands, but takes it forward, albeit in more radical directions.

NOTES

1. Kerala's exceptional achievements in social development came to be widely known as 'Kerala model of development'. A vast body of literature exists on this subject.
2. See Robeyns (2005) for a discussion of her take on the criticisms levelled against Sen's capability approach.
3. Alkire (2002) provides a survey of literature on dimensions of well-being.

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PART II

CAPITALISM, DEMOCRACY AND AUTOCRACY

5. Neoliberal democracy vs neoliberal authoritarianism: capitalism and democracy's global contest in the twenty-first century

Rita Kiki Edozie

INTRODUCTION

For centuries, political theorists have debated different variations of the relationship between democracy and dictatorships (Moore, 1966), on the one hand, and democracy and capitalism (Schumpeter, 1942) on the other. In the contemporary neoliberal world order, the issues that define these age-old debates have become more nuanced and qualified. As democracy developed in the nineteenth century, these classic scholars of democracy theorized about whether capitalism nurtures and advances democratization or whether it leads to authoritarianism. In the twenty-first-century global era, the democracy–capitalism conundrum that Joseph Schumpeter grappled with in the early twentieth century (Schumpeter, 1942) has evolved into a debate about the relationship between two political economic movements referred to as ‘neoliberal democracy’ and ‘authoritarian neoliberalism’.

On the one hand, neoliberal democracy refers to the ideology that supported the notion that neoliberalism was good for democracy because it expanded freedoms to the consumer. When this happens, neoliberalism replaces ‘the citizen’ with ‘the consumer’ and pushes people out of political life and into the marketplace. According to Niklas Olsen, this is how neoliberalism reinvents democracy (Olsen, 2019b). On the other hand, authoritarian neoliberalism occurs when neoliberal democracy undermines liberal democracy in contradictory ways. It does so by reconfiguring the state into a less democratic entity through constitutional and legal changes that seek to insulate the state from social and political conflict. At the same time, the state becomes fragile and vulnerable to a range of popular struggles, demands, and discontent that also undermine democracy because democratic movements are suppressed by state forces, causing conflict. This is how neoliberal democracy becomes authoritarian neoliberalism (Bruff, 2013).

The neoliberal world order emerged in the 1990s as an international relations regime that was conditioned by laissez-faire economics and low-intensity democratic politics (Chodoor, 2015). This international political economic regime's emergence and dominance by the millennium has raised several critical questions and debates about the relationship between democracy and capitalism. In this chapter, we debate some of these questions by examining the effect that neoliberalism is having in undermining contemporary democracy around the world. How do neoliberal democracy and authoritarian neoliberalism help us to understand the relationship between democracy and capitalism? Is neoliberalism ontologically authoritarian despite its inherent laissez-faire capitalist structures that allow for economic and consumer freedoms? What role does the post-2007 neoliberal crisis play on the advancement or the erosion of democracy – in the West and in the developing world? How do the developing

world and the advanced industrial world differ comparatively regarding the impact that neoliberalism has on democratic processes in these regions?

In engaging with these questions and exploring the relationship between neoliberalism and democratization, the chapter traces the twin emergence of the neoliberal world order and the third wave of democratization from the 1990s in both the developing world and advanced industrial democracies. Drawing from Ian Bruff's thesis about authoritarian neoliberalism (Bruff, 2013), we argue that by 2020 authoritarian neoliberalism has emerged as a dominant governance and regime type whose inherent structural contradictions have undermined democratic transitions in the developing world since the 1990s and are threatening to destabilize democracies in the contemporary West. To support the argument, the chapter draws from theoretical literature and contrasting events in regions around the world to examine a range of varied expressions of neoliberalism that in some instances have undermined democracy while in other contexts has contributed to democratic conflict. The thesis is further supported by applying five thematic frameworks to examine the various relationships that represent the ways that neoliberalism and democracy interact to influence the growth of authoritarian neoliberalism in regions around the world.

A first relationship is represented in the Asian neoliberal-developmental state, which in the 1980s and 1990s strategically leveraged neoliberal globalism to achieve newly export-oriented industrialized (EOI) development. Modeled after the newly industrializing Asian countries of the early 1970s where authoritarian regimes used the emergent global market and EOI strategies to develop industrial economies, authoritarian neoliberalism is typified in Asia, notably the China model. Furthermore, in many Southeast Asian countries, after the Asian Financial Crisis in 1997, as in Africa, 'low-intensity democracies' emerged. These hybrid neoliberal states transitioning to democracy would use the discourse of neoliberal globalization to promote *laissez-faire* capitalism through a combination of market discipline and forceful state power (Gill, 1995).

A second relationship stems from transitioning democracies – also considered as low-intensity democracies – that are seen to impose neoliberal economic regimes on their citizens to sustain economic development goals throughout Africa, Asia, and Latin America. A form of disciplinary neoliberalism exacted through a variety of regulatory, surveillance, and policing mechanisms, neoliberal reforms were instituted and 'locked in' among these regions, despite what the population base desired (Springer, 2009). A third relationship occurring in the least developed countries of developing world regions are low-intensity neoliberal democracies. In much of Africa, these regimes are manifest as 'choiceless democracies' (Mkandawire, 1999) and have been imposed by international finance institutions on aid-recipient developing world countries.

In contrast, a fourth relationship focuses on resistance to neoliberalism by the progressive socialist democracies in Latin America. A fifth relationship occurs primarily among Western liberal democracies where the crisis of neoliberalism produces the crisis of liberal democracy. With this fifth relationship, we trace the early emergence of neoliberal ideology and practice in the UK, especially showing how the historical trajectories that began with the slogan TINA ('There is no alternative') in the 1980s have contributed to the contemporary anti-politics of Brexit – that is, the withdrawal of the UK from the European Union.

Also in this chapter, we examine the rise of anti-democratic politics in the ruins of neoliberalism in the US (Brown, 2019) where since the aftermath of the global recession of 2007, we will see how liberal democratic practice is being weakened by neoliberal incursions that are

undermining democratic culture. Finally, because neoliberalism's excesses have been attributed to the cause of the Global Financial Crisis of 2008, a crisis of neoliberalism had emerged by 2010, with the world beginning to debate a post-neoliberal era. To this end, we examine the emergence of full-blown neoliberal authoritarianism in the US by 2016 and conclude with a discussion about democracy's challenges to neoliberalism and vice versa, considering the future of democracy in the world. In the West, we will see how the neoliberal crisis has led the state to adopt strategies of discipline, policing, and de-politicization, causing generic elements of political crisis and state crisis articulated in the economic crisis of capitalism (Bruff, 2013).

We apply all five thematic relationships as frameworks applied to regional case events to illustrate contemporary political-economic transformations in the UK, Africa, Asia, Latin America, and the US and to underscore the democratic impact, change, and transformations that these regions are undergoing as a result of neoliberalism. The chapter concludes that authoritarian neoliberalism (Bruff, 2013; Bruff and Tansel, 2019) has emerged as a dominant regime type whose impact has been to increasingly destabilize liberal democracy and democratic deepening around the world.

A THEORY AND HISTORY OF NEOLIBERALISM AND DEMOCRACY: FROM THE MONT PELERIN SCHOOL TO BREXIT

The emergence of a neoliberal world order has invoked a new debate about an old one with regard to the relationship between capitalism and democracy. In 1991, Gabriel Almond argued that capitalism and democracy co-existed as the prevailing systems of governance the world over, and they invariably interact with each other and transform each other through time (Almond, 1991).

To understand what neoliberalism is, its relationship with democracy, and the way that it has emerged throughout the world as a socio-economic cum political system, we can explore its national roots, its global roots, and its intellectual construction.

Neoliberalism, considered a twenty-first-century dominant form of capitalism (Harvey, 2007), provokes Almond's theory, and the question about whether or not neoliberalism is good or bad for contemporary democracy can only be understood by examining its historical emergence. Neoliberalism has always had political-economic implications for liberal democracy. Friedrich Hayek coined the scholarly term neoliberalism at a meeting in Paris in 1938 to stave off the growing popularity of Keynesianism, the political-economic system attributed to the UK economist John Maynard Keynes (1883–1946). Keynesianism urged and justified a government's intervention in the economy through public policies that aim to achieve full employment and price stability. Contrary to Keynesianism, Hayek argued that government planning suffocates individualism and would eventually lead to totalitarian control (Hayek, 1944). Through his participation in the Austrian School of Economics, Hayek began to rethink classical liberalism in Austria, calling for a new way of organizing the world using states and global institutions to insulate emerging global markets against sovereign states, political change, and turbulent democratic demands for greater equality and social justice.

In the final quarter of the twentieth century, neoliberals sought to project capitalism onto a global scale (Slobodian, 2018) as Keynesianism struggled in European social welfare states and communism crumbled in socialist states. This is how neoliberalism became a variant of liberal internationalism as it focused on the role that international institutions play in obtaining

supremacy over global markets. Its central concern came to be how states and other actors achieve political-economic cooperation in the international system. By the 1990s, neoliberalism had become associated with globalization, with the notion that neoliberal globalization would become a worldwide doctrine that embraced free and open markets as the premise for global production, trade, and consumption.

In its pure economic configuration, neoliberalism came to be understood as a theory of economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade (Harvey, 2007). As economic policy, in the 1990s, neoliberalism established a set of global policies that compelled states to function with minimal restrictions to the global market including laissez-faire free trade, privatization, and the minimalist state. Neoliberalism claimed that privatization would lead to efficiency and individual responsibility. It called for a decrease in government programs that had previously provided a ‘social safety net’ to those in need, and an increase in policies, rulings, and agreements that championed the rights of corporations over the rights of people (Slobodian, 2018).

That is why David Harvey (2007) has classically drawn on Joseph Schumpeter’s 1950s’ concept of ‘creative destruction’ to describe capitalism, to similarly define neoliberalism. To this end, neoliberalism fosters a process of industrial mutation that while it revolutionizes the economic structure from within, it destroys the old system and creates a new one. To this effect, neoliberalism has become a hegemonic discourse with pervasive effects on ways of thought and political-economic practices to the point where it is now part of the commonsense way we interpret, live in, and understand the world. It has become a project to restore class dominance to people that saw their fortunes threatened by the ascent of social democratic endeavors in the aftermath of World War II. Although neoliberalism has had some effectiveness as an engine for economic growth, it has succeeded in channeling wealth from subordinate classes to dominant ones and from poorer to richer countries (Harvey, 2007).

As it strengthened as a dominant alternative over Keynesianism, neoliberalism’s relationship with democracy soon came to the fore. Where states needed to make a choice between implementing Keynesian versus neoliberal economic policies, neoliberalism would undermine democracy. In a visit to Pinochet’s Chile, one of the first countries where neoliberal scholars (Milton Friedman and the Chicago School) would test their theories, Hayek is said to have acknowledged his preference for Chile’s political dispensation toward a ‘liberal dictatorship’ rather than toward a ‘democratic government devoid of liberalism.’ Scholars have claimed that Hayek’s real objectives for neoliberalism were to undermine democracy. He had once openly suggested that the freedom that neoliberalism enjoys is for elites and not for the masses (Monbiot, 2016).

Neoliberals began to formulate new theories of liberal democracy that would accommodate successful neoliberal economic policy implementation. For example, in support of what would become the neoliberal turn in the 1990s, Milton Friedman’s classic 1962 treatise, *Capitalism and Democracy*, argued that governmental constraints of the market undermines political democracy and ultimately leads to dictatorship (Friedman, 1962). By the turn of the millennium, neoliberalism had succeeded in conforming to Friedman’s theme about capitalism. Neoliberal globalists projected capitalism on a global scale to insulate the markets against sovereign states, political change, and turbulent democratic demands for greater equality and social justice (Slobodian, 2018).

As a result, as globalists used international institutions, corporations, and hegemonic states to promote neoliberalism in this manner, they also associated neoliberalism with a positive program that appealed to democratic legitimacy. They began to promote the notion that democracy could not exist without the free market capitalist economy that neoliberalism brought with it (Boudreaux and Clairzier, 2009). They argued that the global market would represent a superior solution to securing the individual citizen's representation and participation in socio-political processes because it allowed for individual choice unbound by the will of the majority; it empowered segments of the population to improve their living conditions and promote socio-political rights (Olsen, 2019b). When neoliberalism is promoted, and then implemented, as a principle for social and political organization – a vehicle for a libertarian genre of democracy – it is defined as a neoliberal democracy (*ibid.*).

Be that as it may, some scholars criticized the association between neoliberalism and democracy, instead underscoring the paradoxes of tying the two together. According to McChesney in his introduction to Chomsky's book, *Profit Over People*, 'Neoliberal democracy... Instead of citizens, it produces consumers. Instead of communities, it produces shopping malls. The net result is an atomized society of disengaged individuals who feel demoralized and socially powerless' (McChesney, 1999, p. 11).

As the post-Cold War ushered in a democratization movement that Samuel Huntington referred to as part of the third wave of democracy (Huntington, 1993) at the same time as neoliberalism's sweep across the globe, liberal Keynesian social welfare democracies would be reconfigured. The new neoliberal democracies neutralized redistributive demands that had been the social contract of Keynesian democracies. Western liberal democracies and developing world non-democracies were transformed by neoliberalism's 'governmentalizing' of the state (Brown, 2019). This meant that democracy increasingly featured the entrepreneurializing of the citizen, the conversion of labor to human capital, and the repositioning and reorganization of the state. It would, according to Michel Foucault, mean the reprogramming of liberal governmentality whose neoliberal outcome is to alter the values, coordinates, and principles that govern liberal orders (Foucault, 1991).

Former British Prime Minister, Margaret Thatcher, was among one of the first leaders to use neoliberalism to reinvent democracy (Olsen, 2019b). The United Kingdom's transition to a neoliberal democracy in the late 1970s and early 1980s presents one of the earliest case studies to examine the relationship between neoliberalism and democracy. Ironically, although consistent with the underlying philosophical principles of neoliberalism's support for personal and individual property freedom, Thatcher would present British unions as dangerous to liberty. By successfully using her new neoliberal policies to oppose the National Union of Mineworkers' (NUM) strike of 1984–85 against the National Coal Board (NCB), Thatcher introduced the practice of neoliberal democracy (Olsen, 2019b). Coming to be known as Thatcherism and coining the infamous mantra for neoliberalism – TINA ('There is no alternative') – Thatcher promoted democracy to the British electorate in libertarian terms. Democracy would be freedom from trade unions and collective bargaining, which were deceitfully framed as villains responsible for suppressing wages.

Neoliberalism's capture of liberal democracy by the 1990s has led millennium democracy scholars to recast the theory of a 'neoliberal democracy' to reveal how neoliberalism has undermined democracy, transforming it into a form of authoritarianism. Hence, Ian Bruff has conceptualized the term 'authoritarian neoliberalism' (Bruff and Tansel, 2019). According to Bruff, authoritarian neoliberalism is rooted in the reconfiguration of the state into a less demo-

cratic entity through constitutional and legal changes that seek to insulate political institutions from social and political conflict. The apparent strengthening of the state simultaneously entails its growing fragility, making it an increasingly direct target of a range of popular struggles, demands, and discontent (Bruff, 2013).

Not everyone agrees with the way that Bruff associates neoliberalism structurally with authoritarian politics. Critics reveal the variegated nature of neoliberalism, suggesting that it can coexist democratically with world markets. Bob Jessop argues that not all contemporary liberal democracies have become neoliberal authoritarian regimes. It is the regimes that are associated with prehistories of authoritarian discourses and practices (statist or populist) that lead to authoritarian neoliberalism (Jessop, 2019). To this end, Matt Ryan is similarly circumspect about the concept of authoritarian neoliberalism, arguing that it obscures a broader history of authoritarianism and its contradictions (Ryan, 2018). Ryan claims that the authoritarianism of the post-2007 context is not necessarily 'qualitatively distinct' from earlier authoritarian state forms (*ibid.*).

At the end of the Cold War, Francis Fukuyama famously predicted that the fall of communism would mark the end of history and the universalization of Western liberal democracy as the most successful form of human government (Fukuyama, 1992). However, following Fukuyama's prediction, with the advent of neoliberalism, liberal democracy has actually struggled to consolidate and stabilize in the developing world and failed to strengthen in the West. What role has neoliberalism played? In the UK, neoliberalism's excesses may have led to the rise of authoritarian populism and the politics of Brexit. According to David Harvey, Brexit – occurring as a result of an authoritarian populism – speaks to key problems facing Britain's 30-year experiment with neoliberalism. Britain's exit from the European Union has been attributed to the fall of the twentieth-century ideal of a neoliberal, globalized world, as populist sectors of the British electorate who had been earlier victims of Thatcherism now lashed out against immigration and the financialization of the state that had further begun to marginalize once vibrant British working classes (Peters, 2017). Mary Kaldor also attributes Brexit to four decades of Thatcherite neoliberalism, which she warns is effecting an erosion of democracy in the UK by removing the ability of local British citizens to participate in the decisions that affect their lives (Kaldor, 2019).

Moreover, in Western liberal democracies more generally, Wendy Brown notes that when neoliberalism extends market values to social practices, institutions, and public policies, liberal democracy's emphasis on a new set of values upon which governing decisions are made, has aggravated white working- and middle-class populations who had been provoked by neoliberalism's multipronged assault on democratic values (Brown, 2019). Paradoxically, Brown explains Brexit's parallel rise to the emergence of the President Trump Make America Great Again (MAGA) doctrine in the US. Brown attributes plutocracy, white supremacy, politicized mass affect, indifference to truth, and extreme social disinhibition to both British and US neoliberal regimes. This is the way that neoliberalism has flirted with authoritarianism while warring against a robust substantive democracy (*ibid.*). For Brown, neoliberalism undercuts and erodes democratic institutions because its values and logic are incompatible with the values of liberal democracy (Brown, 2003).

ASIA'S NEOLIBERAL-DEVELOPMENTAL STATES AND LOW-INTENSITY DEMOCRACIES

Neoliberal democratization and authoritarian neoliberalism emerged differently in the Global South and the former communist world where democracies were first emerging – and in some instances re-emerging – in a movement that Huntington called the ‘third wave of democracy’ (Huntington, 1993). However, democratization struggles in these regions were hijacked by the rise in global dominance of the neoliberal Washington Consensus whereby neoliberal democracies were imposed on these regions and were manifest in practice in forms of authoritarian neoliberalism – as authoritarian neoliberal states, or low-intensity democracies or choiceless democracies.

The post-war liberal transformation of the political economies of Asian states from the 1960s to the 1990s tended to show more diversity compared to other developing world regions. One model included the Asian establishment of the developmental state, a political-economic state regime type that drew from global economic, neoliberal trading and finance structures to foster domestic economic growth and development. To this end, Asian authoritarian states used a hybrid form of neoliberalism – relying on a global speculative market and open trade policies in the West – to industrialize their economies by blending together capitalist (private property, market economy, business elites) and socialist (national planning, public enterprises, government bureaucratic elite, egalitarian ideology) elements. They would be referred to as ‘neoliberal-developmental states’ whose features included a deregulated economy liberalized and privatized to conform more to the neoliberal model but with existing interests embedded within the developmental state that prevented a transition to a full-fledged neoliberal regulatory economy (Low, 2012).

For this model, the state was characterized by its active bureaucratic role in nurturing economic growth and industrial transformation, and by using several institutional or practical tools, such as policy loans and strategic industrial policy. Paradoxically, the state would insulate itself from the particularistic interests of the private sector while cooperating with it in purposeful ways (Lim and Jang, 2006). As an example, neoliberal developmental Asian states such as Singapore adopted neoliberal principles in the mid-1980s to attract global capital while also cleverly appropriating this process to buttress the state’s political legitimacy (Wang, 2012). In this instance, Singapore used strategies like offering quality public housing to the emergent middle class as one of the main platforms with which it would secure the consent for neoliberalism in the country. This new strategy in public housing, which mediated between the governing body and the governed, revealed the constant negotiation among the developmental state, (transnational) capital, and the burgeoning class-relevant forces that collectively directed Singapore toward full neoliberalism (*ibid.*).

The 1997 Asian Financial Crisis exposed the vulnerabilities of the neoliberal policies of global speculative capital relied on by Asian newly industrializing countries (NICs). The crisis forced these countries to restructure their developmental states by constraining the state’s capacity to implement previously relied upon developmental tools such as industrial policy. As the developmental state incorporated the domestic economy deeply into global capitalism, the state’s autonomy and capacity in policy implementation was weakened. The state’s role and functions in the economy were redirected in line with a fuller set of neoliberal ideals and policies that followed global standards and thus diverged with national interests. These transformations led to the demise of Asian developmental states and their restructuring (Lim

and Jang, 2006). For example, through the democracy promotion policies of the International Monetary Fund (IMF) and World Bank, South Korean civil society ushered its developmental state into a neoliberal state by furthering the liberalization and introducing democratization of the country (Kapur and Naim, 2005).

In addition, liberalization of Asian political economies occurred alongside democratization in the region. As neoliberalization of the Asian state strengthened after the 1997 Asian economic crisis, embodying elements of Harvey's dual creative destruction, as the state came under pressure to consolidate democratization, dialectically neoliberalism acted as both a democratizing force that attempted to curtail the power of the state at the same time as it reduced the political space available to non-state actors. Democratization caused the former developmental state to become particularly adept at co-opting elements of civil society into governing alliances (Hundt, 2015). Paradoxically, in undergoing a neoliberal formation in response to globalization processes, the Asian developmental state required the state to mediate between the rights of citizens and the interests of neoliberal global forces. As the state restructured in response to internal public demands, vested class interests, and global capitalist forces, it would also redefine and restructure the rights and obligations of citizens as well (Haque, 2008). In effect, Asian states became caught between what Ziya Onis called the paradox of neoliberalism and democracy (Onis, 2000).

Onis argues that while neoliberal intelligentsia like Hayek and Friedman conceptualize global capitalism (neoliberalism) and democratization as necessarily parallel, interchangeable, and mutually reinforcing phenomena, the reality suggests that the relationship between them contains a dark, negative side that exists alongside the positive, favorable features (*ibid.*). That is why even though neoliberalism brought substantial economic growth and development to several East Asian economies, with this growth, however, has also been the emergence of enormous tensions and conflicts during the democratization processes including the cyclical return to authoritarian politics (*ibid.*).

Turkey's authoritarian turn since 2013 is explained this way. Cemal Tansel describes Turkey's AKP regime as an authoritarian neoliberal one where its mode of governance operates on twin principles (Tansel, 2018). According to Tansel, the dual principles occur when the regime uses disciplinary statecraft to close off key decision-making processes to popular pressures, public input and non-partisan auditing mechanisms. Doing so proscribes the circuits of capital accumulation, while at the same time deploys the coercive, legal and administrative state apparatuses to marginalize democratic opposition and dissident social groups (*ibid.*).

AFRICA'S CHOICELESS NEOLIBERAL DEMOCRACIES

Africa's neoliberalization and democratization also occurred simultaneously, thereby producing a distinctive genre of low-intensity democracies that economist Thandika Mkandawire has famously referred to as choiceless democracy (Mkandawire, 1999). Choiceless democracies imposed severe limitations on the sovereignty of Africa's new democracies (*ibid.*) by making it difficult for many of the continent's newly democratic regimes to become fully accountable to their electoral constituencies. Choiceless democracies have emerged as a result of the democracy promotion policies of international finance institutions such as the IMF and the World Bank, who not only play many roles in the global economy but also affect democratic prospects in many corners of the world (Kapur and Naim, 2005). The international community

promotes democracy in Africa by encouraging its value in fostering development through free markets. The international community's narrative for Africa is that neoliberalism will develop good governance, the expansion of civil society, free markets, and stable democratic institutions.

Beginning in the 1980s, the IMF and the World Bank influenced key policies of many African nations, especially the poorer, least developing countries by offering them conditional development loans that compelled them to implement structural adjustment and austerity programs (neoliberal economic policies). These international institutions made the establishment of electoral democracy as a condition attached to the provision of development loans, debt relief and foreign aid. The use of aid to impose political conditions on African countries to further democratic and government reforms or to punish non-compliance with demands became a feature of the international aid regime called political conditionality. According to Carolyn Baylies, political conditionalities had a contradictory dual effect. They assisted in the development of democratic movements in Africa while also undermining the state reforms seen to be essential to neoliberal economic restructuring being imposed (Baylies, 1995). By imposing neoliberal economic policies on aid-recipient African countries as conditions for receiving development loans and assistance, international institutions undermined the organic growth of substantive democratization in the continent where dialogue and choice about economic policies needed to be made by a voting electorate not by external disinterested actors.

In this regard, neoliberalism undermined democratization in Africa. Rita Abrahamsen revealed the relationship between the global governance agenda and the rise of illiberal electoral authoritarian regimes in Africa (Abrahamsen, 2000). By requiring that African countries implement democracy and liberal capitalism at the same time, as a condition for aid to support the continent's fledgling economies at the end of the Cold War, the Washington Consensus imposed democracy on aid-recipient countries. This is how the Washington Consensus received its negative association with neo-colonialism in Africa. As the face of global neoliberalism (a set of economic policies that would dismantle Africa's post-colonial developmental states), democracy promotion in Africa required that the countries accept the neoliberal paradigm as a condition for international financial aid. Neoliberalization to this effect fostered authoritarian and oppressive regimes that prevented the consolidation of democracy beyond the electoral process and aggravated an already weak economic system, which in turn egregiously deprived a significant portion of the African population of even the most basic necessities.

The good governance agenda deliberately conflated democracy with neoliberalization, which was now said to be advantageous because it ensured property rights and private business (Olsen, 2019a); and it opened up democratic spaces for civil society groups and voters to demand accountability and voice from their politicians, which would also be good for development (Abrahamsen, 2000). The way Abrahamsen saw it is that the good governance agenda was crafted to advance a specific type of democracy that is harmonious with the further promotion of neoliberal economic reform, particularly structural adjustment programs (SAPs), in spite of opposition from the populace. The type of democracy advanced by international donors entailed a strategy to deal with the opposition. As such, Abrahamsen rebranded disciplinary neoliberalism as disciplining democracy (*ibid.*).

Because they are so dependent on aid and their donor countries, this is how neoliberal democracy produced choiceless democracies in Africa that led to a non-consolidation of democracy and its premature erosion. Neoliberalism forces African governments to cut social

services, eliminate food subsidies, and keep wages low in order to attract foreign investors. Choiceless democracy compels elected officials to see donors as their constituents rather than the citizens who elected them (Taylor, 2001). This leads to an ironic situation in which the promotion of democracy as part of structural adjustment creates a crisis in democracy in African countries, and to some extent promotes neoliberal authoritarian regimes where a courageous, ruthless, and perhaps undemocratic government is required to ride roughshod over these newly created special interests groups. The practice of good governance conditionality – imposing structural adjustment policies on African countries as a condition for development loans – was equivalent to a transfer of African sovereignty to international finance institutions (Collier, 1999).

Choiceless democracies that are unaccountable to their electorates rely on external dependence on foreign aid. Politicians are caught between the demands of their constituents and the neoliberal structural adjustment policies imposed by the IMF and other transnational donor agencies (Abrahamsen, 2000). Neoliberalism produced a genre of democracy in Africa whereby regimes could not be held accountable to their electorates in meaningful ways. Instead, African governments dependent on aid were compelled to be responsive to their globalist neoliberal donor institutions and countries.

As such, the democratic and capitalist values embedded in the good governance agenda contributed to a continuation of a profoundly undemocratic world order, despite the claims made by its promoters (Abrahamsen, 2000). International financial institutions (IFIs) were increasingly viewed as illegitimate interventionist forces that served to extend the control of powerful states and IFIs over weaker African states. The democracies that international democracy promotion created in Africa imposed neoliberal authoritarian regimes made up of only very hollow democratic institutional forms crafted to advance a specific type of democracy that was designed to promote neoliberal economic policies.

The authoritarian neoliberal regimes crowded out the policy space for newly established legislatures and civil society groups as donors began to push for an aid dispensation that prized democracy and good governance (Mkandawire, 1999). As such, given that these technocratic, expert-run institutions of global governance are necessarily non-democratic themselves, it is not surprising that they became the most visible face for implementing choiceless democracies in Africa and thereby limit democratic decision making at the same time.

A decade after the sustained longevity of neoliberal democracies established in Africa since the 1990s, in 2019, the state of democratization and development in the continent is not much different than when the ‘choiceless democracies’ were first established. According to Damola Adejumo-Ayibiowu (2019), writing for an OpenDemocracy series in 2019, despite the implementation of donor’s good governance reforms; corruption, poverty, and other challenges continue in Africa. Notably, despite the democratization waves in the continent since the 1990s, African masses who queue for hours to cast their votes generally remain poor, and the implementation of Western liberal democracy in Africa has also been characterized by violence and election rigging.

Worse still, the promotion of democracy by the World Bank and other Western donors does not change their own autocratic relation with poor African countries. Their insistence on neoliberal reforms contributes to Africa’s poverty and has continued to allow developed nations to exploit Africa (ibid.).

LATIN AMERICA'S ANTI-NEOLIBERAL DEMOCRACIES

Neoliberalism and democracy have a mixed record in Latin America. On the one hand, neoliberalism is seen to have strengthened democratic struggles there; on the other hand, it has limited the quality of a democratic transition process that was making progress since the 1980s (Weyland, 2004). With the former model, neoliberalism manifests in ways that demonstrate resistance to global neoliberalism's harmful effects on the region that have produced populist socialist democracies known as the 'Pink Tide' in the early millennium. The latter model, however, revealed how neoliberalization also produced several low-intensity Latin American democracies that sought to incorporate neoliberalism as a mainstay of the country's economy. Explaining the latter model, Barry Gills and Joel Rocamora (1992) argue that in low-intensity Latin American democracies, social reform agendas that could have established the basis for broader popular participation and greater social justice were abandoned. Human rights violations continued virtually unabated. In particular, in the weakest countries, external forces more readily manipulated the newly established democracies by forcing them to adopt neoliberal economic policies that mandated austerity for the majority without, in most cases, bringing about significant economic growth (Gills and Rocamora, 1992).

For decades, Latin America's Chile served as the world's poster child for neoliberal authoritarianism. The Pinochet military government (1973–90), in consultation with the University of Chicago's Department of Economics under Milton Friedman, forcibly imposed neoliberalism on Chile and used its policies to dismantle the country's socialist state structures. Despite the country's transition to democracy in the 1990s, democratic regimes that followed Pinochet were in reality low-intensity democracies where the principle of 'one person, one vote' was notably absent. This is because the armed forces enjoyed a degree of institutional and budgetary autonomy, and they were never subordinated to civilian power (*ibid.*).

Because democratization preceded global neoliberalism's push to open up Latin American countries to the globalized world economy, it exposed the region to new international pressures that would not merely establish democracy in the region as occurred in Africa, but would attempt to consolidate it. Be that as it may, neoliberal globalization in Latin America had the opposite effect. Neoliberalism weakened leftist parties, trade unions, and other proponents of radical socio-economic reform in the region. As with Africa's choiceless democracies, tighter external economic constraints limited Latin American governments' latitude and thereby restricted the effective range of democratic choice further weakening parties and interest groups. These depoliticization forces further depressed political participation, thus eroding government accountability (Weyland, 2004).

The two models represent two patterns that illustrate the paradoxical relationship between neoliberalism and democracy in Latin America. The first, correlating with the Gills and Rocamora thesis, argues that neoliberalism undermined democracy in the region. The other, correlating with the Pink Tide thesis, contends the opposite relationship – neoliberalism is deepening democratic struggle in the region. The Gill and Rocamora thesis argues that when neoliberal policies undermine the organizational bases of democratic institutions, especially political parties and labor unions, they are seen to contribute to the development of 'low-intensity citizenship.' To this end, neoliberal policies tend to demobilize and depoliticize collective actors and thus weaken democracy. When this happens, neoliberalism presents a threat to democracy as it depresses societal interests and fosters social atomization and

political acquiescence that may undermine the efficacy of formal democratic institutions (Arce and Bellinger, 2007).

The second pattern, the Pink Tide thesis, presents an alternative reaction by Latin American societal actors to neoliberal economic restructuring. Civil society becomes activated in resistance and opposition to neoliberalism, leading to the overthrow of low-intensity democratic regimes that impose unpopular neoliberal economic policies. Collective protests in Latin America led to forcing presidents to leave office early. Anti-governmental mobilizations against economic liberalization, including the emergence of alternative forms of collective action and the geographic segmentation of protest activity, did not weaken democracies but strengthened them in a substantive way. This thesis is manifest in several cases throughout Latin America, including the anti-privatization revolt in Arequipa (Peru), the ‘water wars’ in Cochabamba (Bolivia) that led to the rise of Evo Morales, the ‘glocal riots’ in Santiago del Estero and Corrientes (Argentina), and the popular revolt known as the *Sacudón* or *Caracazo* in Caracas (Venezuela).

In the 1990s and first decade of the new millennium, Latin America’s Pink Tide regimes generated considerable scholarly analysis concerning the relationship between neoliberalism and democracy (Choodor, 2015). Described variably as social democratic or populist, the Pink Tide regimes were seen to have emerged as a result of social movement struggles against neoliberal hegemony. Some described the persistence of struggles by popular sectors as part of a tense but ultimately productive relationship whereby leftist regimes pursued post-neoliberal development (Larrabure, 2018).

By the second decade of the millennium, Pink Tide democracies in Latin America had begun to give way to neoliberal authoritarianism in the region. Former Pink Tides – Venezuela, Bolivia, and Brazil – had all morphed into the neoliberal authoritarian regime type by 2019. The election of Brazil’s Jair Bolsonaro illustrates this regime type. Rômulo Lima wrote that Bolsonaro emerged as the deepest neoliberal threat that Brazil has possibly ever faced when he appointed a trained Chicago Boy as finance minister, named Paulo Guedes who repeatedly expressed his wish to ‘privatize everything’ (Lima, 2018). According to Lima:

Bolsonaro wasn’t the option number one for the Brazilian bourgeoisie. The Brazilian upper classes wanted at first the polite version of neoliberalism, which was Geraldo Alckmin. But something went wrong with their plan: neoliberalism *per se* would not so easily catch on among Brazilian lower classes and the PSDB [Brazilian Social Democracy Party] did appear as too much a [*sic*] establishment-party. Skillfully conjugating the critiques of PT’s [Workers’ Party] role in corruption scandals, on the one hand, and a strong (not to say authoritarian) stance in security matters, on the other, Bolsonaro grew and displaced Alckmin presenting himself as a new political movement. The marriage was arranged when Bolsonaro gave up his life-long nationalist and corporatist positions and a great part of the neoliberal forces gave up their appearance of enlightenment. To win the elections, thus, neoliberalism took the elevator of the far-right conservatism. After all, the neoliberal reason needs subjectivities able to put forward its agenda. (Lima, 2018)

Given this dual outcome that neoliberalism has on democracy in the region, Latin America represents an interesting regional case study to examine the conflict between democracy and capitalism in the twenty-first century. For Marxists, democracy is incompatible with the high levels of social injustice and inequality that neoliberalism fosters. On the other hand, it is argued that neoliberalism’s economic restructuring as a form of liberal modernization in developing world regions like Latin America has brought development and affluence to the region, including late democratization. Decades after the first implementation of neoliberal

democracy in Latin America, the contradictory relationship between the two ways that neoliberalism influences democratization in the region persists.

AFTER THE GREAT RECESSION: THE CRISIS OF NEOLIBERALISM AND THE RISE OF NEOLIBERAL AUTHORITARIANISM IN THE WEST

Despite both scholarly and practical critiques of neoliberalism's erosive effects on democratic development in the developing world, for advanced industrial democracies the relationship between neoliberalism and democracy only began to be seriously interrogated after the global recession of 2008 and in the wake of the European Union's financial crisis, especially exhibited in the Greek sovereign debt crisis post-2007. The Greek sovereign debt crisis (2010–14) led to the first Western neoliberal authoritarian regime. Greek citizens were sabotaged for the benefit of financial interests represented by the European Commission, the European Central Bank (ECB), and the IMF. Greece's citizens felt that their sovereignty was under attack by EU and ECB neoliberal policies. The ECB held the democratically elected regime in a stranglehold by attaching a series of austerity conditions to any bailout agreement, requiring it to cut expenditures and increase taxes. As a result, bankers made democratic demands within the tight parameters that led to the undermining of Greece's social democratic regime (Rasmus, 2016).

Before 2007, as introduced into the US under President Ronald Reagan in the 1980s, neoliberal democracy quietly began to restructure the social, cultural, and political fabric of US liberal democracy. Reagan first implemented a neoliberal program of small government, tax cuts, deregulation, free trade, and monetarist financial policies in the 1980s by passing the Budget Reconciliation Act of 1981. The Act began a long series of program cuts, and an expansion of means testing of entitlements, while introducing across-the-board tax cuts that favored the redistribution of income to the rich. The Recovery Tax Act of 1981 further cut personal income tax brackets, particularly in the highest brackets, and accelerated capital depreciation, substantively shifting the burden away from capital income (Albo, 2001).

However, it took a Democratic President, Bill Clinton, to sign the Welfare Reform Bill of 1996 and in doing so, Clinton deepened and reinforced the neoliberal turn in the US. The US welfare state's commitment to protect the poor against the worst ravages of the market was thus ended, fostering greater inequality and poverty in the US (*ibid.*). Furthermore, throughout the 1990s, both US Republican and Democratic Party regimes promoted neoliberalism as an ideology whose worldview was that social objectives could be achieved by harnessing the power of markets. Reagan's 'crusade for democracy' agenda exported neoliberal democracy to the developing world as a critical component of American foreign policy, aggressively promoting stable, viable 'democratic' regimes in the region that could pre-empt more radical change populist democracies. We have already seen how in Latin America, neoliberal democracy sought to co-opt broad popular forces into electoral participation while continuing covert anti-communist interventions. Neoliberal democracy became the new form of intervention to pre-empt either progressive reform or revolutionary change in America's 'backyard' (Gills and Rocamora, 1992).

On the US home front, while neoliberalism expanded consumer choice, it did not enhance substantive democracy. Rather, it fostered greater inequality and rewarded enterprise particu-

larly for elites. Deregulation produced market concentration. Economic power resulted in feedback loops of political power, in which elites made rules that bolstered further economic concentration among the wealthy (Kuttner, 2019). As a result, gradually, neoliberalism began to erode democracy in the US as the government stopped protecting its citizens against erosive market forces, and daily life became more of a struggle for ordinary people. Large numbers of Americans began to give up on the promise of affirmative government – and on democracy itself (Kuttner, 2019). According to Wendy Brown (Brown, 2015), neoliberalism had come to inform a peculiar form of reason that configured all aspects of existence in economic terms. These elements included vocabularies, principles of justice, political cultures, and habits of citizenship, practices of rule, and democratic imaginaries. Brown believed that since its subtle implementation in the US under Reagan, neoliberalism in America quietly undid the basic elements of democracy (ibid.).

The Global Financial Crisis ushered in a period of neoliberal crisis, especially in the US, that has been attributed to the global deregulation of finance that cost the real US economy upwards of \$15 trillion. Neoliberal crisis caused large numbers of Americans to reject democracy, as policy convergence around the tenets of neoliberalism belied the appearance of ‘free’ choice in the political market. This led to the growth of the far right, and a sense that politicians are ‘there only for the taking’ (Chomsky [2010] 2017). The crisis especially underscored the contradictions of American *laissez-faire* democracy, which had now been perverted by the ideals of neoliberal democracy and the excesses of neoliberal authoritarianism.

The Chicago School globalists had successfully directed their efforts toward reconstructing capitalism on a global scale around the notion of consumer sovereignty, defined as an individualized, but well-ordered, efficient, and democratic market society. Nowhere in the world did consumer sovereignty express its freedom better than in the US, where sovereign consumers were depicted as the key drivers of capitalism and of liberal democracy. According to Quinn Slobodian, choosing between available ‘products’ became a central way that citizens began to approach neoliberal democracy (Slobodian, 2018).

Wendy Brown is not confident about the prospects of the US’s liberal democracy as long as neoliberalism continues to reign. In *The Ruins of Neoliberalism*, Brown revisits the thinking of the Mont Pelerin Society that would ‘reprogram liberalism’ to what we know as ‘neoliberalism’ today (Brown, 2019). She argues that they would turn in their graves if they knew how neoliberal democracy had morphed into neoliberal authoritarianism. The founding pluralists sought to separate politics from markets and not create crony capitalism and international oligopolies of finance that contemporary states are today dependent upon (ibid.). They would have deplored the influence on public policy by major industries and capital sectors and would have dreaded the authoritarian populism that has been spawned by authoritarian populist forces. After all, per Brown, Friedrich Hayek’s original notion of neoliberal reason – adhering as closely as possible to the classic *laissez-faire* liberals – sought to conjoin markets and freedom (ibid.).

Despite the severity of the global economic crisis and the widespread establishment of austerity policies, neoliberalism remains the dominant mode of economic governance in the world (Tansel, 2017). In the US and in the UK, Brexit and MAGA (Make America Great Again) emerged in 2016 more than five years after the Global Financial Crisis had abated as evidence of the crisis of liberal democracy in the West. For Pierre Dardot, Christian Laval, and Gregory Elliot (2019), neoliberalism is here to stay: in their book, *Never Ending Nightmare*:

The Neoliberal Assault on Democracy, the authors show how neoliberalism is supported by powerful oligarchies that have built and sustain effective modes of governmental crisis (ibid.).

What is of concern is the way that neoliberalism coexists with forms of liberal democracy, fermenting the systemization of neoliberal authoritarian regimes. According to Alfonso Gonzales (Gonzales, 2017), the US's Trump regime represents this new form of neoliberal authoritarian governance. Consistent with Bruff's conceptualization, President Trump's brand of governance radically reconfigured the American state toward a more repressive entity that curtails civil liberties and promotes a new brand of racial politics that breaks with conventions.

In the United States, authoritarian neoliberalism broke with the myth of the 'invisible hand' of laissez-faire capitalism and pushed the boundaries and institutions of liberal democracy to their limits. Instead of the invisible hand, we now have the iron fist, which unabashedly builds up a strong state and forces a set of relationships that advance the interests of capital through both consent and coercion (Gonzales, 2017).

Similarly, Gonzales has noted that the ultimate goal of this type of authoritarian neoliberal restructuring is to impose conditions that are optimal for capital accumulation by shielding the continuation of neoliberal policies from political dissent (ibid.).

CONCLUSION: BETWEEN NEOLIBERAL DEMOCRACY AND NEOLIBERAL AUTHORITARIANISM

In this chapter, we have seen how the dual, intertwining, albeit separate, theoretical constructs – neoliberal democracy and neoliberal authoritarianism – have impacted on the relationship between capitalism and democracy. We explored four dimensions of the relationship – Asia's authoritarian neoliberal regimes, Africa's choiceless democracies, Latin America's progressive populist regimes, and the West's crisis of liberal democracy. We now conclude to reveal how it is that by 2020 neoliberal authoritarianism (Bruff, 2013; Bruff and Tansel, 2019) has emerged as a dominant regime type seeking to dislodge liberal democracy, and what we should do about that.

Neoliberalism's dominance in the turn of the twenty-first century has had considerable impact on the institution of liberal democracy. Its rise has transformed the 'mature' democracies (Dean, 1999), and shaped the constitution of democratic polities across the post-colonial and post-communist world (Ayers, 2009; Tully, 2006). While critics of neoliberalism celebrate its crisis, there is a fear that crisis merely breeds the strengthening of neoliberal authoritarianism and the end of liberal democracy.

In concluding where we began, with a reflection on the state of capitalism and democracy in the twenty-first century, it is notable that in their follow-up article to their own foundational conceptualization of neoliberalism and authoritarianism, Ian Bruff and Cemal Burak Tansel use the concept of neoliberal authoritarianism to highlight how contemporary capitalism is governed in a way that undermines democracy (Bruff and Tansel, 2019). In effect, the authors reveal how neoliberalism has produced a new mode of democratic governance that is paradoxically authoritarian as it establishes a statecraft that closes off key decision-making processes to popular pressures, public input, and non-partisan auditing mechanisms with a view to protecting the circuits of capital accumulation (ibid.).

Bruff and Tansel are right to understand neoliberalism's crisis-ridden, contradictory set of practices. Neoliberal authoritarianism corrupts democracy and creates political institutions and

outcomes that are increasingly dominated by finance and corporate capital. It slowly replaces democracy by making it more accessible to the rule of global capital rather than to democratic electorates. The authors warn, however, that the political and socio-economic developments that first triggered the conceptualization of authoritarian neoliberalism tend to be understood from the perspective of resistances to neoliberalism within a framework of progressive politics. However, it is important as well to acknowledge the multi-form of resistances that are not always emancipatory but instead signaled by the emergence of extreme conservative regimes in the US, the UK, Brazil, Bolivia, and the Philippines (ibid.).

Our conclusion in the current chapter supports the thesis that in the contemporary world, neoliberalism is in crisis, but so is democracy. Neoliberal authoritarianism represents a conflation of political authoritarianism and economic liberalism in opposition to democracy and especially in opposition to democratic constituent power. In its fusion – neoliberalism and democracy – neoliberal authoritarianism is also becoming institutionalized as a genre of political-economic governance albeit undesirable democratic regime type. The phenomenon is having an increasingly negative impact on liberal democratic regimes around the world. Given this reality, Wendy Brown is right to warn that liberal democratic institutions, practices, and habits may not survive this neoliberal takeover.

More importantly, Brown's claim is prescient that radical democratic dreams may not survive neoliberalism either, unless there is a rethinking of the elements and effects of neoliberalism's deleterious impact on democracy (Brown, 2019). It is worth rethinking neoliberal authoritarianism and reverting to the future of a more substantive, liberal democracy.

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6. Autocracy and variation in economic development outcomes¹

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1 INTRODUCTION

In this chapter, I discuss and analyze the vast variation in economic growth outcomes that exist among autocratic regimes, as well as plausible explanations of this variation pertaining to features of the leader, institutions, or the regime's support coalition.

The point of departure for this analysis is the widely held belief that institutions matter for development outcomes, including economic growth. More specifically, how political regimes are organized and who holds power affect the incentives and capabilities of leaders to provide good economic institutions and pursue growth-enhancing policies. A particular focus has been placed on the democracy–autocracy distinction, the most commonly discussed and analyzed dimension along which regimes can be classified. Rodrik (2000), for example, labels democracy a 'meta-institution' that influences the set-up and persistence of other institutions. The list of economic institutions and policies that democracy has been proposed to influence includes property rights protection as well as industrial, investment, fiscal, monetary, education, and healthcare policies (e.g., Doucouliagos and Ulubasoglu, 2008; Knutsen, 2011a, 2012; Lake and Baum, 2001; Olson, 1993; Przeworski and Limongi, 1993).

Yet, the empirical literature on the aggregate relationship between democracy and economic growth is characterized by surprisingly mixed and non-robust results. One standard conclusion in this literature is that we do not know for sure whether or not the democracy–autocracy distinction matters for growth (see, e.g., Clark, Golder and Golder, 2018, Chapter 9), and that estimates depend on the sample, set of control variables, choice of democracy measure, and other specification issues (e.g., Doucouliagos and Ulubasoglu, 2008).²

In contrast, a more consistent finding is that while there is substantial variation among relatively democratic regimes, the variation is especially high among relatively autocratic ones.³ As Jennifer Gandhi (2008, p. 3) notes:

Some countries experience phenomenal rates of economic growth while governed by dictatorship. The East Asian 'tigers', such as Malaysia, Singapore, Taiwan, and South Korea all achieved growth rates of over ten percent under the thumb of dictators. Yet some of the worst economic disasters also occur under dictatorial regimes: both short-lived crises and long-term devastation resulting from years of neglect and theft, as in the case of Zaire under Mobutu Sese Seko.

For example, Rodrik (2000, 2008) finds that democracies are less prone to experiencing high short-term volatility in growth, but also that the cross-sectional variance in growth is larger among autocracies than democracies. This finding is corroborated by several scholars, including Besley and Kudamatsu (2007), who show that the 'tails' in the growth distribution are much fatter for autocratic observations than for democratic ones. Studying the time period between 1950 and 1990, Przeworski et al. (2000) present lists of so-called 'growth miracles'

and ‘growth disasters’. Autocratic regimes dominate both lists. The finding on higher variance in autocratic development outcomes is not limited to growth. For example, Dahlum and Knutsen (2017) show that there is higher variation in education quality among autocracies than there is among democracies.

In this chapter, I revisit the question of heterogeneity in growth performance among autocracies and address some factors that potentially underlie this vast variation. To this end, I draw on the most comprehensive dataset on regime type and growth so far used in the literature. But, before proceeding, let me provide some clarifications: for the sake of convenience, I will often dichotomize regimes as ‘democratic’ and ‘autocratic’ in the ensuing discussion, even though I conceive of democracy–autocracy as a continuous dimension where regimes can be more or less democratic. Thus, ‘autocratic regime’ is shorthand for ‘regime with relatively low degree of democracy’. In the empirical part, I will specify thresholds for considering a country ‘democratic’, but also use continuous measures of democracy. Next, regarding ‘economic development’, I focus on changes in gross domestic product (GDP) per capita – that is, economic growth. Yet, I will employ different operationalizations to capture, for example, both short- and long-term growth.

In the remainder of this chapter, I review extant arguments and empirical studies on select factors – focusing on political and institutional ones – that may generate variation in growth outcomes among autocracies. Next, I present descriptive statistics on the variance in growth performance among autocracies as well as regression analysis on measures of variation in growth with regime type as the key independent variable. These analyses are conducted on new and extensive data material – covering 184 countries, with time series from 1789 to the present – and replicate the result that autocracies have systematically higher variance in economic growth than democracies. Thereafter, I focus the analysis on the subset of autocratic regimes and conduct tests on how several of the political and institutional factors highlighted in the literature review relate to GDP per capita growth.

2 UNDERSTANDING VARIATIONS IN ECONOMIC DEVELOPMENT AMONG AUTOCRACIES

In this section, I discuss sources of variation among relatively autocratic regimes, and further discuss how this variation may contribute to the vast variation in growth outcomes observed among such regimes. More specifically, I present several explanations of variation in growth among autocracies, and these explanations center on features of the leader, institutions, or the regime’s support coalition.

The leader is one obvious place to start when considering variations in development outcomes among autocracies. Since decision-making power is more concentrated in autocracies than in democracies, the cognitive abilities, personal preferences, and other features of the top leadership presumably matter more in the former. Theoretical work has addressed how variations in the personal preferences of leaders may induce systematic differences in policies (e.g., Wintrobe, 1998), and there is a widespread notion in historical case-oriented work that leader identities matter. Fukuyama (2005), for instance, proposes that autocracies ‘as a group might do well if they could all be run by Lee Kwan Yew; given that they are as often run by a Mobutu or a Marcos, it is not surprising that [autocratic regimes] show much greater variance than democratic ones in terms of development outcomes’ (p. 37).

In a prominent study of leaders and economic growth, Jones and Olken (2005) find indications that leader identities matter for growth in autocracies. More specifically, they ‘find evidence that the death of leaders in autocratic regimes leads to changes in growth while the death of leaders in democratic regimes does not. Moreover, among autocrats, leader effects appear more pronounced when leaders have fewer constraints on their power’ (p. 837).

Yet, features of the autocratic regime, also beyond the identity of the particular leader, may systematically influence development outcomes (as well as moderate leader-related effects; see Cox and Weingast, 2018). One prominent strand of literature focuses on the (vast) variation in institutional features that autocracies have displayed, historically, and continue to display at present. Political scientists have put forward several institutional dimensions that are relevant for policy making in autocracies and have produced numerous regime classifications (e.g., Geddes, 1999; Geddes, Wright and Frantz, 2014; Hadenius and Teorell, 2007; Linz, 2000). Such distinctions may indirectly matter for development outcomes through particular institutions incentivizing leaders to select particular policies that, in turn, influence development.

Separating between monarchies, military regimes, one-party and multi-party autocracies, Knutsen and Fjelde (2013) find notable differences in one key determinant of growth – namely, the extent of property rights protection. In particular, autocratic monarchies tend to protect property rights well, both when compared to other autocracy types and even when compared to democracies. Similarly, Steinberg, Koesel and Thompson (2015) find that monarchies are less likely to experience currency crises than other autocracy types (or democracies), suggesting that this is due to the adoption of prudent macroeconomic policies in monarchical regimes. Indeed, when compared to military and personalist autocracies, Wright (2008) finds evidence that, on average, monarchies, but also single-party regimes, have higher growth rates.

Wright (2008) also finds evidence that the presence of a legislature that binds the autocrat carries a positive effect on economic growth as well as on capital investment (for similar results pertaining to expropriation risk, see Wilson and Wright, 2017). These results are in line with the findings by Gandhi (2008) – namely, that more ‘institutionalized’ autocracies, where institutionalization captures the presence of parties and legislatures, have higher growth. Focusing more specifically on parties, Bizzarro et al. (2018) find that – also within the subset of autocratic regimes – strong, institutionalized parties are important for enhancing economic growth. Their argument is that such parties fulfill multiple functions that influence policy-making capacities and incentives, such as enabling links of accountability between party members and leaders, prolonging the time horizons of different decision makers, and enhancing capacities to resolve coordination problems (see also Gehlbach and Keefer, 2011, 2012). These characteristics ‘enhance the probability that politicians engage in responsible economic management, provide public goods, and help to ensure political stability. This behavior, in turn, triggers investments and other productivity-enhancing actions by economic actors that enhance economic growth in the short and long term’ (p. 310).

Other studies focus on how characteristics of state institutions and bureaucracies influence development outcomes, and how they even condition the effect of regime type on development. Knutsen (2013) finds that autocracies have higher growth rates under conditions of high state capacity – and the effect of state capacity on growth is much stronger in autocracies than in democracies – whereas Hanson (2015) finds the same patterns for human development outcomes pertaining to mortality and education. These authors suggest that state capacity is particularly important for conditioning the effect of authoritarian rule on growth because of the role that rule-following and autonomous state agencies play in limiting the discretionary power

of autocrats. A case study-oriented literature on developmental states – focusing mainly on authoritarian contexts – has addressed how capable state bureaucracies have helped facilitate creative and effective industrial and other economic policies that, in turn, spurred economic development (e.g., Amsden, 1992; Evans, 1995; Wade, 1990). A strong regime with a long time horizon and the desire to promote export-led industrialization combined with capable state institutions are hypothesized to have allowed, especially, some East and Southeast Asian economies to grow at rapid rates.

However, leaders and institutions are not all there is to autocratic politics. The people that the leader requires support from – and who typically occupy parliamentary seats and top positions in the party, state administration, or military – also matter. These people come from distinct social backgrounds and have distinct economic interests, meaning that they are also likely to have distinct preferences over macroeconomic policies, extent of property rights protection, industrialization, and so on. Thus, the identity of the regime's core supporters may affect growth and development.

Several scholars have therefore turned their attention to the role of the 'support coalition' (alternatively 'winning coalition' or 'ruling coalition') for understanding policies and outcomes in autocracies. Albertus and Menaldo (2012) argue that some dictators have strong incentives to expropriate powerful, existing elites once they take office, and redistribute the spoils to the groups that helped launch the new dictator into power. According to Albertus and Menaldo, this strategy enhances the survival of the new dictator, even if such expropriation hurts economic growth.

There may also be other differences among elite support groups (than those pertaining to being supporters of the old vs new regime) that incentivize autocratic regimes to pursue different economic policies. It is plausible to assume that landowners and urban elites have very different preferences when it comes to promoting industrialization, for example, as the former may anticipate that their relative power resources are weakened over time as a consequence of industrialization, whereas the latter may benefit (see, e.g., Ansell and Samuels, 2014). This is just one example suggesting that the social identity of the autocratic regime's support coalition may influence economic policy, and thus development.

Bueno de Mesquita et al. (2003) present a parsimonious model focusing on another aspect of the 'winning coalition' – namely, its size. Big coalitions incentivize leaders to maintain support through the provision of policies and public goods that benefit wide segments of the population. Such policies are typically conducive to economic growth. In contrast, leaders relying on narrow coalitions have incentives to focus their spending on the distribution of private goods directly to coalition members in order to retain power. Such distributive policies, while beneficial to both the leaders and their few supporters, are not conducive to growth. Big coalitions are typically found in democracies. Yet, even for autocratic regimes, coalition sizes vary immensely. The argument as well as empirical tests in Bueno de Mesquita et al. (2003) thus suggest that variations in coalition size may contribute to explain the large variation in growth outcomes among autocracies.

Despite the plausibility of the argument made by Bueno de Mesquita and colleagues, however, this latter result cannot yet be considered as established knowledge. In addition to discussing conceptual difficulties with delimiting the size and nature of the winning coalition, especially in autocratic contexts, Gallagher and Hanson (2015) point out that there are quite severe validity problems with the measures that Bueno de Mesquita et al. (2003) use to proxy for coalition size. In the empirical analysis below, I will draw on a new and more direct measure

of the size of the regime's support coalition when studying how this feature – alongside other political and institutional characteristics reviewed in this section – relate to economic growth in autocratic contexts. First, however, I turn to descriptive analysis that corroborates the notion that there is more variation in growth outcomes in autocracies than in democracies.

3 DATA

Several plausible hypotheses on what generates variation in economic performance among autocratic regimes have previously been hard to test by using cross-country data. There has been a lack of precise measures that tap into the concepts of theoretical interest and that also have sufficiently long time series and extensive cross-country coverage. However, recent data collection efforts mean that we are much better equipped to assess different propositions on what generates variations in autocratic economic development outcome today than we were only a few years ago.

Notable in this regard is the Varieties of Democracy (V-Dem) dataset (Coppedge et al., 2018a). V-Dem contains more than 400 indicators, and numerous indices constructed from these indicators, pertaining to democracy and various other aspects of political life. I use data from V-Dem, Version 8 below to identify the subset of autocratic regime observations and to capture possible explanatory factors behind the variation in growth among autocracies. These factors include legislatures, party institutionalization, state capacity, and the size and identity of the regime's support coalition. The V-Dem data cover 201 polities, with the modal time series being 1900–2017. For a subset of up to 91 countries, several indicators are coded back into the nineteenth century and sometimes all the way back to 1789, due to the so-called Historical V-Dem data collection (Knutsen et al., 2018).

For much of the analysis below, I draw a crisp distinction between 'democracies' and 'autocracies', for instance, to focus on determinants of growth only in the latter subset of observations. When doing so, I rely on the Regimes of the World (RoW) measure from Lührman, Tannenberg and Lindberg (2018). This measure distinguishes between four categories of regimes by drawing on different V-Dem measures and a select set of rules. The four categories are 'closed autocracy', 'electoral autocracy', 'electoral democracy', and 'liberal democracy'. Given the focus of this chapter, I want to compare the variation in growth among the wider group of 'autocracies' with the variation among 'democracies'. I thus collapse the two autocracy categories as well as the two democracy categories when constructing the dummy distinguishing autocracies from democracies. The operational threshold that Lührman et al. set for identifying electoral democracies (and hence democracies in my two-category scheme), are that these regimes must score above 2 on V-Dem indicators for multi-party elections as well as free and fair elections, in addition to scoring above 0.5 on the index for electoral democracy called Polyarchy (which ranges from 0 to 1; Teorell et al., 2019).

When employing a continuous measure for democracy in the analysis, I use V-Dem's Polyarchy Index (Teorell et al., 2019). Polyarchy aims to capture the electoral democracy concept introduced in Dahl (1971) and builds on five sub-indices pertaining to, respectively, whether officials are elected (directly or indirectly), the freeness and fairness of these elections, freedom of speech, freedom of association, and the extension of suffrage in the adult population. For presentational reasons, I describe the other measures drawn from V-Dem right before they enter the analysis for the first time.

To capture the dependent variable (economic growth) and a key control (initial income level), I utilize data from Fariss et al. (2017). These data have very extensive time series, which, in combination with the V-Dem data, allows me to extend the analysis back to 1789. The data are constructed by drawing on several existing GDP and population time series, and are produced by a dynamic latent trait model. This procedure alleviates different types of measurement errors in the existing GDP and population data. Specifically, I use the point estimates for Ln GDP per capita from Fariss et al. that are benchmarked in the long time series Maddison data. The estimates for GDP per capita growth are also constructed from these estimates for Ln GDP per capita. Yet, these (still unpublished) data rely heavily on a particular latent trait model and many observations are imputed. Moreover, inspection suggest that the last year of the time series is associated with implausible ‘jumps’. Thus, I removed this last year of data for all analyses. I also robustness test the results by using the original time series data from the Maddison Project (Bolt and Van Zanden, 2014), curated from V-Dem Version 9; these data are interpolated, assuming constant GDP per capita growth rates in the entire time period between two income-level observations.

4 EMPIRICAL PATTERNS I: VARIATION IN GROWTH PERFORMANCES FOR DIFFERENT REGIMES

In this section, I reassess the pattern that autocracies display more variation in economic development performances, focusing on economic growth. I start by considering variation in medium-term growth performances across countries, before assessing cross-country variation in growth performances across a longer time interval. Next, I focus on variation within countries, and test whether autocracies also display more variation over time, also considering whether autocracies are less likely to avoid economic crises.

Figure 6.1 displays violin-plots detailing the distributions of average annual growth in GDP per capita for autocratic and democratic regimes, as identified from the RoW measure from Lührman et al. (2018), globally. The average annual growth rates are calculated for each decade (one country-decade is an observation), starting in 1790 – regime type is measured in that year and growth is measured across 1790–99 – and with the last decade being 2000–9.

The average growth rates are 1.0 percent for autocracies and 2.4 percent for democracies. This is a sizeable difference, although this is not the main point here. The main point is rather that when compared to autocracies, democracies show much less variation. The long whiskers in the violin-plots reveal the several, more extreme observations in autocracies. Sure, democracies seldom observe the very high Chinese-style growth rates of recent years, but they do not observe the extreme growth disasters that are historically fairly common in autocracies either, a few examples being China under Mao’s Great Leap Forward, Zaire under Mobutu, or current Venezuela under Maduro. Even when we disregard the most extreme observations, there is generally more variation in growth outcomes among autocracies than among democracies. Overall, the standard deviation in the autocratic sample is 3.2, whereas it is 2.1 in the democratic sample.

One may also note that democracies very seldom achieve negative growth rates across the span of a decade. When ranking according to growth performance, the 10th percentile among democratic decades, according to these data, actually had positive growth at +0.1 percent annual GDP per capita growth. The 10th percentile among autocratic decades had –1.6 percent

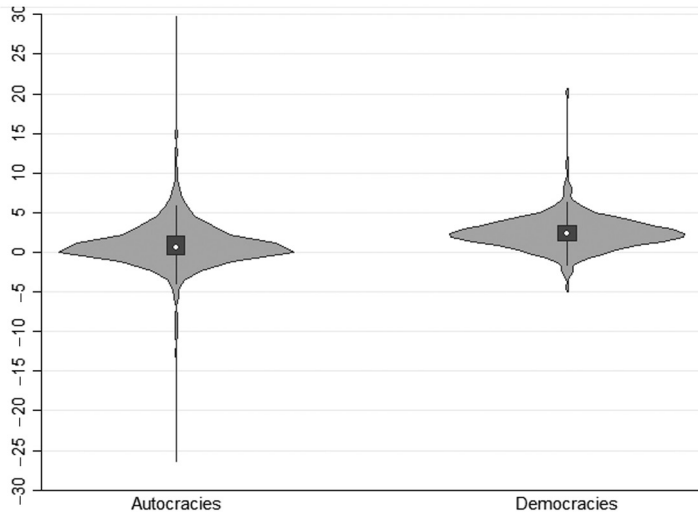


Figure 6.1 Annualized GDP per capita growth, 1790–2009; country-decade distributions for autocracies and democracies

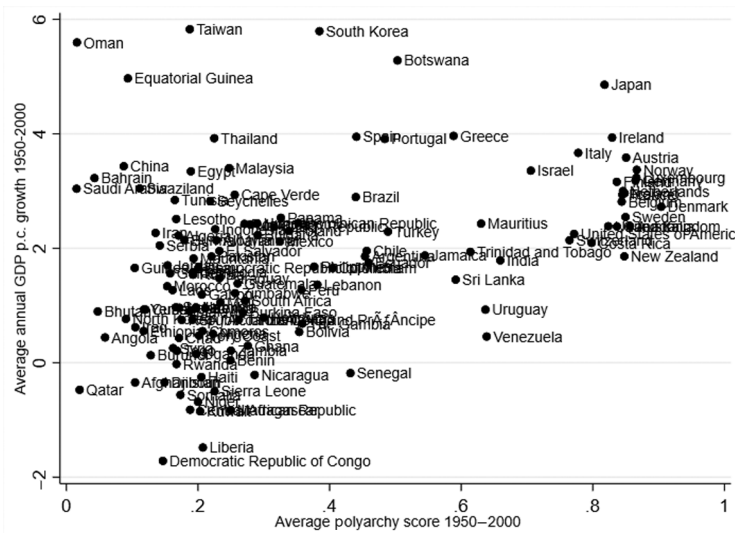


Figure 6.2 Regime type and growth performance across 50 years (1950–2000)

annual growth. At the 5th percentile, the number is -0.5 percent for democracies and -2.7 percent for autocracies. The latter number implies that 5 percent of all autocracy-decades experienced that the economy was shaved by about one-quarter of its size, or more, after ten years.

The larger variation in growth outcomes among autocracies is also clear when considering a longer period of time. The x-axis of Figure 6.2 maps average democracy score across 1950–2000 according to Polyarchy. The y-axis displays average annualized growth rate across the same time period.

If we consider the countries with an average score below 0.5 on Polyarchy as relatively autocratic, the range in annualized growth rates within this group across the 50-year span is almost 8 percent, with DR Congo (close to GDP per capita growth rate of -2) and Taiwan (close to $+6$) as the extremes. The range for relatively democratic countries is less than 5 percent, with Venezuela (close to $+0.5$) and Botswana (about $+5$ percent) as the extremes. Thus, no relatively democratic country posted negative GDP per capita growth within this time frame, which contrasts with the numerous autocracies that observed shrinking economies. The variation decreases further when we restrict the focus to the most democratic countries; when considering countries that scored above 0.8, on average, on Polyarchy, annualized growth rates vary between $+2$ and $+5$ percent.

Obviously, there are other factors that may generate this correlation between regime type and variance in growth outcomes. For example, autocracies may be more common in decades with higher variance in growth or, in particular, in countries with larger growth variation due to other (e.g., geographical, cultural or political-historical) factors.

To investigate this matter further, while accounting for some of the mentioned sources of bias, the first two columns in Table 6.1 are OLS fixed effects regressions. The dependent variable is a dummy variable, which takes the value 1 if a country experienced a decline in GDP per capita and 0 if GDP per capita growth was zero or positive. Thus, this may be considered a proxy for a country experiencing an economic crisis. In contrast to the descriptive analysis, country-year is the unit of analysis, which allows me to also pick up short-term crises. In addition to measures of regime type, the regressions include initial level of Ln GDP per capita (to account for convergence dynamics; see, for example, Barro and Sala-i-Martin, 2004) as well as country and year fixed effects. The dependent variable is forward-lagged by five years in order to reflect the substantial time it likely takes for regime type to transmit an effect on growth (see Knutsen, 2011c; Papaioannou and Siourounis, 2008). Standard errors are clustered by country to account for panel-level serial correlation.

Model 1 employs the dichotomized democracy–autocracy measure based on the RoW classification. The model draws on a total of 18 288 country-year observations from 184 countries, and 1794 and 2015 are, respectively, the first and last years the dependent variable is measured. The democracy dummy is negative and statistically significant at the 5 percent level. The point estimate from this linear probability model suggests that, even when holding income level, country, and year constant, going from democracy to autocracy in year t increases the probability of observing an economic crisis in year $t + 5$ by about 0.05. The baseline risk of observing negative growth in the sample is 0.34. Model 2 employs the continuous Polyarchy index instead of the democracy dummy in an otherwise similar model specification. The Polyarchy coefficient is negative, as expected, and even more precisely estimated with a t -value of -2.58 . The point estimate suggests that going from maximum (1) to minimum (0) on Polyarchy in year t increases the probability of observing negative growth in $t + 5$ by about 0.13.

Rather than focusing on the risk of observing negative economic growth, Models 3–6 address the overall variability in growth rates over time. They do so by employing the standard deviation in annual growth for a country within a ten-year span as dependent variable. Country-year remains the unit of analysis, but for each year t , for which the covariates are measured, we

Table 6.1 Regime type, economic crisis, and variation in growth rates

	Negative growth in $t + 5$		Dependent Variable			
			Standard deviation in growth from t to $t + 10$			
			Specification			
	OLS FE		OLS		OLS FE	
	(1)	(2)	(3)	(4)	(5)	(6)
	$b(t)$	$b(t)$	$b(t)$	$b(t)$	$b(t)$	$b(t)$
Democracy (RoW dummy)	-0.051**		-0.016**		-0.008	
	(-2.115)		(-2.078)		(-1.501)	
Democracy (Polyarchy)		-0.133**		-0.036**		-0.030***
		(-2.579)		(-2.417)		(-2.696)
Ln GDP per capita	0.116***	0.118***	-0.002	-0.001	-0.008	-0.006
	(5.588)	(5.964)	(-0.559)	(-0.122)	(-1.344)	(-1.086)
Year FE	Y	Y	Y	Y	Y	Y
Country FE	Y	Y			Y	Y
N	18 288	18 477	17 304	17 486	17 304	17 486
Countries	184	184	184	184	184	184
Time series DV	1794–2015		1790–2015			
R ²	0.126	0.126	0.065	0.068	0.042	0.043

Notes: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. Country-year is unit of analysis. All errors are robust and clustered by country. Constant, country dummies and year dummies are omitted from table.

calculate the standard deviation in growth for the country across t to $t + 10$. Again, we maintain the OLS set-up with standard errors clustered by country, year fixed effects, and a control for initial income level. Models 3 (RoW democracy dummy) and 4 (Polyarchy) omit the country fixed effects to allow for comparisons across countries, whereas Models 5 (RoW democracy dummy) and 6 (Polyarchy) include the country fixed effects.

These specifications display a consistent relationship between having (more) autocratic regimes and larger growth volatility – all four democracy coefficients have negative signs. Still, the association between autocracy and growth volatility seems to be driven, in part, by country-specific confounders, as the coefficients in Models 5–6 are attenuated relative to those in Models 3–4. Indeed, when employing the less informative dummy variable, the fixed effects specification (Model 5) shows a negative relationship that is statistically insignificant at conventional levels. Yet, even in this specification, the t -value is -1.5 , and the point estimate suggests that going from autocracy to democracy reduces growth volatility by about the same amount as a one-point increase on the natural logarithmic scale for GDP per capita – equivalent, for example, to the difference between a GDP per capita of 1500 and 4000 USD. When we allow for cross-country comparisons *or* when we employ the finer-grained Polyarchy measure, the relationship between regime type and growth volatility is statistically significant at least at the 5 percent level. Further, when using the Maddison time series of Ln GDP per capita as the basis for the different measures, I find even stronger results. More specifically, the regime variable is statistically significant at the 1 percent level, with the expected sign, in all the six models. There is thus fairly strong evidence that autocracy is related to higher variation in growth rates.

5 EMPIRICAL PATTERNS II: THE INSTITUTIONAL AND OTHER CORRELATES OF GROWTH IN AUTOCRACIES

Having (re-)established the large variation in growth performances among autocratic regimes, I now turn to analyzing factors that may plausibly generate this variation. More specifically, I return to the explanations of variation in growth among autocracies pertaining to institutional and support group features reviewed in Section 2 and investigate empirically how they relate to GDP per capita growth. Once again, I draw on the V-Dem and Fariss et al. data, in order to cover a large number of polities and the bulk of modern history.

I run regression models on all autocratic regimes, as operationalized by the RoW measure. Once again, I employ a sparse OLS specification, controlling for initial income level (Ln GDP per capita) and country and year fixed effects. Country-year is unit of analysis, errors are clustered by country, and the dependent variable is GDP per capita growth measured in year $t + 5$ (covariates are measured in t). I employ the following institutional measures:

First, given the focus on regime types in the autocratic politics literature, I draw on a recent dataset from Anckar and Fredriksson (2019). The measures contained in this dataset build on the regime categorization by Geddes et al. (2014) but extends the coding all the way back to 1800 and adds categories that are particularly relevant for the nineteenth century (such as oligarchic regimes of different kinds). I construct four dummies from Anckar and Fredriksson's narrow categorization, capturing, respectively, single-party regimes, personalist regimes, military regimes, and monarchies (collapsing all monarchy categories provided by the authors). The reference category is thus a mix of other autocracy types, notably including multi-party autocracies and oligarchies.

Second, I use two V-Dem measures pertaining to legislatures. The first is simply a dummy capturing the existence of a legislature, following V-Dem's *v2lgbicam* indicator. Next, I extend V-Dem's Legislative Constraints on the Executive Index (*v2xlg_legcon*), which originally extends from 0 to 1 for countries with legislatures, by assigning zero scores to all countries without legislatures. This index builds on four separate indicators and aims to capture the extent to which the legislature and other government agencies are capable of questioning, investigating, and overseeing the executive.

Third, I employ V-Dem's Party Institutionalization Index (*v2xps_party*), which extends from 0 to 1. This index aims to capture 'various attributes of the political parties in a country, e.g., level and depth of organization, links to civil society, cadres of party activists, party supporters within the electorate, coherence of party platforms and ideologies, party-line voting among representatives within the legislature' (Coppedge et al., 2018b, p. 240). While pertaining to the party-system level, this index places more weight on larger parties, and in single-party systems the index thus captures features of the ruling party. This index typically has shorter time series than many of the other V-Dem measures (which extend back to 1789), simply because political parties were not a feature of many polities before the late nineteenth or even twentieth centuries.

Fourth, I employ V-Dem's indicator for a rule-following and impartial state administration (*v2clrspct*), which may be considered as a proxy for state capacity. Impartiality and governing according to rules are critical aspects of a Weberian bureaucracy, which is widely presumed to correlate positively with the capacity of state institutions. This indicator is based on the following question: 'Are public officials rigorous and impartial in the performance of their

duties?’ (Coppedge et al., 2018b, p. 157), with lack of respect for the law or arbitrary and biased administration giving low scores.

Fifth, I go beyond institutional features and test measures of the size and identity of the regime’s support coalition. The relevant measures are from Historical V-Dem (Knutsen et al., 2018), and since they were not (yet) coded by ‘contemporary’ V-Dem in version 8 of the dataset, the longest time series extend ‘only’ from 1789 to 1920, and close to 70 countries are covered. The support coalition size measure asks about the share of the adult population that belong to the regime’s support groups – that is, groups that are ‘supportive of the regime, and, if it/they were to retract support would substantially increase the chance that the regime would lose power’ (Coppedge et al., 2018b, p. 214). This measure is attuned to distinguish between the sizes of such coalitions in autocracies.⁴

I also employ the support group identity (*v3regsupgroups*) coding from Historical V-Dem to code the social profiles of regimes’ support coalitions. More specifically, following the discussion above on the potential relevance of agrarian and rural-based versus urban-based support coalitions, I construct two dummies to capture whether a regime’s support coalition include substantial elements from these strata. I note that the two dummies do not constitute a mutually exclusive categorization scheme; regimes that have substantial portions of their support coalitions made up both by rural and urban groups may score 1 on both dummies. Specifically, the urban support group dummy is scored 1 if one or more of the following groups are substantially represented in the coalition (score >1 on the original measures for these sub-groups from V-Dem): business elites, urban working classes, urban middle classes. The rural support group dummy is similarly constructed but pertains to the following sub-groups: agrarian elites, rural working classes, rural middle classes.

Model 1, Table 6.2 includes the four regime dummies from Anckar and Fredriksson in addition to the controls, drawing on 10 480 autocratic country-years from 163 countries. The longest time series cover 210 years. The results from this model suggest heterogeneity in growth rates between the regime types. The highest point estimate is obtained for single-party regimes, although such regimes do not have (statistically) significantly higher growth than the reference category (which comprises, e.g., multi-party autocracies and oligarchies). Still, single-party regimes do have significantly higher growth rates than both personalist regimes and monarchies,⁵ and the point estimates suggest that going from a monarchical to a single-party regime increases annual GDP per capita growth by about 1.2 percentage points. In other words, while extant work – focusing on data from the most recent decades – have found that monarchies are better at protecting property rights and avoiding currency crises than other autocracy types, these results suggest that they are not better at enhancing economic growth, rather to the contrary. Note, however, that with the extension of the time series back to 1800, I here capture a much larger number of – in particular, monarchies – than the reviewed, extant studies that only cover the most recent decades. Perhaps less surprising, personalist regimes also perform worse in terms of growth than single-party regimes (and ‘other’ autocracies), corroborating a notion that is present, for example, in the large case-based literature on personalist regimes and their poor economic track records in sub-Saharan Africa (see, e.g., Meredith, 2013).

Model 2 focuses on legislatures, and adds the dummy for legislature existence as well as the index capturing legislative constraints on the executive. The model includes 14 402 autocratic country-year observations, with some time series extending across 221 years. Interestingly, the legislature dummy is positive, with a *t*-value of 1.8, whereas the legislative constraints index

Table 6.2 *Institutions, support groups and growth in autocracies*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<i>b(t)</i>	<i>b(t)</i>	<i>b(t)</i>	<i>b(t)</i>	<i>b(t)</i>	<i>b(t)</i>	<i>b(t)</i>	<i>b(t)</i>
Single-party reg.	0.430 (1.175)				0.279 (0.623)			
Personalist reg.	-0.626* (-1.881)				-0.901** (-2.499)			
Military reg.	0.004 (0.014)				0.142 (0.400)			
Monarchy	-0.732** (-2.124)				-0.943* (-1.887)			
Legislature		0.516* (1.809)			0.798* (1.964)			
Leg. Constr.		-0.870* (-1.666)			-1.720** (-2.364)			
Party instit.			1.772** (2.270)		1.476* (1.855)			
Impartial adm.				0.136 (1.335)	0.361** (2.270)			
Sup. group size						-0.011 (-0.104)		-0.075 (-0.591)
Rural sup. gr.							0.194 (0.698)	0.089 (0.314)
Urban sup. gr.							0.215 (0.734)	0.214 (0.732)
Ln GDP p.c.	-1.144*** (-4.319)	-0.963*** (-3.874)	-1.626*** (-4.993)	-0.970*** (-3.896)	-1.803*** (-5.181)	-0.444 (-1.297)	-0.570 (-1.361)	-0.497 (-1.209)
Country FE	Y	Y	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y	Y	Y
N	10 480	14 402	9635	14 466	8146	5546	5256	5061
Countries	163	181	177	181	161	67	66	64
Max years	210	221	169	221	169	133	133	133
R ²	0.085	0.029	0.037	0.028	0.090	0.061	0.064	0.064

Notes: OLS FE regressions with GDP per capita growth in year $t + 5$ as dependent variable. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. The analysis is restricted to countries scored as autocracies by the RoW measure from Lührman et al. (2018). Country-year is unit of analysis. All errors are robust and clustered by country. Constant, country dummies and year dummies are omitted from the table.

is negative with a t -value of -1.7 . While the latter result is only weakly significant – and the absolute t -value is even smaller when using the Maddison time series instead of the Fariss et al. data – this finding contrasts with a widespread notion from the literature that legislative constraints on autocrats are key for ensuring economic development (e.g., Cox and Weingast, 2018; North and Weingast, 1989). It also runs counter to the results in Wright (2008) – who uses different proxies for what constitutes a constraining legislature and draws on shorter time series – that binding legislatures enhance growth, whereas non-binding legislatures do not.

Model 3 draws on 9635 observations and includes the Party Institutionalization Index as its core independent variable. As discussed, Bizzarro et al. (2018) find a strong, positive effect of a very similar measure of ‘party strength’ on growth, and report that this effect is robust when only investigating a subset of autocratic countries with time series starting in 1900. Model 3 employs time series extending back into the nineteenth century, but corroborates the finding in Bizzarro et al. (2018). The point estimate predicts that a change from a minimum (0) to maximum (1) on the Party Institutionalization Index raises annual GDP per capita growth by 1.8 percentage points. This relationship is statistically significant at the 5 percent level.⁶

Model 4 includes the impartial and rule-following administration measure. As expected from the literature on the importance of capable and rule-following state administrations in ‘developmentalist regimes’ cited above, the point estimate is positive. Yet, the coefficient fails to achieve conventional levels of statistical significance.

Still, it may be problematic to meaningfully interpret the coefficients from Models 1–4 given the correlation between various institutional features; single-party regimes are, for example, likely to score higher in terms of party institutionalization and have legislatures. To gauge the ‘direct relationship’ between the different institutional features and growth, I thus enter all the institutional measures simultaneously into Model 5. Note, however, that the sample is truncated in this extensive specification due to listwise deletion (8146 observations). Further, this extensive specification risks introducing post-treatment bias. For instance, if legislative constraints lead to more impartial bureaucracies, we may be controlling for a key indirect of legislative constraints on growth.

Yet, most results do not change very much from Models 1–4 to Model 5. Notably, personalist regimes and monarchies have significantly lower growth than single-party (and ‘other’) autocracies, the presence of a legislature enhances growth, but stronger legislative constraints relate negatively to growth, and higher party institutionalization is conducive to growth. The only major change pertains to the impartial and rule-following administration variable, which increases almost three-fold in size and now turns statistically significant at the 5 percent level.⁷

When considering the support coalition features from the shorter (1789–1920) Historical V-Dem time series, there are no clear relationships with growth. This is the case both in models considering support group size (Model 6) and identity (Model 7) separately, or when these variables are entered jointly (Model 8). In other words, these analyses – which employ more direct measures of coalition size than those employed by Bueno de Mesquita et al. (2003) and draw on more than 5000 historical country-year observations – do not corroborate the notion that large-coalition autocracies are more conducive to growth than small-coalition ones. Another notable null result is that having urban support groups does not clearly correlate with subsequent GDP per capita growth, and neither does having rural groups in the support coalition.

6 CONCLUSION

In this chapter, I have reviewed different studies pertaining to the empirical pattern that autocratic regimes display vast variation – indeed, much more so than democracies – in economic development outcomes, including GDP per capita growth rates. I have discussed some plausible explanations of this pattern, highlighting studies that point to features such as variation in

the nature of leadership, in institutionalization in autocracies, or in the nature of the regime's support coalition.

For the empirical analysis in this chapter, I have relied on recently collected data – for instance, from the Varieties of Democracy dataset – which has allowed me to draw on the largest sample of autocratic regimes so far investigated when studying the link to growth outcomes. Using these data, I have presented descriptive patterns and tests that illustrate the wide variation in economic growth in autocratic regimes. Variation in growth outcomes – both in the shorter and longer term, and both across and within countries – is larger among autocracies than among democracies. Further, autocratic regimes are more likely to experience economic crises, also when accounting for country and year fixed effects. As such, democracy seems to act as a 'safety net' that guards against the worst economic development outcomes.

Finally, I presented original analysis pertaining to plausible explanations as to why some autocratic regimes have higher economic growth records than others, assessing a variety of institutions and support group features. This exercise suggests that single-party autocracies have higher growth rates than personalist regimes and monarchies, even when accounting for initial income and country and year fixed effects, although it should be noted that these differences are not robust to using different sources of GDP data. Further, some specifications also show that higher degrees of party institutionalization correlate positively with economic growth in autocracies. This corroborates a growing literature focusing on features of political parties, notably including so-called ruling parties in autocracies, as highly relevant for determining economic policies and thus, in turn, economic growth in autocracies (e.g., Bizzaro et al., 2018; Gehlbach and Keefer, 2011, 2012). Institutionalized parties may perform several functions – from allowing different actors to coordinate on viable policy solutions to prolonging the time horizons of the political leadership and other actors – that strengthen the incentives and capacities of policy makers to select growth-enhancing policies

The empirical analysis presented in this chapter also yields a series of negative and null results that are surprising in light of extant theoretical contributions and empirical studies using cruder proxies and shorter time series. Notably, I do not find support for the notion that stronger legislative constraints on autocrats enhance growth (c.f. Wright, 2008). Furthermore, there is no correlation between the size of an autocratic regime's support coalition and growth, contrasting with implications from, for example, the argument laid out in Bueno de Mesquita et al. (2003) on large winning coalitions incentivizing politicians to deliver growth-enhancing public goods and policies.

While these results rely on extensive data – with longer time series than those used in most earlier studies – I highlight that none of the results reported in this chapter should be regarded as conclusive. Particular measurement errors, alternative confounders, or reverse causality may influence some of the reported results. Such alternative, methodological explanations of the reported relationships deserve closer scrutiny. Thus, the results reported here should only be regarded as a point of departure for future studies on how institutions and support group features influence economic development outcomes in autocracies.

NOTES

1. This research was funded by the Research Council Norway's Young Research Talent Grant, pnr240505.
2. Importantly, such bodies of mixed evidence do not imply that there is no clear relationship. The early cross-country regression literature on democracy and gross domestic product (GDP) per capita growth tended, more often than not, to find either negative or statistically insignificant results for democracy (Przeworski and Limongi, 1993). Yet, this early literature suffered from several key methodological shortcomings. More recent studies that account for one or several of these shortcomings more often find a positive relationship between democracy and growth (see Knutsen, 2012). For example, early studies tended to only include data from a subset of (economically successful) autocracies, whereas later studies have employed more comprehensive samples (Halperin, Siegle and Weinstein, 2005). Also, the GDP data reported in autocracies may be systematically over-reported (Martinez, 2018), attenuating the true relationship between democracy and growth. Further, studies that adjust for democratization being endogenous to prior growth dynamics (Acemoglu et al., 2019), that do not over-control for channels through which democracy indirectly affects growth (Doucouliagos and Ulubasoglu, 2008), or that account for the substantial time lag before the positive effect of democracy materializes (Gerring et al., 2005; Papaioannou and Siourounis, 2008), find clearer positive results.
3. To give a few examples of studies suggesting variation among democratic regimes, Persson and Tabellini (2006) suggest that form of government (presidentialism vs parliamentarism) matters for growth outcomes in new democracies, whereas Knutsen (2011b) finds that the electoral system matters for economic growth in a large sample of democracies. Further, Norris (2012) highlights that the relationship between democracy and economic development outcomes may be contingent on the level of state capacity (but, see, e.g., Hanson, 2015), whereas Fukuyama (2014) proposes that institutional sequencing matters, in the sense that building state capacity and the rule of law before a country democratizes is key for achieving development.
4. The lowest category presented to coders is 'Extremely small (About 1 percent of the population or less; examples of this could include regimes supported by – and needing the support from – a handful of higher-rank military officers, or by only a royal council and a few hundred land-owners)' (Coppedge et al., 2018b, p. 215). The highest category is "Large (More than 30 percent; examples of this could include regimes supported by – and needing the support from – large ethnic groups (and then not only the elites/leaders of such groups), or by rural working classes in rural societies)'.
5. While their signs are retained when using the Maddison time series instead of the Fariss et al. data, the differences between personalist regimes and single-party regimes and between personalist regimes and other autocracies are no longer statistically significant at conventional levels.
6. While the direction of the relationship is similar, the coefficient is reduced and no longer significant at conventional levels once employing the Maddison rather than the Fariss et al. GDP data. Yet, further analysis on identical samples suggests that this attenuation in the coefficient and *t*-value is almost exclusively related to the difference in sample – the regression using Maddison time series sheds about 1500 observations – and not difference in measure.
7. Further analysis (not displayed) suggests that about half of this change in the coefficient size is due to the change in sample from the parsimonious Model 4 to the extensive Model 5. When Model 4 is re-run on the 8146 observations from Model 5, the impartial administration coefficient is 0.25 with a *t*-value of 1.6.

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7. Varieties of autocracy and human development

Andrea Cassani

INTRODUCTION

The idea of a connection between a country's political institutions and its human development record is not new, but attention has mostly focused on comparing democratic and non-democratic regimes. However, the non-democratic universe is quite heterogeneous, encompassing politically closed regimes – such as military, hereditary and one-party autocracies – and so-called electoral autocracies, which in turn range from hegemonic party to competitive systems. Do autocratic regimes differ in their human development record? What shapes the incentives that the leaders of different non-democratic regimes face to improve citizens' living conditions? These questions have remained largely disregarded, thus far.

Accordingly, this chapter investigates the factors that could influence the autocratic regime–human development nexus. The discussion highlights autocratic survival strategies and time horizon as two key dimensions of variance in this relationship. On the one hand, the more an autocrat relies on regime performance to hold on to power, the higher the attention he or she will pay to citizens' living conditions as a legitimization strategy. On the other hand, the longer an autocrat's time horizon, the more he or she will be interested in improving citizens' living conditions as a way to foster the productivity of the society.

Interestingly, the literature on comparative authoritarianism suggests a few systematic connections between certain forms of non-democratic regime, the relative importance of performance-based legitimization in an autocrat's survival strategy, and the length of the time horizon of non-democratic leaders. Hence, autocratic survival strategies and time horizon can help predict variations in the human development record achieved by different non-democratic regimes.

The chapter proceeds as follows. The first section briefly reviews the literature on the regime–human development nexus. The second traces the diffusion of authoritarian regimes throughout recent history. The third and fourth sections discuss how political survival and time horizon can shape the importance that rulers in different non-democratic regimes attach to improving citizens' living conditions. The fifth presents the findings of a time-series cross-sectional analysis that compares the human development achievements of different forms of autocracy, using data on school enrolment and child mortality. Overall, the empirical test shows that elected autocrats in competitive autocracies and monarchs achieve better human development results. The final section discusses these findings in light of the recent trends of diffusion of the various forms of non-democratic rule.

THE POLITICAL REGIME–HUMAN DEVELOPMENT NEXUS: AN OVERVIEW OF THE DEBATE

The relationship between a country's political regime and its developmental performance is at the centre of a lively debate that new empirical evidence periodically reopens, challenging previous assumptions and conclusions. Importantly, attention has gradually shifted from a notion of development narrowly confined to the economic domain to a broader conception that also encompasses its 'human' dimension – that is, the creation of 'an enabling environment for people to enjoy long, healthy and creative lives' (United Nations Development Programme, 1990, p. 9). In particular, scholars investigate whether and how the institutions that regulate politics in a country influence the material living conditions of citizens, especially concerning healthcare and education.

For the most part, research in this field has focused on the comparison between democratic and non-democratic regimes (Brown, 1999; Gerring, Thacker and Alfaro, 2012; Lake and Baum, 2001; Mulligan, Gil and Sala-i-Martin, 2004; Ross, 2006; Zweifel and Navia, 2001). Essentially, the hypothesized 'democracy advantage' (Halperin, Siegle and Weinstein, 2005) – that is, the idea that democratically elected governments respond more readily to people's needs – is explained by two fundamental features of democratic politics – namely, competition and participation (Dahl, 1971). Electoral competition induces governments to adjust the policy agenda to the preferences of middle- and lower-income groups (Meltzer and Richard, 1981). As a channel of political participation, in turn, periodic universal suffrage elections reduce the cost borne by a single individual to sanction rulers' poor social performance and to voice demands for better living conditions (Lake and Baum, 2001).

On the contrary, the second term of the comparison – that is, autocracy – has been given relatively scarce attention. More or less implicitly, authoritarian rule has been equated with kleptocracy, which is an oversimplification of the reality, if we consider that even Machiavelli highlighted the importance for a prince to keep the people satisfied, and that many early examples of welfare schemes were adopted by non-democratic governments (Mares and Carnes, 2009). Most importantly, autocracies 'differ from each other as much as they differ from democracy' (Geddes, 2003, p. 48).

As part of a recently inaugurated comparative authoritarianism agenda, research on the political, economic and social performance of non-democratic regimes has made some progress. The institutional variations that characterize the authoritarian universe have been found to contribute to explaining regime survival (Geddes, 2003), economic growth (Wright, 2008) and quality of government (Charron and Lapuente, 2011), for instance. Concerning human development, however, evidence is mixed. Miller (2015a, 2015b) argues that non-democratic regimes holding elections obtain better results in education and healthcare than closed autocracies. With a more specific focus on sub-Saharan Africa, Cassani and Carbone (2016) similarly find that these regimes lie in between democracies and non-competitive autocracies, as far as human development is concerned (see also Cassani, 2017 for analyses on global samples). Other scholars challenge these conclusions and argue that autocratic multi-party elections have no effect on human development outcomes, such as infant mortality (Kim and Kroeger, 2018). Instead, they find democratization to have a threshold effect that becomes positive only when electoral competition is of a relatively good quality (Wang, Mechkova and Andersson, 2019). Taken together, these studies highlight that further investigation is necessary. Most importantly, we need to be more specific concerning the various forms that autocracy can take and

the possible connections between these institutional variations and countries' varying human development achievements.

VARIETIES OF AUTOCRACY AND THEIR DIFFUSION

Authoritarian regimes, or autocracies, are often defined by what they are not – that is, in contraposition with democracy. At a minimum, democracy is a political regime in which the power to govern (both legislative and executive) is assigned by means of periodic, inclusive and multi-party elections that are conducted in conditions of relative freedom and fairness. Essentially, elections are free and fair when citizens can go to the polls and vote for their preferred candidate without fearing for their own safety, and when parties can compete with each other on a more or less even ground – that is, in the absence of massive fraud, harassment, censorship and other systematic disadvantages (Levitsky and Way, 2010). Moreover, Dahl (1971) highlights the importance of some institutional guarantees, such as the freedom of expression, association and information, in making elections a meaningful instrument through which citizens can influence politics and control their political leaders. Accordingly, autocracy simply is a regime in which rulers 'achieve power through *undemocratic* means' (Geddes, Wright and Frantz, 2014, p. 317, emphasis added).

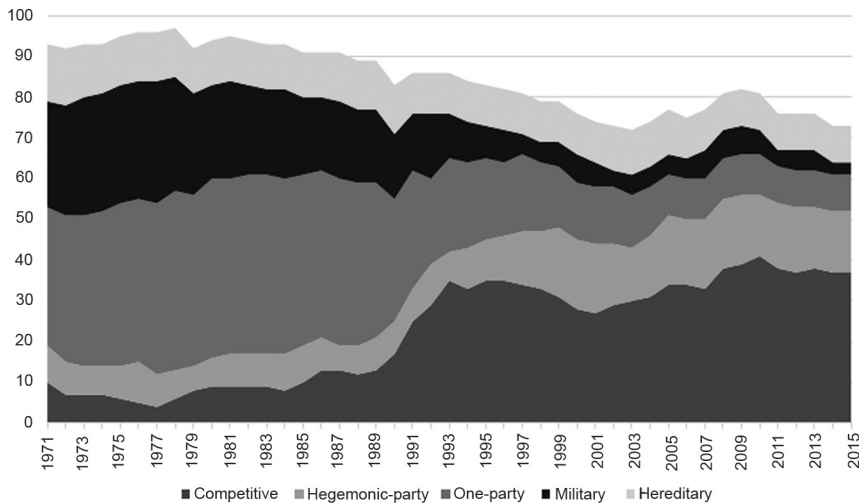
Obviously, this definition conceals a great deal of variation within the authoritarian universe. The comparative analysis of authoritarian politics and its different forms originates in Linz's work ([1975] 2000) and has recently gained new impetus, following the end of the third wave of democratization and the somewhat unexpected resilience and transformative capacity of authoritarianism in several regions (Carothers, 2002). The in-depth analysis of the functioning of contemporary autocracies (Svolik, 2012, among several others) has been accompanied by the development of new typologies of non-democratic regimes (Cheibub, Gandhi and Vreeland, 2010; Wahman, Teorell and Hadenius, 2013; Geddes, Wright and Frantz, 2014).

With a focus on how political power is assigned, a first separation can be made between closed and electoral autocracies. In closed autocracies, the executive is not subject to electoral competition.¹ More specifically, depending on the source of executive power – that is, the control over leadership appointment and dismissal (Teorell and Lindberg, 2019) – closed autocracies can be classified into hereditary, military and one-party regimes (Wahman et al., 2013).² In these regimes, the primary (but not necessarily the only) base of executive power is, respectively, lineage, the actual or threatened use of military force, and the ruling party.

In hereditary regimes, such as several Gulf States but also countries such as Morocco and eSwatini (formerly Swaziland), executive power is handed down within the royal family according to an accepted practice, even if succession does not always follow the principle of primogeniture and could be decided by a royal council (Herb, 2004).³ Military regimes are led by either a single 'strongman' or a junta (Geddes, Wright and Frantz, 2014), typically following a *coup d'état*.⁴ Recent cases of military-led countries are Thailand (until 2019) and Sudan (since 2019), at least until the introduction of multi-party elections in 2010. In one-party regimes, in turn, only one party exists. Occasionally other state-sponsored non-autonomous 'satellite' parties are allowed, but opposition is not permitted (Sartori, 1976). The appointment and dismissal of the executive is mainly determined by the ruling party, either directly by its cadres and rank-and-file, through one-party elections or through a controlled legislative assembly. Contemporary one-party regimes include, among others, Cuba, China and Turkmenistan.

In electoral autocracies, both the executive and the legislative offices are filled by means of periodic elections in which ‘opposition is allowed, multiple parties are legal, and more than one candidate is allowed on the ballot’ (Hyde and Marinov, 2011, p. 195). However, these regimes do not meet minimal democratic standards, due to a systematic disjuncture between formal rules and actual practices, which often include limitations to citizens and opposition parties’ political and civil rights and the manipulation of the electoral process.

Based on the degree of liberalization of the political arena, electoral autocracies can be further classified into hegemonic-party and competitive systems. Hegemonic-party regimes hold multi-party elections that are largely a facade (Schedler, 2002). Contestation for power is formally allowed but is not meaningful. A ruling party de facto monopolizes the political arena and elections are so marred by repression, candidate restrictions and fraud that there is virtually no uncertainty about their outcome. Russia under Vladimir Putin and Paul Kagame’s Rwanda well exemplify this form of autocratic regime. Even in competitive autocracies, competition is unfair, as a consequence of an electoral playing field that remains ‘heavily skewed in favour of incumbents’ (Levitsky and Way, 2010, p. 5), especially due to uneven access to state resources, media and law. However, opposition parties are able to campaign, there is no massive electoral fraud, and independent media exist, which make elections an important channel through which the opposition could seek power or at least challenge the ruling elite. Such regimes are currently in place in the Democratic Republic of Congo, Serbia, Singapore, Turkey and Venezuela, for instance.



Notes: Author’s own measurement and classification based on data from version 9 of the Varieties of Democracy (V-Dem) dataset (Coppedge et al. 2019). More specifically, to identify non-democratic regimes and, among them, electoral and closed autocracies, this chapter rests on the ‘Regimes of the World’ indicator. Concerning electoral autocracies, competitive and hegemonic-party systems are distinguished from each other based on the level of association, expression and information freedoms and on the integrity of the electoral process (see V-Dem variables *v2x_freexp_altinf*, *v2x_frassoc_thick*, *v2xel_frefair*). Concerning closed autocracies, military, hereditary and one-party regimes are separated from each other based on the prevailing sources of executive power (see V-Dem variables *v2x_ex_confidence*, *v2x_ex_direlect*, *v2x_ex_hereditary*, *v2x_ex_military*, *v2x_ex_party*).

Figure 7.1 Non-democratic regimes by year, 1975–2015

We can thus identify five distinct varieties of non-democratic rule, whose diffusion has significantly changed through recent history, as Figure 7.1 illustrates. First, the overall number of non-democratic countries has decreased significantly during the last part of the twentieth century – from more than 90 at the beginning of the 1970s to about 70 in the early 2000s. Most importantly, an evolution has occurred in the prevailing forms of authoritarian rule. While the share of hereditary autocracies has not varied significantly through time, we observe a reduction in the share of non-democratic countries ruled by military and one-party regimes, especially after the end of the Cold War, and the spread of electoral authoritarianism, in the form of both competitive and hegemonic-party systems. Figure 7.1 also clarifies that holding semi- or pseudo-democratic elections is not a new phenomenon. Several past regimes ‘have paid lip service to democracy while frequently violating its basic tenets’ (Ottaway, 2003, p. 4). However, the proliferation of electoral autocracies is ‘very much a product of the contemporary world’ (Diamond, 2002, p. 24). Since the early 1990s, competitive authoritarianism represents the most common form of non-democratic government.

WHY AUTOCRATS SHOULD CARE ABOUT HUMAN DEVELOPMENT

Research on the political regime–human development nexus has mostly focused on the comparison between democratic and non-democratic regimes. Scholars have advanced several possible explanations to account for the better performance that democratic governments tend to achieve (Brown, 1999; Lake and Baum, 2001; Bueno de Mesquita et al., 2003; Gerring et al., 2012; Zweifel and Navia, 2001; but see Mulligan et al., 2004 and Ross, 2006). Most of these explanations highlight the incentives that democratic institutions generate for political leaders seeking office or confirmation in office to be responsive to citizens’ needs and to improve their living conditions. In essence, the governments of countries in which citizens are free to express their preferences, opposition parties exist and represent credible alternatives for voters, and elections are fair, should be more responsive to social needs.

Obviously, we can hardly expect these specific institutional incentives to shape authoritarian politics and the choices of rulers whose political survival does not depend on the people’s vote. However, political survival is an issue for autocrats too (Svolik, 2012). In this regard, non-democratic leaders may resort to three main instruments – namely, repression, co-optation and legitimation (Gerschewski, 2013). Repression is the actual or threatened use of physical sanctions aimed to punish or deter dissent (Davenport, 2007). Co-optation is the capacity to give strategically relevant political and social groups a stake in the regime’s survival (Gandhi and Przeworski, 2007), typically through the distribution of private or ‘club’ goods, such as pension programmes (Knutson and Rasmussen, 2018), which can easily make recipients better off than the rest of the society. Legitimation is ‘the process of gaining support...within the population’ (Gerschewski, 2013, p. 13), and could be sought in different ways, drawing on either identity or regime performance (von Soest and Grauvogel, 2017) – that is, by claiming to act in the interests of the community.

To be sure, these should not be thought of as mutually exclusive options for autocrats, whose political survival likely rests on various combinations of them. However, repression, co-optation, identity-based legitimation and performance-based legitimation vary in terms of cost, availability and effectiveness. For instance, a systematic and massive use of repression

entails losses in terms of international reputation, coups and civil conflicts (Svolik, 2012; Wintrobe, 2007). Co-optation, on the other hand, is effective as long as it is targeted at selected political and social groups (Bueno de Mesquita et al., 2003). In turn, identity sentiments can be elicited only if they rest on some deep-rooted tradition, national belonging, or ideology, whereas performance-based legitimation requires investments in public goods – such as healthcare and education – that can buy off the loyalty of large constituencies (ibid.).

Variations in the cost, availability and effectiveness of repression, co-optation, identity-based legitimation and performance-based legitimation may affect the relative weight each has in an autocrat's survival strategy. On the other hand, it seems fair to assume that autocrats prefer minimizing the weight of performance-based legitimation, as public goods investment implies a smaller share of state resources for the ruler's private consumption (Evans, 1989). Hence, when we compare the human development performance of non-democratic regimes, we should first consider which autocrats can more easily resort to repression, co-optation and identity-based legitimation and which autocrats need to derive legitimacy from 'the satisfactions that [citizens]...obtain from the perceived output and performance of the political authorities' (Easton, 1975, p. 437). The more an autocrat needs performance-based legitimation – given the cost, scarcity and/or ineffectiveness of the extant tools of political survival – the greater attention he or she must pay to citizens' living conditions, and consequently the better the human development record of the regime will be.

The time horizon an autocrat faces is another factor that may affect his or her incentives over the improvement of citizens' living condition (Wright, 2008). To be sure, the time horizon of a political leader is the length of time he or she anticipates to hold on to power, which may depend on a number of factors, including (but not limited to) the number of previous executive changes and the average length of predecessors' tenure. Drawing on Olson (1993), who separates political leaders in 'roving' and 'stationary bandits', autocrats with short time horizons have strong incentives to engage into predatory behaviours. Moreover, autocrats with short time horizons face threats that are more urgent, and thus have stronger incentives to invest in repression and the co-optation of political opponents (Wright, 2008). On the other hand, a longer time horizon gives autocrats more concern for the long run and the economic productivity of their societies. Hence, non-democratic leaders who expect they will rule for some time into the future will find it in their interest to invest in public goods, including education and healthcare, which could improve the country's human capital and generate higher and more continuative rents.

WHICH AUTOCRATS SHOULD CARE ABOUT HUMAN DEVELOPMENT?

The discussion in the previous section suggests that, to analyse the relationship between autocracy and human development, we should examine the systematic connections, if any, between certain forms of autocracy, the length of an autocrat's time horizon, and the relative weight that repression, co-optation, identity-based legitimation and performance-based legitimation have in an autocrat's strategy of political survival. As a reminder, the more an autocrat needs performance-based legitimation and the longer an autocrat's time horizon, the greater attention he or she will pay to citizens' living conditions, and consequently the better the human devel-

opment record of the regime will be. Based on this premise, we can thus examine the various forms of autocracy previously identified from a comparative perspective.

Given their institutional structure, closed autocracies, which do not hold multi-party elections for the executive, appear relatively insulated against the pressures from society. However, as we have seen, these regimes differ from each other in several respects, which may in turn affect both the time horizon of an incumbent leader and his or her survival strategy. For instance, military regimes often originate from a *coup d'état* aimed to restore political order or to overthrow corrupt and/or incompetent governments. Hence, military juntas typically conceive themselves as temporary solutions (Brooker, 2014) and, for this reason, they do not face strong incentives to seek popular support. Not surprisingly, military dictators resort to mass repression more frequently than any other non-democratic ruler (Geddes, Wright and Frantz, 2014).

Even hereditary regimes can easily resort to repression, thanks to the strong cohesion between the royal family and the security apparatus that derives from dynasticism (Brownlee, Masoud and Reynolds, 2013). Moreover, royal families have historically counted on tradition to justify their power, which remains a rather strong unifying factor for the populations of these countries (Kailitz and Stockemer, 2017). More recently, several of these regimes have introduced legislative elections (Herb, 2004), which can be used to co-opt some groups and fragment the opposition front (Lust-Okar, 2004). On the other hand, 'dynastic succession can be socially desirable' (Olson, 1993, p. 572). Hereditary autocracies are unique for the length of the time horizon that rulers face (Bank, Richter and Sunik, 2014), which is largely a product of the succession mechanism that characterizes these regimes and, relatedly, of their extraordinary stability (see Figure 7.1).

Similar to hereditary regimes, many twentieth-century one-party autocracies have counted on a relatively strong legitimizing factor, such as ideology, even though several of these regimes increasingly draw on nationalism in their claims to legitimacy (Dukalskis and Gerschewski, 2020). Compared to monarchs, however, the leaders of these regimes have a shorter time horizon, on average. This is because one-party regimes often institutionalize a mechanism of career advancement that helps manage intra-party relationships and deter the personalization of the executive (Magaloni and Kricheli, 2010). To be sure, the fact that some of these regimes hold one-party elections should not be misinterpreted as a signal of the ruling elite's dependence on the people's support. These elections are 'without choice' and largely serve as an instrument of mass mobilization (Brooker, 2014). The party institutions, moreover, can be used to infiltrate the society, which helps identify opponents and operate selectively a 'stick and carrot' combination of repression and co-optation (Frantz and Kendall-Taylor, 2014).

Electoral autocracies differ from closed autocracies since they hold elections in which citizens are formally entitled to vote for different parties. In principle, this institutional structure should establish a tighter relationship between rulers and the ruled. Similar to the leaders of one-party regimes, moreover, the time horizon of an elected autocrat lies somewhere in between the time horizons of military dictators and of monarchs. Even in this case, however, we should consider the variance subsumed by the electoral authoritarian category and the possible implications of the differences in terms of political liberalization.

In so-called hegemonic-party autocracies, for instance, the political arena remains *de facto* monopolized by the ruling party. Multi-party elections and legislatures thus become outright tools of authoritarian consolidation that autocrats can use to co-opt opposition parties and

social groups in a selective way (Gandhi and Lust-Okar, 2009). Based on a *divide et impera* strategy, the ruling party tries to fragment the opposition front by forming coalitions with moderate parties in exchange for government positions, access to state resources and policy concessions that benefit the constituencies of these parties (Gandhi and Przeworski, 2007; Magaloni, 2006).

By allowing more space for opposition parties (while operating subtler stratagems to disadvantage them), the rulers of competitive autocracies dream ‘to reap the fruits of electoral legitimacy without running the risk of democratic uncertainty’ (Schedler, 2002, p. 37). This is a ‘dangerous game’ (Dukalskis and Gerschewski, 2017, p. 257), though. In a partially liberalized political arena, opposition parties are less inclined to be co-opted, as they have (few but) real chances to win (Miller, 2015a). Semi-competitive elections periodically open a window of opportunity for political change, and their reiteration can progressively improve the performance of opposition parties (Lindberg, 2009). Hence, incumbents in competitive autocracies must take elections seriously and try to gain support within the population. However, since many of these regimes are relatively new (cf. Figure 7.1), rulers can hardly claim legitimacy based on deep-rooted identity sentiments and should thus seek what Easton defines ‘specific support’ (1975) by delivering public goods. Healthcare and education have immediate and visible results, which can readily translate into support for the incumbent, especially among the less well-off, typically representing a large share of a country’s population (Kjær and Therkildsen, 2013; Travaglianti, 2017).

To conclude, the discussion suggests that a few systematic connections exist between different forms of non-democratic rule, the average length of the time horizon faced by a political leader, and the deployment of political survival strategies that prioritize different instruments. Obviously, the connections that have been highlighted should be thought of as general trends suggested by the literature, which conceal some degree of variance in each regime category, both in terms of time horizon and in terms of the frequency with which autocrats resort to the various instruments of political survival.⁵ Likewise, outliers exist. Bearing this caveat in mind, the highlighted connections help formulate a few hypotheses concerning the attention that different autocrats are incentivized to pay to citizens’ living conditions, and thus also concerning the comparative human development record of non-democratic regimes.

More specifically, based on the instruments of political survival, a major divide has emerged between competitive autocracies that need performance-based legitimation and the extant non-democratic regimes, which can more easily resort to repression, co-optation and/or identity-based claims to legitimacy. Based on the time horizon, in turn, we may distinguish military regimes, whose leaders have a relatively short expectancy of political survival, hereditary regimes, in which monarchs enjoy relatively long time horizons, and a group including one-party, hegemonic-party and competitive autocracies, whose leaders have a time horizon that lies somewhere in between the two extremes.

If we combine these assumptions, we obtain that competitive autocracies and hereditary regimes should achieve better human development outcomes than the other non-democratic regimes. More specifically, according to a first set of expectations, competitive autocracies should outperform military, one-party and hegemonic-party autocracies, whereas hereditary autocracies should outperform military regimes. Further but less strong expectations could be derived if we compare autocrats facing short and long time horizons, respectively, with rulers facing time horizons of an intermediate length. Accordingly, one-party and hegemonic-party

autocracies should display higher human development levels than military regimes, and lower human development levels than hereditary autocracies.

On the contrary, we do not expect human development levels across competitive and hereditary autocracies to differ significantly. Based on the theoretical discussion, rulers in both these regimes should invest in human development, even though for different reasons – performance-based legitimation and time horizon, respectively. Likewise, we do not have specific expectations concerning the human development record of one-party and hegemonic-party autocracies, whose rulers have similar time horizons and similarly weak incentives to invest in human development.

VARIETIES OF AUTOCRACY AND HUMAN DEVELOPMENT: A COMPARATIVE ANALYSIS, 1971–2015

To test if different forms of autocracy vary in their human development record, regression analysis is performed. The dependent variable is measured in terms of child mortality rate and of primary school enrolment, given the importance that the human development notion assigns to health and education. The main independent variable is regime type. Each autocratic type – namely, competitive, hegemonic-party, one-party, military and hereditary – corresponds to a dichotomous indicator recording if a given country in a given year is (or is not) ruled by that form of autocracy, following the procedure that was used to create Figure 7.1.

Several economic, demographic and political factors may influence the relationship under examination. The regression analysis includes the following control variables: gross domestic product (GDP, logarithmic transformation), economic growth (annual rate), oil rents (as a share of GDP), share of urban population, intra-state violence, state duration, and communist government. Both economic growth and economic prosperity affect a government's ability to deliver healthcare and education. Moreover, governments of countries rich in natural resources tend to be more generous with social services, according to the rentier state theory (Luciani, 1987), although other scholars argue the opposite (Hong, 2017). Even urbanization can have ambivalent effects. On the one hand, it should be relatively easier to provide healthcare and education in urban areas than in rural communities. On the other hand, urbanization could lead to the proliferation of slums, highly populated but with limited access to schools and hospitals (Ghobarah, Huth and Russett, 2004). Intra-state violence can obstruct the delivery of public services. Moreover, as a proxy of administrative capacity (admittedly, a raw proxy), an indicator of state duration is added to the model specification, recording the age (in years) of a state since its international recognition. Finally, the model specification also includes an indicator of the presence of a communist-led executive, because the communist welfare state is deemed as comparatively generous (Orenstein, 2008).

The regression analysis is performed estimating time-series cross-sectional models with heteroscedasticity-robust standard errors on a sample of 160 countries observed from 1971 (i.e., the year starting from which many of the data that have been used are available) to 2015. For each dependent variable, five regression models have been estimated that rotate competitive autocracy, hegemonic-party autocracy, one-party autocracy, military autocracy and hereditary autocracy as reference category. In the estimated models, independent and control variables are lagged one year with respect to the dependent variable, which (partly) addresses possible problems of endogeneity between independent and dependent variables. To

Table 7.1 Autocratic regimes comparative human development performance: summary of findings

Hypotheses			Child Mortality	School Enrolment
Competitive autocracy	>	Military autocracy	Yes***	Yes***
Competitive autocracy	>	One-party autocracy	Yes***	Yes**
Competitive autocracy	>	Hegemonic-party autocracy	Yes**	Yes**
Hereditary autocracy	>	Military autocracy	Yes	Yes**
Hereditary autocracy	>	Hegemonic-party autocracy	Yes	Yes
Hereditary autocracy	>	One-party autocracy	Yes**	Yes
Hegemonic-party autocracy	>	Military autocracy	Yes	Yes*
One-party autocracy	>	Military autocracy	No	Yes

Notes: The asterisks indicate the statistical significance of the reported findings: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Please refer to Appendix Tables 7A.1 and 7A.2 at the end of the chapter for a fuller report of the regression analysis's results.

address temporal correlation and to control for omitted variables and other country-specific unobservable factors, the regression models also include a one-year lagged dependent variable and country fixed effects. Moreover, year dummies are added to control for global human development trends and other contingent factors.

Table 7.1 summarizes the analysis's main findings concerning the estimated comparative human development performance of autocratic regimes. A fuller and more detailed presentation of the regression outputs is available in Appendix Tables 7A.1 and 7A.2 at the end of this chapter.

The results of the regression analysis confirm that competitive autocracies achieve higher levels of human development than both military, one-party and hegemonic-party regimes. More specifically, competitive autocracies have statistically significant higher rates of school enrolment and lower rates of child mortality. Importantly, these findings are robust even considering the past values of the human development indicators examined, unobserved country-specific characteristics and temporal trends, which usually absorb much of the explanatory power of a model specification in regression analysis. As expected, moreover, hereditary autocracies outperform military regimes, even though the estimated difference in child mortality rates is not statistically significant.

Concerning the regime comparisons on which we only formulated weak expectations, hereditary autocracies seem to achieve better human development outcomes than both one-party and hegemonic-party regimes, whereas hegemonic-party autocracies seem to perform better than military regimes. However, most of the analyses produced results that are not statistically significant. On the other hand, the comparison between one-party and military regimes produced mixed results. The former display higher school enrolment rates, whereas the latter display lower child mortality rates, contrary to expectations. None of these findings is statistically significant, however. The same could be said regarding the comparisons on which we did not formulate specific expectations (see Appendix Tables 7A.1 and 7A.2). While citizens in hegemonic-party autocracies seem to enjoy better living conditions than citizens in one-party regimes, and while hereditary regimes seem to outperform competitive autocracies, the estimated differences are not statistically significant.

CONCLUSION

With a focus on healthcare and education, this chapter has compared the human development achievements of different types of authoritarian rule. More specifically, the theoretical discussion has identified in political survival and time horizon two key factors that shape authoritarian politics, influence the importance that autocrats attach to citizens' living conditions, and thus help explain variations in human development across different forms of autocracy. On the one hand, the more an autocrat needs performance-based legitimation, the greater the attention he or she must pay to citizens' living conditions. On the other hand, the longer an autocrat's time horizon, the more he or she will be interested in improving citizens' living conditions.

The main conclusion of the empirical analysis is that competitive autocracies and monarchs achieve better human development outcomes. The more liberalized political arena that characterizes competitive autocracies makes the governments of these countries more dependent on popular support and thus more attentive to the living conditions that citizens enjoy. In turn, the longer time horizon that monarchs typically face shifts the priorities of these non-democratic leaders from the short to the medium/long term, and thus from predation to human capital investment in healthcare and education that could generate higher and sustained revenues.

These findings contribute to the comparative authoritarianism debate in several ways. First, this research confirms the importance of going beyond the democracy–autocracy dichotomy in the analysis of the regime–human development nexus to pay attention to the institutional variations that characterize the non-democratic universe. Second, it shows that even the commonly acknowledged electoral–closed autocracy division does not exhaust the relevant variation. In this regard, concerning the comparison between the two variants of electoral autocracy – namely, competitive and hegemonic-party regimes – this research clarifies that elections alone cannot make a difference if the political arena remains *de facto* monopolized by the ruling party, even when multi-partyism is formally allowed.

Finally, the findings of this research can lead to a partial and admittedly thought-provoking reconsideration of how we evaluate the recent diffusion of competitive authoritarianism in so-called developing countries. Some scholars consider competitive authoritarianism just a new dress for old settings (Carothers, 2002) – that is, the result of a process of authoritarian adaptation/transformation and not so much of authoritarian weakening. However, this chapter shows that the institutional transformations that many politically closed regimes have undergone during the past few decades and the partial liberalization of their political arenas do not only represent signals of authoritarian resilience; in some cases, these transformations have also resulted in significant improvements for citizens' material living conditions. Hence, political change, even when it stops short of full democratization, may, nonetheless, have positive social returns (cf. Kim and Kroeger, 2018; Wang et al., 2019).

NOTES

1. Hence, closed autocracies also include regimes holding legislative multi-party elections that do not affect who the actual chief executive is and non-competitive executive elections.
2. Other existing classifications separate hereditary, military, personalist and party (one-party and multi-party) (Geddes, Frantz and Wright, 2014), or hereditary, military and civilian regimes (Cheibub et al., 2010).
3. Countries in which a royal family and a monarch exist but only have limited (i.e., largely ceremonial) political power are not classified as hereditary regimes, and the same applies to hereditary successions in which bloodline is not invoked explicitly (cf. Brownlee, 2007) and to self-proclaimed monarchs.
4. In some cases, the military rules indirectly, that is, behind the scenes of a formally civilian (sometimes elected) government (Geddes, Frantz and Wright, 2014).
5. As a possible next step in the research on the regime–human development nexus, the highlighted connections could be tested empirically. In this regard, while fairly good indicators of repression and co-optation are available, the measurement of a political leader’s time horizon and of the frequency with which political leaders claim legitimacy based on identity and/or performance remains challenging (but see von Soest and Grauvogel, 2017; Wright, 2008).

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APPENDIX

Table 7A.1 The effect of regime type on school enrolment, 1971–2015

	Competitive Autocracy	Hegemonic-party Autocracy	One-party Autocracy	Military Autocracy	Hereditary Autocracy
Competitive autocracy		0.598** (0.279)	0.697** (0.273)	1.173*** (0.272)	-0.343 (0.737)
Hegemonic-party autocracy	-0.598** (0.279)		0.099 (0.304)	0.575* (0.323)	-0.941 (0.748)
One-party autocracy	-0.697** (0.273)	-0.099 (0.304)		0.476 (0.305)	-1.04 (0.738)
Military autocracy	-1.173*** (0.272)	-0.575* (0.323)	-0.476 (0.305)		-1.516** (0.749)
Hereditary autocracy	0.343 (0.737)	0.941 (0.748)	1.040 (0.738)	1.516** (0.749)	
Other regimes	-0.381* (0.210)	0.217 (0.286)	0.316 (0.287)	0.792*** (0.265)	-0.724 (0.740)
GDP p.c. (log)	-0.220 (0.162)	-0.220 (0.162)	-0.220 (0.162)	-0.220 (0.162)	-0.220 (0.162)
GDP growth	0.053*** (0.011)	0.053*** (0.011)	0.053*** (0.011)	0.053*** (0.011)	0.053*** (0.011)
Urban population	-0.031** (0.014)	-0.031** (0.014)	-0.031** (0.014)	-0.031** (0.014)	-0.031** (0.014)
Oil rents	-0.009 (0.013)	-0.009 (0.013)	-0.009 (0.013)	-0.009 (0.013)	-0.009 (0.013)
Communist government	0.169 (0.769)	0.169 (0.769)	0.169 (0.769)	0.169 (0.769)	0.169 (0.769)
Intra-state violence	-0.095* (0.051)	-0.095* (0.051)	-0.095* (0.051)	-0.095* (0.051)	-0.095* (0.051)
State duration	-0.006 (0.032)	-0.006 (0.032)	-0.006 (0.032)	-0.006 (0.032)	-0.006 (0.032)
Lagged dependent variable	0.942*** (0.005)	0.942*** (0.005)	0.942*** (0.005)	0.942*** (0.005)	0.942*** (0.005)
Constant	36.01 (52.48)	9.767*** (3.558)	9.667*** (3.555)	9.191*** (3.548)	10.71*** (3.604)
Observations	4864	4864	4864	4864	4864
R-squared	0.917	0.917	0.917	0.917	0.917
No. of countries	158	158	158	158	158

Notes: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Robust standard errors in parentheses. All the independent and control variables are one-year lagged. The regression model includes both country and year fixed effects. The dependent variable is school enrolment (%). Concerning regime variables, the reference category is indicated at the top of each column. R-squared estimates are inflated by the inclusion of a lagged dependent variable.

Sources: Data on political regimes are from the V-Dem dataset (Coppedge et al., 2019); data on school enrolment, child mortality, GDP, economic growth, oil rents and urban population are from the World Bank's World Development Indicators (2018); data on state duration are from the Correlates of War Project (2020) dataset; data on intra-state violence are from the Major Episodes of Political Violence dataset (Center for Systemic Peace, 2020); data on communist governments are from Cheibub et al. (2010).

Table 7A.2 *The effect of regime type on child mortality, 1971–2015*

	Competitive Autocracy	Hegemonic-party Autocracy	One-party Autocracy	Military Autocracy	Hereditary Autocracy
Competitive autocracy		–0.773** (0.362)	–1.935*** (0.544)	–1.242*** (0.462)	0.011 (0.899)
Hegemonic-party autocracy	0.773** (0.362)		–1.162 (0.878)	–0.469 (0.389)	0.784 (0.830)
One-party autocracy	1.935*** (0.544)	1.162 (0.879)		0.693 (0.472)	1.947** (0.790)
Military autocracy	1.242*** (0.462)	0.469 (0.389)	–0.693 (0.472)		1.253 (0.772)
Hereditary autocracy	–0.011 (0.899)	–0.784 (0.830)	–1.947** (0.790)	–1.253 (0.772)	
Other regimes	0.383 (0.498)	–0.391 (0.407)	–1.553*** (0.477)	–0.859*** (0.292)	0.394 (0.812)
GDP p.c. (log)	0.096 (0.198)	0.096 (0.198)	0.096 (0.198)	0.096 (0.198)	0.096 (0.198)
GDP growth	–0.011* (0.007)	–0.011* (0.007)	–0.011* (0.007)	–0.011* (0.007)	–0.011* (0.007)
Urban population	0.033 (0.035)	0.033 (0.035)	0.033 (0.035)	0.033 (0.035)	0.033 (0.035)
Oil rents	–0.018 (0.011)	–0.018 (0.011)	–0.018 (0.011)	–0.018 (0.011)	–0.018 (0.011)
Communist government	–1.896*** (0.487)	–1.896*** (0.487)	–1.896*** (0.487)	–1.896*** (0.487)	–1.896*** (0.487)
Intra-state violence	–0.155 (0.112)	–0.155 (0.112)	–0.155 (0.112)	–0.155 (0.112)	–0.155 (0.112)
State duration	0.0154 (0.026)	0.0154 (0.026)	0.0154 (0.026)	0.0154 (0.026)	0.0154 (0.026)
Lagged dependent variable	0.972*** (0.011)	0.972*** (0.011)	0.972*** (0.011)	0.972*** (0.011)	0.972*** (0.011)
Constant	–7.775 (5.728)	–4.110 (3.397)	–2.948 (3.500)	–3.641 (3.559)	–4.894 (3.806)
Observations	5190	5190	5190	5190	5190
R-squared	0.984	0.984	0.984	0.984	0.984
No. of countries	160	160	160	160	160

Notes: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Robust standard errors in parentheses. All the independent and control variables are one-year lagged. The regression model includes both country and year fixed effects. The dependent variable is child mortality (%). Concerning regime variables, the reference category is indicated at the top of each column. R-squared estimates are inflated by the inclusion of a lagged dependent variable.

Sources: Data on political regimes are from the V-Dem dataset (Coppedge et al., 2019); data on school enrolment, child mortality, GDP, economic growth, oil rents and urban population are from the World Bank's World Development Indicators (2018); data on state duration are from the Correlates of War Project (2020) dataset; data on intra-state violence are from the Major Episodes of Political Violence dataset (Center for Systemic Peace, 2020); data on communist governments are from Cheibub et al. (2010).

PART III

REGIONAL PERSPECTIVES

8. Democracy and growth in Africa

Michael T. Rock and Marc Howard Ross

INTRODUCTION

What is the impact of democracy on growth in sub-Saharan Africa (henceforth referred to as Africa)? Because the number of full-fledged democracies in Africa rose from three in 1989 to 20 in 2008¹ and because democratization coincided with a robust revival in economic growth,² this is not an idle question. Both Radelet and Johnson (2010) and *The Economist* (2011) argue that the political transitions facilitated growth, but others (Bates, 2008; Booth, 2012; Collier, 2009; Kelsall and Booth, 2013; Sachs, 2005) disagree. To make matters worse, the existing empirical literature on this topic (Fosu, 2008; Jaunky, 2013; Knutsen, 2013; Kreickhaus, 2006; Masaki and Van der Walle, 2014; Narayan, Narayan and Smyth, 2011) is inconclusive (see Section 2) and flawed.³

Our aim is to test the hypothesis that democracy, particularly majoritarian democracy, increased growth in Africa. The focus is on majoritarian democracy because the literature on democracy per se and growth remains inconclusive (see Section 2) and because numerous researchers (Haggard and Kaufman, 1995; Persson and Tabellini, 2000, 2005, 2006; Rock, 2013, 2015, 2017) have shown that majoritarian democracy tends to increase growth (*ibid.*). The argument is made in three steps. Section 1 reviews the literature on this topic. Section 2 presents our empirical strategy and empirical results showing a weak connection, at best, and no connection, at worst, between majoritarian democracy and growth. Section 3 offers conclusions.

1 DEMOCRACY AND GROWTH

There is a long and venerable literature on the relationship between democracy and economic growth. There is a sharp distinction in this literature between those who are skeptical of any positive relationship between democracy and growth and those who are optimistic (Papaioannou and Siourounis, 2008, pp. 1523–4). Skeptics fear populist demands for consumption and redistribution (Haggard and Kaufman, 1995; Huntington, 1968), particularly if income inequality is high (Alesina and Rodrik, 1994; Persson and Tabellini, 1994) or if it is based on unequal ownership of immobile assets (Boix, 2003). Skeptics worry about principle-agent problems (Buchanan and Tullock, 1962), including concerns that incumbent politicians will pursue unsustainable economic policies to win elections (Besley and Coate, 1998; Block, 2002). Skeptics (Haggard and Kaufman, 1995) fear that uncertainty over the stability of new democracies might shorten the time horizons of politicians and the public, with deleterious effects on economic growth.

Optimists counter that populist redistribution can stimulate growth if it is used to build human capital (Bourguignon and Verdier, 2000; Saint-Paul and Verdier, 1993) or overcome capital market imperfections (Galor and Zeira, 1993). They also argue that redistributive

demands can be muted if income inequality-producing assets are based on mobile rather than immovable capital (Boix, 2003). Optimists argue that democratic institutions are: (1) more efficient (North, 1990; Wittman, 1989); (2) better at solving commitment issues (Olson, 1993); (3) superior at transmitting information (Halperin, Siegle and Weinstein, 2005; Sen, 2000); (4) better at coping with negative economic shocks (Rodrik, 1999); (5) better at undertaking fundamental economic policy reform (Haggard and Kaufman, 1995); and (6) better at making long-run investments in human capital (Tavares and Wacziarg, 2001).

What does the empirical literature reveal about the relationship between democracy and growth? One strand of this literature uses cross-country growth regressions pioneered by Barro (1991), Levine and Renelt (1992) and Mankiw, Romer and Weil (1992). The essence of this approach is to add political variables to cross-country regressions that include traditional economic variables. The major finding of this literature is that democracy has a small and statistically insignificant effect on growth (Papaioannou and Siourounis, 2008, p. 1521). A second strand shifts focus to panel regressions. The best exemplars are Rodrik and Wacziarg (2005), Papaioannou and Siourounis (2008), and Przeworski et al. (2000). The former find that democracy, or more precisely, democratization, exerts a positive impact on growth, but Przeworski et al. (2000) find no impact of democracy on growth. Doucouliagos and Ulubasagolu (2008, p. 78) tried to resolve the inconclusive nature of this empirical literature via a meta-analysis of a large number of empirical studies; they found no evidence that democracy slows growth.

The inconclusive nature of this literature has led researchers to move away from the study of the impact of democracy per se on growth to test hypotheses linking majoritarian democracy to growth. Three distinct research traditions have demonstrated how the institutions of majoritarian democracy – plurality electoral rules, party systems composed of a small number of catch-all bridging parties, and forms of executive government (particularly presidential government) – matter (Persson and Tabellini, 2005, p. 12). A literature in comparative politics summarized by Reilly (2006, Chapter 4), shows how choice of electoral rules, party systems and forms of executive government affect the trade-off between the representativeness of democratic institutions and the effectiveness and accountability of those institutions. A second line of research exemplified by Haggard and Kaufman (1995) uses comparative case studies to link the adoption of macroeconomic and trade policy reforms to the nature of party systems and forms of executive government. A third line of research, typified by Persson and Tabellini (2000, 2005) models the democratic political process as a delegation game between voters and politicians and demonstrates how changes in the structure of democratic institutions affect economic policies thought to affect growth.

Each of these research traditions offers important insights into the possible effects of majoritarian democracy on growth. Haggard and Kaufman (1995) show how political institutions in crisis and non-crisis economic environments in new and existing democracies affect the ability of democratic governments to adopt macroeconomic and trade policy reforms. They argue that democratic governments in developing economies are likely to find it difficult to enact reforms if they can't overcome collective action dilemmas, avoid distributive pressures, or adopt long time horizons in the face of short electoral cycles (Haggard and Kaufman, 1995, pp. 156–9). These problems are likely to be acute if crises are severe, economic distortions large, and the returns to reform are slow to emerge (*ibid.*, pp. 159–62). In this instance, macroeconomic and trade policy reforms usually require the imposition of large losses on powerful groups in civil society before winners of reforms are mobilized to support them. Given these problems, they show that successful adoption of reforms hinge on the degree of institutionalization of political

party systems and executive power (*ibid.*, pp. 163–70). When party systems are fragmented or highly polarized, as they tend to be in consociational democracies, and executives are weak (as in minority coalition parliamentary governments), governments have a difficult time adopting reforms.

Persson and Tabellini (2000, 2005) reinforce these findings by using formal economic models. They do so in two steps. In the first (Persson and Tabellini, 2000), they theoretically model the relationships between different democratic political institutions and economic outcomes. In the second (Persson and Tabellini, 2005), they subject their formal models to rigorous econometric tests. They too see a rather stark trade-off between the representativeness and accountability of different electoral rules and forms of government. As Persson and Tabellini (2000, p. 12) say, plurality electoral rules and presidential governments lean heavily toward accountability because they tend to concentrate power in a few well-institutionalized parties and in a single executive office, while proportional (PR) electoral rules and parliamentary governments lean toward representativeness, since such governments are often burdened with holding together heterogeneous coalitions.

They use this insight to theoretically demonstrate that several policy variables thought to affect growth – the size of government, welfare programs, and fiscal deficits – are smaller under plurality electoral rules, and presidential governments than under PR electoral rules and parliamentary governments (Persson and Tabellini, 2000, pp. 252–3; 2005, p. 31; 2006). In Persson and Tabellini (2005) they provide ample empirical support for these hypotheses by showing that a switch from PR to plurality elections reduces government expenditures as a share of gross domestic product (GDP) by 5 percent, welfare spending by 2–3 percent and fiscal deficits by about 2 percent (Persson and Tabellini, 2005, p. 270). Additionally, they show that plurality elections cut tax and spending by about 0.5 percent of GDP prior to elections, while PR elections increase welfare spending by 0.2 percent prior to elections (*ibid.*, p. 271). In a subsequent paper (2006, pp. 321–2), they show that presidential democracies grow faster than parliamentary ones and that new majoritarian presidential democracies cut government spending as a share of GDP by almost 2 percent, while new parliamentary democracies using proportional electoral rules raise it, leading to a difference in public spending of 5 percent of GDP.

How has this literature affected the study of democracy and growth in Africa? Kreickhaus (2006, p. 318) uses the inconclusive findings on the impact of democracy on growth in worldwide samples of countries to argue that the democracy–growth relationship may differ by region. Given the pervasive prevalence of neo-patrimonial authoritarian politics in Africa (*ibid.*, p. 322), he tests the hypothesis that democracy causes growth in Africa. He (*ibid.*, p. 339) finds that democracy increases growth, but its effect is weak. Fosu (2008) comes at the democracy–growth relationship in Africa by testing the hypothesis that the relationship is not linear. He finds that democracy reduces growth at low levels of democracy, but increases it at higher levels of democracy. Narayan et al. (2011) find very little evidence that democracy Granger-causes growth in Africa, while Jaunky (2013) finds that democracy Granger-causes growth. Masaki and Van de Walle (2014) also find that democracy causes growth in Africa, while Knutsen (2013) finds that democracy causes growth in African countries with weak state capacity. The case literature (Gerring et al., 2011, p. 1735) builds on Fosu (2008) by demonstrating that the impact of democracy on growth is positive for countries with long histories of democracy.

What should one make of this literature on democracy and growth in Africa? The best one can say is that empirical findings are inconclusive. By itself, this provides justification for testing for the impact of majoritarian democracy on growth in Africa. Since Knutsen (2013) finds that growth in Africa is higher in low-capacity democracies, while Rock (2009) finds that democracies with higher state capacity increase growth in East Asia, it is important to test for the impact of state capacity and democracy on growth.

2 DATA AND HYPOTHESIS TESTS

What follows is a set of hypothesis tests of the effects of majoritarian democracy on growth in Africa. Hypothesis tests are rooted in a reduced form feasible generalized least squares (FGLS) fixed effects country panel regression model, or what Papaioannou and Siourounis (2008, p. 1525) label a ‘difference in difference’ model, where some ‘countries are the “treated” group while (other)...countries are the “control” group’. In this instance, some country years (for democracy and majoritarian democracy) are the treated groups, while the other country years are the control group. This kind of model is increasingly popular with economists (Papaioannou and Siourounis, 2008; Rodrik and Wacziarg, 2005) because it enables researchers to account for missing variables, time-invariant country characteristics, and global trends (Papaioannou and Siourounis, 2008, p. 1525).

Endogeneity between the right-hand-side majoritarian democracy variable and a long list of control variables is corrected for by estimating FGLS two-stage least squares (TSLS) fixed country effects panel regressions where our measures of democracy are instrumented by lagged values of the dependent and independent variables.⁴ Following Beck and Katz (1995), cross-section heteroscedasticity is accounted for by estimating panel-corrected standard errors. Serial correlation is corrected for by estimating an AR (1) process.⁵

The basic econometric specification is $Z_{it} = \alpha_i + \Psi D_{it} + \Gamma X_{it} + v_{it}$ where Z_{it} is the annual real GDP per capita growth rate of country i in year t . α_i captures country-specific fixed effects. Majoritarian democracy and democracy per se are dummy variables (D_{it}) where each equals one in country years of majoritarian democracy or democracy per se and zero otherwise. X_{it} is a vector of control variables. When available, data are from 1960 to 2013. The control variables include a standard set of commonly used economic variables (Barro, 1991; Barro and Lee, 2010; Levine and Renelt, 1992): relative income per capita, investment as a share of GDP, the population growth rate, life expectancy, educational attainment,⁶ government consumption expenditures as a share of GDP, openness to trade defined as the ratio of exports to GDP,⁷ and the log of the inflation rate.

Our control variables capture at least some of the movements expected in them by the proponents of structural adjustment, which has loomed large in Africa (Devarajan, Dollar and Holmgren, 2001; Easterly, 2005, p. 5; Elbadawi, Ghura and Uwujaren, 1992; Kapur, Lewis and Webb, 1997, pp. 517–19; Lancaster, 1997, pp. 167–8; Radelet and Johnson, 2010; Sahn, Darosh and Younger, 1999; World Bank 1981, 1994; Young, 2012, p. 62). Because civil wars (Bodea and Elbadawi, 2008; Collier and Hoeffler, 2002) and commodity prices (Collier and Goderis, 2007; Deaton, 1999; Deaton and Miller, 1995) have been shown to affect growth in Africa, measures of each are included.

Our preferred majoritarian democracy variable is a dummy variable equal to one for each country year identified as majoritarian in the case literature listed in appendix Table 8A.3. To

insure that our coding of majoritarian democracy does not bias results, we replace it with an alternative measure developed by Kuenzi and Lambright (2005). Following Polity IV, our preferred democracy variable equals 1 if Polity2 > 5 and it equals zero otherwise. We also used the dummy variable for democracy developed by Boix, Miller and Rosato (2012). A list of all the variables used in the empirical analysis, variable definitions, sources, and the coding of each country year appears in appendix Tables 8A.1 through 8A.3. Descriptive statistics for all variables appear in Table 8A.2 in the appendix.

Because the democracy variables of interest are endogenous to growth, two-stage least squares panel regressions are estimated to control for endogeneity. As noted in endnote 4, we follow Fair's (1984, pp. 210–14) theoretical recommendation and use lagged dependent and independent variables as instruments. In addition, tests for over-identifying restrictions suggest that the extra instruments in each TSLS panel regression are not correlated with the error terms.⁸

Turning to our empirical tests of the impact of democracy on growth, what did we find? Our preferred specification appears in Table 8.1 for majoritarian democracy. Results of various robustness tests appear in appendix Tables 8A.4 through 8A.8. Table 8A.4 reports results for the democracy variable constructed from Polity IV. Table 8A.5 reports results for the Boix et al. (2012) measure of democracy and Table 8A.6 reports results for the alternative measure of majoritarian democracy. Table 8A.7 reports results for interaction effects between state capacity and democracy pioneered by Knutsen (2013) and Rock (2009) and Table 8A.8 reports results that include the Barro-Lee (2010) measure of educational attainment.

Four major conclusions stand out. To begin with, none of the democracy variables are robust to alternative specifications, particularly specifications that control for the major economic variables and endogeneity.⁹ In the equations (Table 8A.7), with state capacity the political variables of interest are statistically significant in only 3 of 18 instances. In five of the six equations in that table, the regression coefficient on majoritarian democracy has an unexpected negative sign. Given the emphasis in the literature on the impact of majoritarian democracy on growth and the finding that majoritarian democracy is growth enhancing in East Asia (Rock, 2013, 2015, 2017), this result is somewhat surprising. This raises an important question: why has the transition to majoritarian democracy in Africa not contributed to growth? Before answering this question, we lay out our other major conclusions.

Our second finding confirms the large effect of commodity price swings on growth. The regression coefficient on the non-energy commodity price index is statistically significant in 11 of 12 equations with a mean value of 0.02. Given this, a one standard deviation decline in commodity prices induces an average decline in the growth rate of 0.36 percent per year, while a one standard deviation rise causes the growth rate to rise by 0.36 percent per year. While the impact on growth may not seem large, in the context of Africa's low growth rate, it is substantial.

We find a bit less evidence for the devastating impact of civil wars in Africa. This variable is statistically significant with the expected sign (negative) in seven of the 12 regressions in which it appears. A one standard deviation increase in civil war lowers the growth rate by 0.29 percentage points. While this may not seem high, it too remains significant when compared against an average real GDP per capita growth rate in this region of 1.1 percent per year. It also needs to be said that a one standard deviation decline in the incidence of civil war raises the growth rate by 0.29 percent, accounting for a swing from war to peace of 0.58 percentage points per year. In addition, neither of the human capital variables (life expectancy and educa-

Table 8.1 FGLS growth panel regressions on majoritarian democracy with various control variables and panel-corrected standard errors

	Equation					
	OLS	TSLs	OLS	TSLs	OLS	TSLs
<i>Independent variables</i>						
C	0.89	0.94	10.95	9.98	9.44	6.67
Relative			-0.02	-0.27	-0.06	-0.31
Income			(-0.26)	(-3.73)***	(-0.99)	(-4.20)***
Investment share in GDP			0.14	0.11	0.12	0.09
			(7.31)***	(4.04)***	(6.44)***	(3.19)***
Population growth rate			-0.10	-0.06	-0.13	-0.08
			(-0.65)	(-0.36)	(-0.80)	(-0.40)
Life expectancy			-0.02	-0.04	-0.02	-0.03
			(-1.07)	(-1.55)	(-0.85)	(-1.02)
Government consumption as a share of GDP			-0.17	-0.15	-0.16	-0.14
			(-6.95)***	(-4.86)***	(-6.39)***	(-4.39)***
Exports/GDP			0.06	0.04	0.05	0.04
			(3.58)***	(2.26)**	(3.32)***	(2.01)**
Log of inflation rate			-2.59	-1.78	-2.49	-1.44
			(-8.19)***	(-2.84)***	(-7.85)***	(-2.19)**
Non-energy price index					0.02	0.02
					(2.64)***	(2.74)***
Civil wars					-0.42	-0.45
					(-2.20)**	(-1.95)**
Majoritarian democracy	1.21	0.96	0.68	0.37	0.84	0.61
	(2.79)***	(1.73)*	(1.65)*	(0.72)	(2.04)**	(0.89)
AR (1)	0.18	0.18	0.08	0.09	0.08	0.09
	(7.77)***	(7.78)***	(3.48)***	(3.75)***	(3.38)***	(3.74)***
# Cross-sections	44	44	43	43	43	43
N	1907	1907	1674	1674	1672	1672
Equation F	5.88***	5.76***	8.10***	5.35***	8.04***	5.45***
J statistic		3.67E-31		8.88E-29		2.91E-28

Notes: Numbers in parentheses are *t* values. *** statistically significant at the 0.01 level; ** statistically significant at the 0.05 level; * statistically significant at the 0.10 level.

tional attainment) performs very well.¹⁰ They are almost never statistically significant and the regression coefficients on them often have an unexpected sign (negative). Why this is deserves further study, but it may simply reflect the low level of human capital development in Africa.

Third, four of the adjustment-like policy variables – investment as a share of GDP, government consumption as a share of GDP, exports as a share of GDP, and the inflation rate – tend to be statistically significant with the expected signs. The investment variable is statistically significant with the expected sign (positive) in 22 of 24 equations while the trade variable is statistically significant with the expected signs (positive) in 23 out of 24 equations in which it appears. The inflation variable is statistically significant with the expected sign (negative) in 22 out of 24 equations in which it appears. The government consumption variable is statistically significant with the expected sign (negative) in 20 out of 24 equations in which it appears.

Several comments about the impact of these variables on growth deserve mention. First, while the investment variable exerts a positive and significant impact on growth where the mean regression coefficient on this variable is 0.10, it is roughly half of what it is in East Asia.¹¹ This suggests that investment in Africa is less growth enhancing than it is in East Asia. Why this is deserves further study. Despite this, a one standard deviation increase in the investment-to-income ratio raises the growth rate by 1 percent. Second, as is well known, the government consumption share in GDP in Africa is substantially higher (mean value of 16.1 percent) than it is elsewhere particularly in East Asia¹² and it exerts a substantial negative influence on growth. A one standard deviation increase in the government consumption variable reduces growth by 1.1 percent per year. On the other hand, openness to trade is quite a bit lower than that in East Asia,¹³ but it does exert a positive impact on growth as a one standard deviation increase in openness raises the growth rate by 0.65 percent per year while a one standard deviation increase of the inflation rate causes growth to fall by 0.56 percent per year. Taken together, one standard deviation improvements in our policy variables have powerful impacts on growth; they raise the growth rate by 3.5 percent per year.

Explaining why the democracy variables exert such weak influence on growth is most easily considered by examining the impact of the policy, civil war, and commodity price variables on growth in one or more countries. For this purpose, we picked Mozambique, a country where initially civil war was predominant and the policy variables were poor. Yet, following the end of the civil war, all the policy variables improved. Not surprisingly, growth rose from an average of -0.9 percent per year during the long civil war to 4.4 percent per year after the civil war for a swing of 5.3 percent per year. Nearly one-half of this swing (2.4 percent per year) is accounted for by the swing from a nasty civil war to peace. A significant rise in the investment-to-income ratio added another 1.1 percent to the yearly income per capita growth rate. Declines in the government consumption-to-income ratio added another 0.5 percent to the growth rate, while a rise in the export ratio added 0.7 percent per year to the growth rate. Taken together, the shift from war to peace and improvement in the policy variables, added 5.3 percent per year to the existing growth rate accounting for virtually all the improvement in growth. Because we can account for virtually all the improvement in the growth rate, there is not much left for any of the democracy variables.

A different story can be told about countries that failed to adjust. Niger is a good example of this phenomenon. Even though it democratized and was blessed with no less than 14 adjustment loans between 1980 and 1999, not much changed. Growth fell from -0.32 percent between 1960 and 1979 or before adjustment to -1.04 percent between 1980 and 2013 after adjustment (World Bank, 2019a). There was not much consistency in policy change either. While the economy did become more open, there was a large increase in government consumption expenditures as a share of GDP and very little change in the inflation rate. Taken together, movements in these three policy variables accounted for a decline in growth of 0.5 percent per year, while a fall in commodity prices accounted for a 0.2 percent per year decline in the growth rate. These four variables account for virtually all the recorded decline in growth, leaving no room for the democracy variables.

3 CONCLUSIONS

What should one make of our findings? Four issues loom large. Our most important conclusion is democracy, including majoritarian democracy, has, at best, a weak positive impact on growth and at worst, no effect. While this finding is a bit surprising, it is reassuring especially since some have feared that democracy would slow growth in Africa. Second, while we were unable to confirm the Krieckhaus (2006) relationship between democracy and growth in Africa, when our results are combined with existing studies (Rock, 2013, 2015, 2017) on the impact of majoritarian democracy on growth in East Asia, we found evidence to support his hypothesis that there are regional differences in the democracy–growth relationship. Put simply, majoritarian democracy increases growth in East Asia, but it has no impact on growth in Africa. Third, the differences in the democracy–growth relationship between East Asia and Africa are largely context driven.

In East Asia, political elites captured the democratization process and deliberately crafted majoritarian democracies enabling them to carry over the growth enhancing institutions, particularly the role of economic technocrats in core macro-economic agencies in economic policy making (Rock, 2017). When combined with the aggregating impact of a small number of catch-all bridging political parties that contested for elections and a predominance of mixed member majoritarian electoral rules, self-interested political elites in East Asia’s majoritarian democracies, or what Reilly (2006) calls centripetal democracies, were pushed by their electorates to provide the public goods necessary to sustain growth to win elections (Reilly, 2006; Rock, 2013, 2015, 2017).

The democracy–growth dynamic in Africa is quite different. There the inability of neo-patrimonial autocracies to deliver development helped spawn the region’s democratization wave. This occurred more or less simultaneously with the rise and spread of borrowing by governments from the World Bank and the IMF. Both pushed governments to contain inflation and government spending, open economies to trade, and provide the security of property rights necessary to stimulate investment. We found clear evidence of region-wide movements in each of these variables in the expected direction. We also found evidence of a region-wide rise in commodity prices and a precipitous decline in the incidence of civil wars. This combination accounts for virtually all the increase in growth rates after 1990, leaving precious little room for democracy to impact growth. Moreover, unlike East Asia there has been very little carry-over from the region’s autocracies to its new democracies. What carry-over that occurred has probably slowed growth (Van de Walle, 2001).

Our final insight is that political and economic developments in Africa have been powerfully affected by developments outside and inside Africa that rapidly diffused through the region. The growth collapse was precipitated by a worldwide decline in commodity prices and a region-wide upsurge in civil war. The collapse of growth was aided and abetted by the adoption of near region-wide unworkable development strategies rooted in either pan-African socialism or autocratic neo-patrimonialism. The dissolution of the Soviet Union undermined what little credibility remained for a socialist development strategy. The collapse in growth discredited the region’s autocratic neo-patrimonial regimes paving the way for democracy, which spread like wildfire. The collapse in growth and disappearance of a credible alternative development strategy opened the door for the World Bank and IMF to impose a set of neo-liberal development policies on governments bereft of foreign exchange. Not surprisingly, country after country pledged commitment to these reforms and, as noted earlier, there is

substantial evidence that development policies across Africa turned in a neo-liberal direction. Starting in the late 1990s, the previous decline in commodity prices gave way to a long boom in commodity prices. Similarly, the rapid build-up of civil wars that peaked in 1990 was followed by a quick and lasting decline in political violence. This combination by itself accounts for Africa's growth revival after 1990.

While we captured these global and region-wide developments in our panel regressions, we are acutely aware that the way we did so places primacy of place on the independent actions within states rather than on diffusion or borrowing among them or between these states and international financial institutions (Brinks and Coppedge, 2006; Most and Starr, 1990; Ross and Homer, 1976). This has led us to ask: is it reasonable to assume that the interaction of states with their neighbors, trading partners, alliance members, and international organizations does not violate the assumption of independence of cases assumptions that is at the core of cross-country regression models?

If so, how might we and others respond to this challenge? While the interest in diffusion dynamics is not recent (e.g., Collier and Messick, 1975; Li and Thompson, 1975; Putnam, 1967), there has been a significant increase in emphasizing its importance in international politics and political economy (Elkins and Simmons, 2005; Gleditsch and Ward, 2006; Oatley, 2011; Solingen, 2012). As we thought about how we might build on these developments, we were confronted with two distinct dilemmas. On the one hand, we do capture several worldwide and region-wide developments in our panel regressions. Our inclusion of a worldwide commodity price index captures at least one global dimension. The direction of movements in several of our economic variables across countries in Africa captures another global dimension – the growing influence of the World Bank and the IMF in Africa. With respect to the latter, the rise and decline of civil wars in Africa captures at least one region-wide phenomenon.

When we considered other ways to build diffusion into our models, it became clear that we needed to identify country-specific patterns of diffusion and adoption that are not likely to be easily captured in readily available empirical measures. As a result, what we offer here is a call for us and others to think more systematically about this issue. But, for the moment, rather than abandon this avenue of research completely, we prefer to encourage thinking about ways to incorporate measures of non-domestic influences in cross-national models as we have done, despite the fact that our research strategy does not fully address the lack of independence of cases problem.

NOTES

1. A score of six or more on the Polity2 variable in the Polity IV Project was used to calculate the number of democracies in Africa (Marshall and Jaggers, 2019).
2. The mean growth rate of real GDP rose from 2.7 percent per year between 1970 and 1990 to 4.2 percent per year between 1991 and 2013 (World Bank, 2019a).
3. Flaws include use of poor measures of democracy and failure to account for endogeneity. With respect to poor measures of democracy some use the Polity2 variable from the Polity IV Project, while others use Freedom House's political rights and civil liberties variables. Unfortunately, the middle categories of Polity2 are muddled, as they mask different democracy and autocracy scores in the same Polity2 score (Marshall, Gurr and Jaggers, 2012, p. 17). Because of this, the authors of Polity2 strongly urge researchers not to use it in statistical analysis (*ibid.*). To make matters worse, strictly speaking, the Polity2 variable is a rank-order variable created out of two other rank-order variables (Marshall and Jaggers, 2002, pp. 25–6) and, as is well known, rank-order variables should

not be used in regression analyses. The Freedom House variables suffer from a different flaw: they are contaminated with considerations that have little to do with democracy. For example, Freedom House (2019) measures political rights by, among other things, asking: ‘Is the government free from pervasive corruption?’ ‘Has the government implemented effective anticorruption laws... to prevent, detect, and punish corruption? Is the government free from excessive bureaucratic regulations, registration requirements, or other controls that increase opportunities for corruption? Are there independent and effective auditing...bodies that function without...political pressure or influence? Are allegations of corruption by government officials thoroughly investigated and prosecuted without prejudice? Are allegations of corruption given wide and extensive airing in the media? Do whistleblowers, anticorruption activists, investigators, and journalists enjoy legal protections that make them feel secure about reporting cases of bribery and corruption? What was the latest Transparency International Corruption Perceptions Index score for this country?’

4. As Fair (1984, p. 213) theoretically shows, including lagged dependent and independent variables as instruments is necessary to insure consistent estimates of regression coefficients in the face of first-order serial correlation. While we could have reverted to conventional difference or system GMM models, such as the Arellano-Bond GMM model, as is well known, AB models are strictly limited to the case of small T and large N, which is not the case with our data. When this condition does not hold, straightforward fixed effects estimators work best (Roodman, 2009, p. 128).
5. FGLS models have downward biased standard errors in samples where T is not much larger than N (Beck and Katz, 1995). Fortunately, that problem does not adhere in our sample. A comparison of standard errors for regression estimates in Table 8.1 for our preferred specification with panel-corrected standard errors and that without panel-corrected standard errors reveals very little difference in standard errors and no difference in the independent variables that are statistically significant. Estimated equations without panel-corrected standard errors are available on request.
6. Because the Barro-Lee educational attainment data are based on five-year averages, we limit use of them to Table 8A.8 in the appendix. Following Papaioannou and Siourounis (2008, p. 1548) we used simple linear interpolation to convert these data to annual averages.
7. We focus on the export variable because it is well known that trade and exchange rate policies discriminated against exports, particularly agricultural exports (World Bank, 1981, Chapters 4 and 5).
8. See J statistic for each TSLS regression in Table 8.1 and appendix Tables 8A.4 through 8A.6.
9. While some of the democracy variables have the expected sign and are statistically significant in each of regressions in Table 8.1 and appendix Tables 8A.4 through 8A.8, we don’t put much stock in those equations either because they don’t control for the economic variables (equations 1 and 2 in each of these tables) or they don’t control for endogeneity (equations 2, 5 and 6).
10. For regressions with the Barro-Lee educational attainment variable see appendix Table 8A.8.
11. In Rock (2013, p. 7) the regression coefficient on the investment variable for East Asia equals 0.19.
12. In Rock (2013, p. 21) the mean value of government consumption to GDP in East Asia is 10.2 percent.
13. In Rock (2013, p. 21) the mean value is 83.8 percent in East Asia while it is 66.7 percent for Africa.

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APPENDIX

Table 8A.1 Data: definitions and sources

Variable	Definition	Source
YNG	Real GDP per capita growth rate	World Bank (2019a)
RELATIVE INCOME	Real GDP per capita relative to the United States	World Bank (2019a)
INVESTMENT/GDP	Investment as a % of GDP	World Bank (2019a)
POPULATION GROWTH RATE	Population growth rate	World Bank (2019a)
LIFE EXPECTANCY	In years	World Bank (2019a)
EDUCATIONAL ATTAINMENT	Average years of education	Barro and Lee (2010a)
GOVERNMENT CONSUMPTION/GDP	Government consumption expenditures as a % of GDP	World Bank (2019a)
EXPORTS/GDP	Exports as a % of GDP	World Bank (2019a)
INFLATION	Inflation rate of GDP deflator	World Bank (2019a)
DEMOCRACY	DEMOCRACY = 1 if Polity2 > 5 and DEMOCRACY = 0 otherwise	Polity IV Project (Marshall and Jaggers, 2019)
ADEMOCRACY	Alternative measure of democracy	Boix et al. (2012)
MAJORITARIAN DEMOCRACY	MAJORITARIAN DEMOCRACY = 1 if coded as a democracy in Table 8A.3 and MAJORITARIAN DEMOCRACY = 0 otherwise	Table 8A.3 and Nohlen, Krennerich and Thibaut (1999) and African Elections Database (2019) for Africa
AMAJORITARIAN DEMOCRACY	Alternative measure of majoritarian democracy	Kuenzi and Lambright (2005)
CIVIL WAR	Magnitude of civil war	Major Episodes of Political Violence, 1946–2013 (Marshall, 2014)
NENERGYINDEX	Non-energy price index	World Bank Commodity Price Indices (World Bank, 2019b)

Table 8A.2 Descriptive statistics for sub-Saharan Africa

Variable	Mean	Standard Deviation	Minimum	Maximum
YNG	1.06	5.51	-25.77	36.86
RELATIVE INCOME	4.34	6.02	0.47	52.06
INVESTMENT/GDP	20.46	9.91	1.52	74.82
POPULATION GROWTH RATE	2.60	0.84	-0.19	6.09
LIFE EXPECTANCY	51.37	7.48	31.09	72.97
EDUCATIONAL ATTAINMENT	3.04	2.10	0.18	9.43
GOVERNMENT CONSUMPTION/GDP	16.11	7.16	2.18	64.39
EXPORTS/GDP	30.88	14.08	2.52	75.13
LOG OF INFLATION RATE	3.70	0.29	1.59	5.36
DEMOCRACY	0.27	0.44	0	1
ALTERNATIVE MEASURE OF DEMOCRACY	0.26	0.42	0	1
MAJORITARIAN DEMOCRACY	0.21	0.41	0	1
ALTERNATIVE MEASURE OF MAJORITARIAN DEMOCRACY	0.23	0.42	0	1
CIVIL WAR	0.10	0.72	0	6
NENERGYINDEX	78.78	17.83	55.35	126.40

Note: For variable definitions and sources see Table 8A.1.

Table 8A.3 *Coding of African democracy variables*

Country	DEM	ADEM	MAJOR	AMAJOR	Country	DEM	ADEM	MAJOR	AMAJOR
Angola	1975-2013 = 0	1975-2010 = 0	1975-2013 = 0	1975-2013 = 0	Lesotho	1966-69 = 1 1970-92 = 0 1993-97 = 1 1998-2000 = 0 2001-11 = 1 2012-13 = 0	1966-2001 = 0 2002-10 = 1	1966-2011 = 0	1966-69 = 1 1970-92 = 0 1993-97 = 1 1998 = 0 1999-2001 = 1 2002-09 = 0
Benin	1960-90 = 0 1991-2013 = 1	1960-90 = 0 1991-2010 = 1	1960-2013 = 0	1960-2013 = 0	Liberia	1960-2005 = 0 2006-13 = 1	1960-2005 = 0 2006-10 = 1	1960-2002 = 0 2003-13 = 1	NA
Botswana	1966-2013 = 1	1966-2010 = 1	1966-2013 = 1	1966-2013 = 1	Madagascar	1960-91 = 0 1992-2008 = 1 2009-10 = 0	1960-92 = 0 1993-2008 = 1 2009-10 = 0	1960-97 = 0 1998-2008 = 1 2009-10 = 0	1960-2010 = 0
Burkina Faso	1966-2013 = 0	1960-2010 = 0	1966-2013 = 0	1966-2013 = 0	Malawi	1964-93 = 0 1994-2000 = 1 2001-03 = 0 2004-13 = 1	1964-93 = 0 1994-2010 = 1	1964-93 = 0 1994-2013 = 1	1964-93 = 0 1994-2011 = 1
Burundi	1962-2004 = 0 2005-13 = 1	1962-2004 = 0 2005-10 = 1	1962-2013 = 0	NA	Mali	1960-90 = 0 1991-2011 = 1	1960-90 = 0 1991-2010 = 1	1960-91 = 0 1992-2011 = 1	1960-90 = 0 1991-2011 = 1
Cameroon	1960-2013 = 0	1960-2010 = 0	1960-2013 = 0	1960-2013 = 0	Mauritania	1960-2013 = 0	1960-2010 = 0	1960-2013 = 0	1960-2013 = 0
Cape Verde	1975-90 = 0 1991-2013 = 1	1975-90 = 0 1991-2010 = 1	1975-2013 = 0	1975-2013 = 0	Mauritius	1968-2013 = 1	1968-2010 = 1	1968-2013 = 0	1968-2013 = 1
CAR	1960-2013 = 0	1960-92 = 0 1993-2002 = 1 2003-10 = 0	1960-92 = 0 1993-2002 = 1 2003-13 = 0	1960-92 = 0 1993-2002 = 1 2003-13 = 0	Mozambique	1975-2013 = 0	1975-93 = 0 1994-2003 = 1 2004-10 = 0	1975-2013 = 0	1975-93 = 0 1994-2013 = 1
Chad	1960-2013 = 0	1960-2010 = 0	1960-2013 = 0	1960-2013 = 0	Namibia	1990-2013 = 1	1990-2010 = 0	1990-2013 = 0	1990-2013 = 0
Comoros	1975-03 = 0 2004-13 = 1	1975-2005 = 0 2006-10 = 1	1975-89 = 0 1990-94 = 1 1995 = 0 96-1998 = 1 1999 = 2001 = 0 2002-13 = 1	1975 = 1 1976-80 = 0 1990-94 = 1 1995 = 0 1996-98 = 1 1999 = 2001 = 0 2002-13 = 1	Niger	1960-91 = 0 1992-95 = 1 1996-2003 = 0 2004-08 = 1 2009-10 = 0	1960-92 = 0 1993-95 = 1 1996-98 = 0 1999-2008 = 1 2009-10 = 0	1960-90 = 0 1991-2008 = 1 2009-10 = 0	1960-2013 = 0

Country	DEM	ADEM	MAJOR	AMAJOR	Country	DEM	ADEM	MAJOR	AMAJOR
DR Congo	1960-2013 = 0	1960-2010 = 0	1960-2013 = 0	NA	Nigeria	1960-65 = 1 1966-78 = 0 1979-83 = 1 1984-2013 = 0	1960-65 = 1 1966-78 = 0 1979-82 = 1 1983-2010 = 0	1960-65 = 1 1966-78 = 0 1979-83 = 1 1984-98 = 0 1999-2013 = 1	NA
Republic Congo	1960-2013 = 0	1960-62 = 1 1963-2010 = 0	1960-162 = 1 1963-91 = 0 1992-96 = 1 1997-2013 = 0	NA	Rwanda	1961-2013 = 0	1961-2010 = 0	1961-2013 = 0	NA
Côte d'Ivoire	1960-2010 = 0	1960-2010 = 0	1960-99 = 0 2000-01 = 1 2002-10 = 0	1960-99 = 0 2000-01 = 1 2002-10 = 0	Senegal	1960-99 = 0 2000-13 = 1	1960-99 = 0 2000-10 = 1	1960-99 = 0 2000-13 = 1	1960-2013 = 0
Equatorial Guinea	NA	1968-2010 = 0	NA	1968-2010 = 0	Sierra Leone	1961-66 = 1 1967-2006 = 0 2007-13 = 1	1961-66 = 1 1967-2001 = 0 2007-10 = 1	1961-66 = 1 1967 = 0 1968-70 = 1 1971-95 = 0 1996 = 1 1997-2000 = 0 2001-13 = 1	NA
Eritrea	1993-2013 = 0	1993-2010 = 0	1993-2013 = 0	NA	Somalia	1960-68 = 1 1969-2010 = 0	1960-68 = 1 1969-2010 = 0	1960-2010 = 0	NA
Ethiopia	1960-2013 = 0	1993-2010 = 0	1960-2013 = 0	1960-92 = 0 1993-2013 = 1	South Africa	1960-91 = 0 1992-2013 = 1	1960-93 = 0 1994-2010 = 1	1960-2013 = 0	1950-2013 = 0
The Gambia	1965-93 = 1 1994-2013 = 0	1965-71 = 0 1972-93 = 1 1994-2010 = 0	1965-93 = 1 1994-2013 = 0	1965-2013 = 0	Swaziland	1968-2013 = 0	1968-2010 = 0	1968-2013 = 0	NA
Gabon	1960-2008 = 0	1960-2010 = 0	1960-2008 = 0	1960-2008 = 0 2009-13 = 1	Tanzania	1961-2013 = 0	1961-2010 = 0	1961-2013 = 0	1961-2013 = 0

Country	DEM	ADEM	MAJOR	AMAJOR	Country	DEM	ADEM	MAJOR	AMAJOR
Ghana	1960-78 = 0	1960-69 = 0	1960-69 = 0	1960-69 = 0	Togo	1960-2009 = 0	1960-2010 = 0	1960-2009 = 0	1960-2013 = 0
	1979-80 = 1	1970-71 = 1	1970-71 = 1	1970-71 = 1		1962-65 = 1	1962-79 = 0	1962-65 = 1	1962-65 = 1
	1981-2000 = 0	1972-78 = 0	1972-78 = 0	1972-78 = 0		1966-2013 = 0	1980-84 = 1	1966-79 = 0	1966-79 = 0
	2001-13 = 1	1979-80 = 1	1979-80 = 1	1979-80 = 1		1985-2010 = 0	1985-2010 = 0	1980-84 = 1	1980-84 = 1
		1981-96 = 0	1981-95 = 0	1981-95 = 0				1985-2013 = 0	1985-2013 = 0
Guinea	1960-09 = 0	1997-2010 = 1	1996-2013 = 1	1996-2013 = 1	Uganda	1962-65 = 1	1962-79 = 0	1962-65 = 1	NA
		1960-2010 = 0	1960-2009 = 0	1960-2009 = 0			1966-2013 = 0	1980-84 = 1	1966-79 = 0
Guinea-Bissau	1974-2004 = 0	1974-93 = 0	1974-2011 = 0	NA	Zambia	1964-90 = 0	1964-2007 = 0	1964-67 = 1	1964-67 = 1
	2005-11 = 1	1994-97 = 1				1991-95 = 1	2008-10 = 1	1968-90 = 0	1968-90 = 0
		1998-2010 = 0				1996-2007 = 0		1991-2013 = 1	1991-2013 = 1
Kenya	1963-2001 = 0	1963-2001 = 0	1963-65 = 1	1963-65 = 1	Zimbabwe	2008-13 = 1	1970-2012 = 0	1970-86 = 1	1970-86 = 1
	2002-09 = 1	2002-10 = 1	1966-2001 = 0	1966-01 = 0				1965-2010 = 0	1987-08 = 0
			2002-13 = 1	2002-13 = 1				2009-13 = 1	2009-12 = 1

Sources: African Elections Database (2019); Boix et al. (2012); Kuenzi and Lambright (2005); Marshall and Jagers (2019); Nohlen et al. (1999).

Table 8A.4 FGLS panel regressions on democracy measure from Polity IV with various control variables and panel-corrected standard errors

	Equation					
	OLS	TSLs	OLS	TSLs	OLS	TSLs
<i>Independent variables</i>						
C	0.95	0.90	11.45	10.02	9.94	6.67
Relative income			0.02 (0.33)	-0.24 (-3.04)***	-0.02 (-0.29)	-0.29 (-3.53)***
Investment share in GDP			0.14 (7.36)***	0.11 (4.04)***	0.12 (6.54)***	0.09 (3.22)***
Population growth rate			0.10 (-0.58)	-0.06 (-0.36)	-0.12 (-0.72)	-0.08 (-0.45)
Life expectancy			-0.04 (-1.41)	-0.04 (-1.60)	-0.03 (-1.12)	-0.03 (-0.97)
Government consumption share in GDP			-0.18 (-0.25)***	-0.16 (-4.90)***	-0.16 (-6.74)***	-0.14 (-0.97)
Export share in GDP			0.05 (3.47)***	0.04 (2.14)**	0.05 (3.27)***	0.04 (1.98)**
Log of inflation rate			-2.61 (-8.28)***	-1.77 (-2.84)***	-2.52 (-7.96)***	-1.43 (-2.18)**
Non-energy price index					0.02 (2.49)***	0.02 (2.63)***
Civil wars					-0.40 (-2.09)**	-0.44 (-1.93)**
Democracy	0.73 (1.99)**	0.98 (2.34)**	0.86 (2.19)**	0.46 (0.97)	0.84 (2.14)**	0.38 (0.79)
AR (1)	0.18 (7.84)***	0.18 (7.84)***	0.08 (3.50)***	0.09 (3.76)***	0.08 (3.48)***	0.10 (3.79)***
# Cross-sections	44	44	43	43	43	43
N	1909	1909	1675	1675	1673	1673
Equation F	5.84***	5.88***	8.23***	5.38***	8.14***	5.47***
J statistic		1.47E-31		3.86E-29		1.44E-28

Notes: Numbers in parentheses are *t* values. *** statistically significant at the 0.01 level; ** statistically significant at the 0.05 level; * statistically significant at the 0.10 level.

Table 8A.5 FGLS panel regressions on an alternative measure of majoritarian democracy with various control variables and panel-corrected standard errors

	Equation					
	OLS	TOLS	OLS	TOLS	OLS	TOLS
<i>Independent variables</i>						
C	0.82	0.74	14.55	5.15	11.86	-2.97
Relative income			-0.06 (-0.86)	-0.28 (-3.57)***	-0.10 (-1.49)	-0.32 (-4.02)***
Investment share in GDP			0.14 (6.42)***	0.11 (3.57)***	0.12 (5.44)***	0.08 (2.46)***
Population growth rate			-0.12 (-0.49)	0.07 (0.23)	-0.08 (-0.33)	-0.02 (-0.07)
Life expectancy			-0.04 (-1.42)	-0.07 (-2.00)**	-0.02 (-0.89)	-0.02 (-0.74)
Government consumption share in GDP			-0.16 (5.77)***	-0.15 (-4.05)***	-0.14 (-5.23)***	-0.13 (-3.38)***
Export share in GDP			0.07 (3.86)***	0.06 (2.40)**	0.06 (3.56)***	0.06 (2.06)**
Log of inflation rate			-3.57 (-6.74)***	-0.46 (-0.31)	-3.40 (-6.32)***	0.73 (0.43)
Non-energy price index					0.02 (2.79)***	0.03 (2.98)***
Civil wars					-0.19 (-0.65)	-0.42 (-1.16)
Alternative measure of majoritarian democracy	1.64 (3.05)***	2.01 (2.94)***	0.86 (1.72)*	1.04 (1.57)	0.93 (1.85)*	1.04 (1.54)
AR (1)	0.16 (5.66)***	0.16 (5.67)***	0.09 (3.18)***	0.10 (3.50)***	0.09 (3.15)***	0.10 (3.53)
# Cross-sections	30	30	30	30	30	30
N	1320	1320	1224	1224	1224	1224
Equation F	6.74***	6.72***	8.54***	5.93***	8.35***	6.10***
J statistic		1.10E-30		1.83E-28		4.90E-29

Notes: Numbers in parentheses are *t* values. *** statistically significant at the 0.01 level; ** statistically significant at the 0.05 level; * statistically significant at the 0.10 level.

Table 8A.6 FGLS panel regressions on Boix et al.'s (2012) measure of democracy with various control variables and panel-corrected standard errors

	Equation					
	OLS	TOLS	OLS	TOLS	OLS	TOLS
<i>Independent variables</i>						
C	0.89	0.96	11.29	10.30	8.86	6.18
Relative income			0.06 (0.82)	-0.28 (-3.29)***	-0.005 (0.08)	-0.32 (-3.69)***
Investment share in GDP			0.12 (6.79)***	0.12 (4.21)***	0.12 (6.34)***	0.09 (3.23)***
Population growth rate			-0.10 (-0.59)	-0.05 (-0.28)	-0.18 (-1.09)	-0.12 (-0.67)
Life expectancy			-0.04 (-1.29)	-0.05 (-1.78)*	-0.02 (-0.61)	-0.02 (-0.67)
Government consumption share in GDP			-0.18 (-7.31)***	-0.16 (-4.89)***	-0.17 (-6.91)***	-0.14 (-4.37)***
Export share in GDP			0.04 (2.98)***	0.04 (1.87)*	0.04 (2.83)***	0.04 (1.82)*
Log of inflation rate			-0.256 (-8.06)***	-1.76 (-2.83)***	-2.47 (-7.78)***	-1.44 (-2.23)**
Non-energy price index					0.02 (3.27)***	0.02 (2.89)***
Civil wars					-0.47 (-2.46)***	-0.54 (-2.30)**
Alternative definition of democracy	1.04 (2.83)***	0.64 (1.49)	1.11 (2.92)***	0.12 (0.26)	1.09 (2.88)***	0.13 (0.29)
AR (1)	0.16 (6.98)***	0.16 (6.99)***	0.07 (2.94)***	0.08 (3.19)***	0.07 (3.06)***	0.08 (3.39)***
# Cross-sections	46	46	44	44	43	43
N	1852	1852	1809	1809	1599	1599
Equation F	5.48***	5.32***	7.54***	4.91***	7.93***	5.16***
J statistic		3.40E-31		1.04E-28		3.89E-29

Notes: Numbers in parentheses are *t* values. *** statistically significant at the 0.01 level; ** statistically significant at the 0.05 level; * statistically significant at the 0.10 level.

Table 8A.7 FGLS panel regressions on majoritarian democracy and state capacity various control variables and panel corrected standard errors

	Equation					
	OLS	TOLS	OLS	TOLS	OLS	TOLS
<i>Independent variables</i>						
C	1.33	1.74	4.48	6.08	6.98	7.63
Relative income			-0.15 (-0.73)	-1.00 (-4.22)***	-0.30 (-1.50)	-1.06 (4.55)***
Investment share in GDP			0.08 (3.36)***	-0.01 (-0.27)	0.07 (2.78)***	-0.02 (-0.50)
Population growth rate			-0.42 (2.10)**	-0.40 (-1.77)*	-0.34 (-1.65)*	-0.45 (-1.84)*
Life expectancy			0.11 (2.38)**	0.18 (3.28)***	0.04 (0.77)	0.14 (2.41)***
Government consumption share in GDP			-0.19 (-4.40)***	-0.11 (-1.61)*	-0.18 (-4.15)***	-0.10 (-1.49)
Export share in GDP			0.05 (2.59)***	0.05 (1.81)*	0.04 (2.01)**	0.04 (1.52)
Log of inflation rate			-2.01 (-7.21)***	-2.50 (-4.11)***	-2.07 (-7.26)***	-2.56 (-4.12)***
Non-energy price index					0.02 (2.66)***	0.01 (0.88)
Civil wars					-0.31 (-1.65)*	-0.38 (-1.59)
State capacity	-0.36 (-1.52)	-0.62 (-2.20)**	-0.24 (-0.98)	-0.27 (-0.96)	-0.03 (-0.14)	-0.12 (-0.41)
Majoritarian democracy	-0.36 (-0.39)	-1.27 (-0.70)	-1.29 (-1.50)	-0.56 (-0.41)	-0.48 (-0.58)	0.48 (0.37)
State capacity*majoritarian democracy	0.92 (1.66)*	1.53 (1.44)	0.93 (1.78)*	0.10 (0.63)	0.48 (0.97)	-0.03 (-0.04)
AR (1)	0.27 (8.14)***	0.27 (8.11)***	0.10 (2.88)***	0.10 (2.77)***	0.10 (2.86)***	0.10 (2.70)***
# Cross-sections	32	32	31	31	31	31
N	842	842	784	784	783	783
Equation F	7.02***	6.82***	9.69***	8.03***	9.33***	7.54***
J statistic		2.68E-30		1.00E-28		6.05E-29

Notes: Numbers in parentheses are *t* values. *** statistically significant at the 0.01 level; ** statistically significant at the 0.05 level; * statistically significant at the 0.10 level.

Table 8A.8 FGLS panel regressions with majoritarian democracy, the Barro-Lee (2010) measure of educational attainment, other control variables and panel-corrected standard errors

	Equation					
	OLS	TOLS	OLS	TOLS	OLS	TOLS
<i>Independent variables</i>						
C	0.89	0.94	11.56	12.79	8.34	8.24
Relative income			-0.06 (-0.74)	-0.37 (-4.64)***	-0.09 (-1.30)	-0.39 (-4.83)***
Investment share in GDP			0.13 (5.94)***	0.12 (3.63)***	0.12 (5.16)***	0.10 (2.92)***
Population growth rate			0.25 (1.07)	0.22 (0.85)	0.19 (0.08)	0.16 (0.62)
Life expectancy			-0.06 (-1.57)	-0.08 (-2.17)**	-0.04 (-0.99)	-0.05 (-1.32)
Educational attainment			-0.09 (-0.72)	-0.27 (-2.00)**	0.01 (0.07)	-0.18 (-1.26)
Government consumption share in GDP			-0.09 (-0.72)	-0.18 (-4.89)***	-0.18 (-6.17)***	-0.18 (-4.76)***
Export share in GDP			0.04 (1.97)**	0.04 (1.62)*	0.03 (1.87)*	0.04 (1.66)*
Log of inflation rate			0.04 (1.97)**	-1.81 (-2.63)***	-2.23 (-6.48)***	-1.49 (-2.09)**
Non-energy price index					0.02 (3.12)***	0.02 (2.27)**
Civil wars					-0.46 (-2.17)**	-0.40 (-1.54)
Majoritarian democracy	1.21 (2.79)***	0.96 (1.73)*	0.94 (2.01)**	0.70 (1.22)	1.08 (2.32)**	0.83 (1.46)
AR (1)	0.18 (7.70)***	0.18 (7.78)***	0.67 (2.37)**	0.06 (2.63)***	0.06 (2.31)**	0.07 (2.58)***
# Cross-sections	44	44	31	31	31	31
N	1907	1907	1272	1272	1271	1271
Equation F	5.88***	6.76***	7.36***	5.46***	7.32	5.34***
J statistic		3.67E-31		5.59E-29		6.09E-29

Notes: Numbers in parentheses are *t* values. *** statistically significant at the 0.01 level; ** statistically significant at the 0.05 level; * statistically significant at the 0.10 level.

9. Democracy and development in Africa¹

Augustin Kwasi Fosu

1 INTRODUCTION

‘Democracy and development’ has spawned a huge amount of literature over the years. ‘Democracy and development in Africa,’ however, has been gaining increasing importance since the generally disastrous economic outcomes in Africa during the ‘lost decade’ of the 1980s and early 1990s. Indeed, governance has long been suspected as a major impediment to African economic development. This suspicion came to the fore in the late 1970s, however, when African economies began to suffer major setbacks post-independence.²

In a 1981 study, commissioned by the Bretton Woods Institutions (BWIs), the ‘Berg Report’ (Berg, 1981), weak governance was highlighted as a major culprit responsible for Africa’s poor state of economic health. The proposed solutions were to improve ‘economic governance.’

A number of African countries also undertook political reforms, partially in support of economic governance, but also in response to donors’ demands for such reforms in exchange for external aid. These reforms – ‘political governance’ – were principally democratic in nature. The importance of political governance was also highlighted in a study by the African Economic Research Consortium (AERC), ‘Explaining African Economic Growth’ (the Growth Project; see Ndulu et al., 2008a, 2008b).³ This project put governance at the core of the growth record of sub-Saharan Africa (SSA),⁴ concluding that poor governance had led to growth-inhibiting ‘policy syndromes,’ while improved governance resulted in greater prevalence of growth-enhancing ‘syndrome-free’ regimes (Ndulu et al., 2008a, 2008b). And, in a more recent study of country cases globally (Fosu, 2013d), ‘governance’ was flagged as the most prominent element in the strategies for achieving economic successes in the developing world. Particularly for African countries, the study finds democratic governance as having been crucial in this regard: for example, Botswana, Ghana, Mauritius and South Africa (see Fosu, 2013d).

‘Democracy’ is, of course, only one form of political governance. Nevertheless, the political reforms undertaken by African governments have entailed, by and large, democratic governance. These reforms were likely boosted by the end of the Cold War beginning about 1990.

The chapter attempts to address the following questions. First, what is the theoretical relationship between democracy on the one hand, and growth and development, on the other, especially in the African context? Second, what has been the nature of the empirical relationship? Finally, what are the challenges currently and for the future?

The chapter proceeds as follows. In Section 2, I provide a brief theoretical discussion of the relationship between democracy and development, with special reference to Africa. Section 3 presents the evolution of measures of democracy in Africa, while Section 4 sheds light on the developmental progress on the continent based on several indicators. In Section 5, I present evidence bearing on the linkage between the democratic measures and the development outcomes. Section 6 concludes the chapter by highlighting challenges going forward.

2 THEORETICAL ISSUES IN BRIEF

Why might democracy and development be linked after all? This question is amply answered in the preceding chapters. In brief, there is the view that democratic institutions are the crucible for sustaining *long-term* growth and development. There is also the school of thought, usually expressed as an alternative view, that a country requires a minimum level of development before democracy can take hold – the Lipset hypothesis. This general question of whether democracy ‘causes’ development or conversely is an important one. If the direction is from democracy to economic outcomes, then it would be advisable to ensure that the democratic process is deepened. On the other hand, if it is the reverse, then one could argue that democratization should await a sufficiently high level of economic development.

In general, there is much theoretical ambiguity in the literature about whether democracy influences growth and, if so, in what direction. Indeed, a comprehensive review of the literature resulted in the following statement: ‘Clearly, the impact of political regimes on growth is wide open for reflection and research’ (Przeworski and Limongi, 1993, p. 66).

The nature of causality could differ for SSA relative to the rest of the world, however, and indeed even among African countries. The evidence shows that many African countries also undertook economic reforms, with considerable variation across countries with respect to timing. It is quite likely, nevertheless, that a democratic framework is required for supporting any meaningful sustainable growth initiated by economic reforms. In that case, democracy could actually cause growth, which may in turn be transformed into development.

In one of the early studies of ‘democracy and development in Africa,’ Ake (2001) argued that African leaders were not actually committed to meaningful development. To do otherwise would require a political process accountable to the people. Clearly, in Ake’s view, the extant processes were not accountable. A corollary of this argument would be that a meaningful democratic process, one ensuring that the development expectations of the people would be met, was missing. In the absence of benevolent dictatorships, a democratic framework would then be necessary for providing the accountability required for Africa’s long-term growth and development.

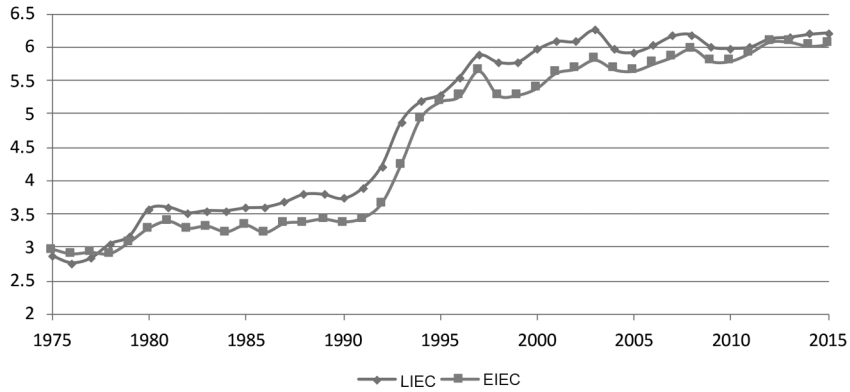
3 EVOLUTION OF DEMOCRACY IN POST-INDEPENDENCE AFRICA

This section sheds light on the evolution of democracy in post-independence Africa, based on several measures: (1) executive and legislative indexes of electoral competitiveness; (2) political and civil rights; (3) constraint on the executive branch of government; and (4) the Polity2 score, which reflects the degree of democracy versus autocracy. In addition, I discuss political instability, which appears to have been the bane of African development, with the view that democratic governance may play an important mitigating role.

Indexes of Electoral Competitiveness

There are two indexes of electoral competition: the Legislative Index of Electoral Competitiveness (LIEC) and Executive Index of Electoral Competitiveness (EIEC) (World Bank, 2017c). Figure 9.1a presents the evolution of these two indexes for SSA, over the

1975–2015 period for which there is data. Interestingly, these two indexes move quite closely together, though EIEC generally lies slightly below LIEC. They have both risen steadily since 1975, with an apparent acceleration from about 1990.



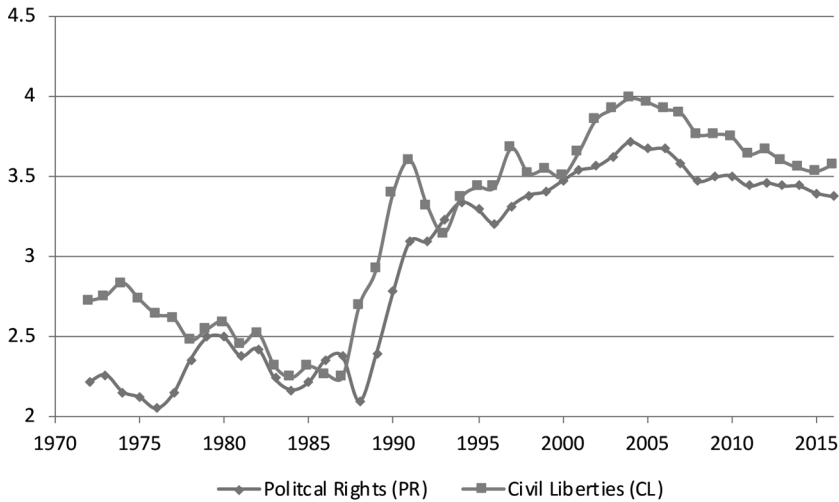
Notes: The scale for LIEC is: no legislature: 1; unelected legislature: 2; elected, one candidate: 3; one party, multiple candidates: 4; multiple parties are legal but only one party won seats: 5; multiple parties did win seats but the largest party received more than 75 percent of the seats: 6; largest party got less than 75 percent: 7. The scale for the EIEC is similar. Hence, the scale for either index is 1–7.
Source: World Bank (2017c).

Figure 9.1a *Legislative Index of Electoral Competitiveness (LIEC) and Executive Index of Electoral Competitiveness (EIEC), SSA (1975–2015)*



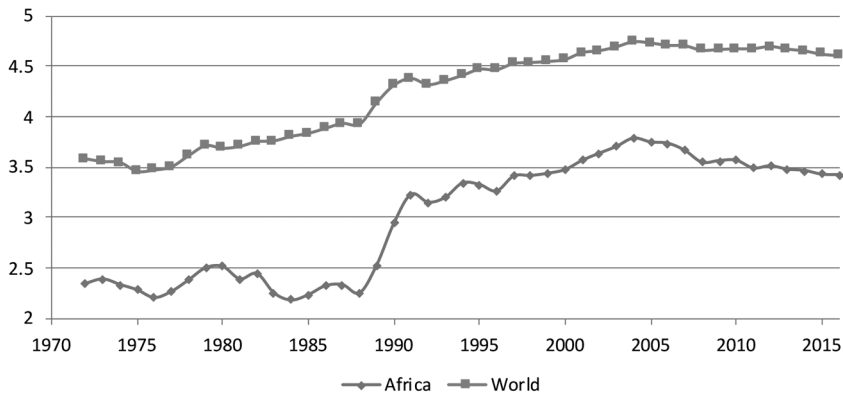
Notes: IEC is the first principal component of the LIEC and EIEC, with respective weights of 0.51 and 0.49 and explaining over 90 percent of the variance (see Fosu, 2008). Thus, the scale for IEC is 1–7.
Source: Data for LIEC and EIEC are from World Bank (2017c).

Figure 9.1b *Index of Electoral Competitiveness (IEC), SSA vs world (1975–2015)*



Notes: Original data are from Freedom House (2018), with the range of 1 to 7. In the original Freedom House source, a higher value of an index indicates less democracy; however, for ease of interpretation, I have reversed these numbers (that is, using the transformation $[8 - x]$, where x is the original index), so that a higher value of the index signifies a greater level of democracy.

Figure 9.2a Political rights (PR) and civil liberties (CL), SSA (1973–2016)



Notes: Following Fosu (2011), the combined political rights (PR) and civil liberties (CL) is the first principal component of the two variables, with the respective PR and CL weights of 0.725 and 0.275. The range is (1–7); note that higher values indicate greater levels of democracy; for further details, see the notes accompanying Figure 9.2a.

Figure 9.2b Combined political rights (PR) and civil liberties (CL), SSA vs world (1973–2016)

In Figure 9.1b, I present the first principal component of LIEC and EIEC, for SSA and, comparatively, for the Rest of the World (ROW). This Index of Electoral Competitiveness (IEC), as an indicator of democracy, has risen markedly since 1975, from 2.9 in 1980 to 6.1 by 2015 (range: 1–7),⁵ indicating that, on average, multiple parties were involved in the elections and that losing parties had appreciable votes. Indeed, the IEC gap with the ROW has virtually closed, from as much as 2.2 in 1990 to only 0.1 by 2015, suggesting that SSA, on average, has been becoming increasingly democratic and has virtually caught up with the rest of the world. In addition, the index accelerated as of about 1990, similarly to the separate indexes, LIEC and EIEC.

Political Rights and Civil Liberties

Additional measures of democracy are political rights (PR) and civil liberties (CL). These measures range from 1 to 7. In the original Freedom House source, a higher value of an index indicates less democracy; however, for ease of interpretation, I have reversed these numbers (that is, using the transformation $[8 - x]$, where x is the original index), so that a higher value of the index signifies a greater level of democracy. These measures are graphically depicted in Figure 9.2a over 1973–2016 for which there is data.

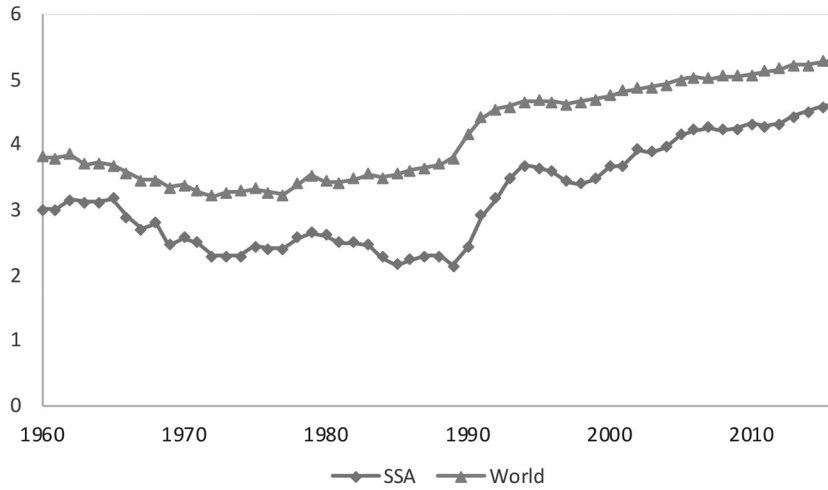
As Figure 9.2a shows, PR and CL co-move quite closely across time, though PR is slightly lower than CL; indeed, the gap was much larger in the early to mid-1970s. CL fell appreciably from its highest value of 2.8 in 1975 to a nadir of 2.2 in 1987, before rising steadily and reaching a maximum of 4.0 by 2004, then declined to 3.6 by 2016. However, PR exhibited less perceptible trends in the 1970s, falling between 1973 and 1977, rising until about 1980, and then declining together with CL until the mid-1980s, after which it followed very similar trends as CL. In sum, both indexes rose steadily, as of the late 1980s, consistent with the above observation for LIEC and EIEC.

Executive Constraint

The degree of constraint on the executive branch of government (XCONST)⁶ (Polity IV Project, 2016), which reflects the checks and balances on the executive, a critical element of democracy, has increased steadily in recent years (Figure 9.3). XCONST began to accelerate in SSA around 1990; the gap with the ROW, which increased substantially in the 1980s, with the widest gap occurring in 1989, has narrowed appreciably by 2000. Thus, overall, Africa has made considerable progress on XCONST since about 1990, though the gap today with the ROW is about the same as it was in the 1960s.

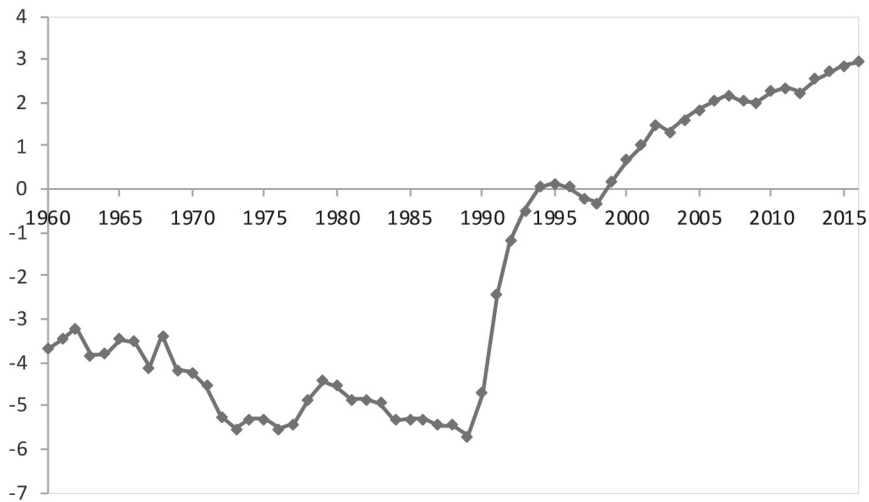
Polity2

Another indicator of the degree of democracy is the Polity2 score, which ranges from –10, representing complete autocracy, to +10, indicating complete democracy (Polity IV Project, 2016). As shown in Figure 9.4, the polity score fell below –5 in the 1970s and the latter part of the 1980s, but has risen markedly since 1990, reaching well above zero in the 2000s. As was the case with the other democratic measures presented above, the rise in this index also slightly precedes Africa's resurgence in economic growth and development.



Notes: XCONST is a measure of the constraint on the executive branch of government. It ranges from 1 to 7, with a higher value indicating greater restraint on the executive.
 Source: Data from Polity IV Project (2016).

Figure 9.3 Executive constraint (XCONST), Africa vs world (1960–2016)



Notes: Polity2 score ranges from -10 (strongly autocratic) to +10 (strongly democratic).
 Source: Polity IV Project (2016).

Figure 9.4 Polity2 score, average SSA (1960–2016)

Political Instability

Political instability (PI) – including military coups and civil wars – constitutes a reasonable indicator of institutional quality, with important implications for economic and development outcomes in Africa. But what is the role of democracy in this regard? Feng (1997, p. 392), finds that ‘[d]emocracy provides a *stable* political environment which reduces unconstitutional government change; yet along with regime *stability*, democracy offers flexibility and the opportunity for major government change within the political system’ (added emphasis). Thus, one would expect the democratic reforms in African countries to attenuate political instability. However, the process is hardly linear, as there is the tendency for new democracies to be associated with political disorder, for the transition from autocracy often entails the attenuation of previously rigidly enforced rules against political dissent (see, e.g., Bates, 2006). Furthermore, Collier and Rohner (2008) argue that while democratic accountability lowers incentives for rebellion, democracy also constrains the technical possibilities of government repression, thus rendering rebellion easier. Hence, the effect of democracy on political violence is likely to be ambiguous. The authors observe that the level of income serves an intermediating role, with lower incomes more likely to result in a positive effect of democracy on political violence (ibid.). It is quite possible, though, that the level of democracy associated with low-income countries is also at the low level, which is prone to political disorder, to begin with (Bates, 2006). Thus, while ‘intermediate-level’ democracy tends to be growth inhibiting, ‘advanced-level’ democracy, accompanied by greater political stability, would be growth enhancing (Fosu, 2008, 2011).⁷

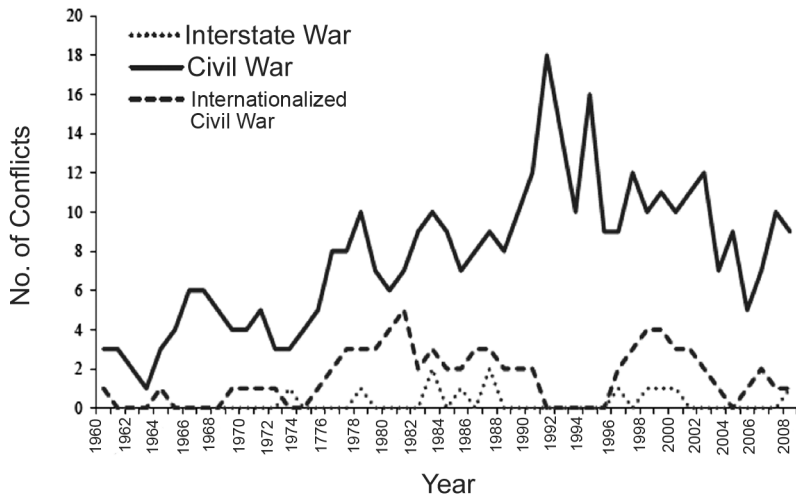
As Figures 9.5 and 9.6 indicate, the prevalence of PI in its various forms seems to be declining in Africa, with a downward trend in the frequency of civil wars since about 1991, which fell from as high as 18 in 1991 to eight in 2008, for instance (Figure 9.5). Similarly, the incidence of military coups shows a downward trend, also since about 1991 (Figure 9.6). One possible explanation is that the democratic dispensation taking hold in many African countries appears to have provided the framework for grievances to be addressed via the ballot box. This observation is particularly germane in the case of the incidence of *coups d’état*, where rent-seeking opportunities via elite power seizure (Mbaku and Paul, 1989) has now given way to the alternative involving an electoral transfer of government (McGowan, 2003).

4 TRENDS IN GROWTH AND DEVELOPMENT IN AFRICA

Section 3 above has provided evidence in support of the view that democratization has improved recently in SSA generally. The present section traces the trends in Africa’s economic growth and various measures of development during post-independence.

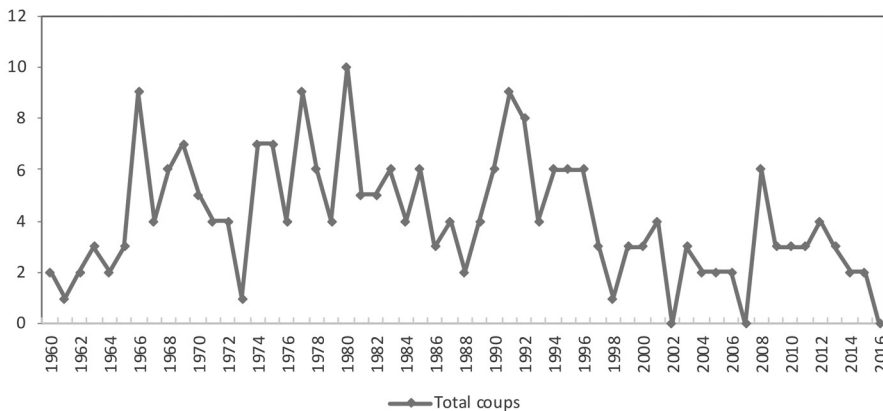
Growth

Although it does not guarantee it, economic growth is crucial for development. It has been the main engine for poverty reduction globally (Dollar and Kraay, 2002; Fosu, 2017a) and for Africa (Fosu, 2015a, 2018c). Moreover, growth provides a major explanation for improvements in human development in African countries (Fosu, 2002b, 2004). Hence, while ensuring



Source: Strauss (2012).

Figure 9.5 Frequency of armed conflicts in SSA (1960–2008)

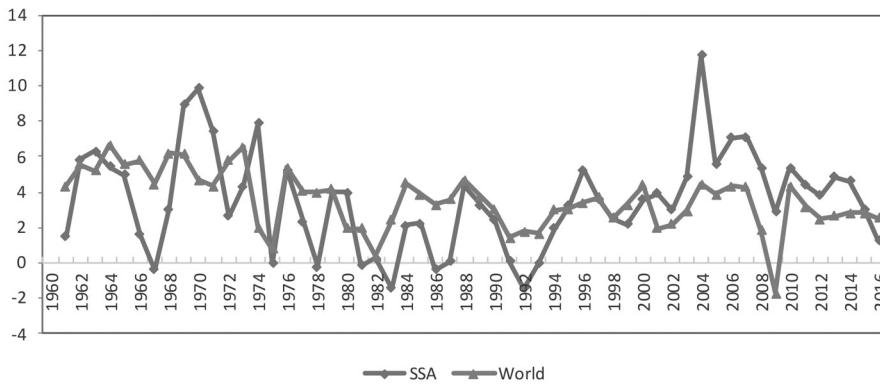


Notes: ‘Total coups’ equals the sum of the frequencies of ‘successful’ and ‘failed’ *coups d'état* that occurred in the year of record. This is computed using data from Center for Systemic Peace (CSP), (2016).

Figure 9.6 Incidence of elite PI in Africa – coups d'état, SSA (1960–2016)

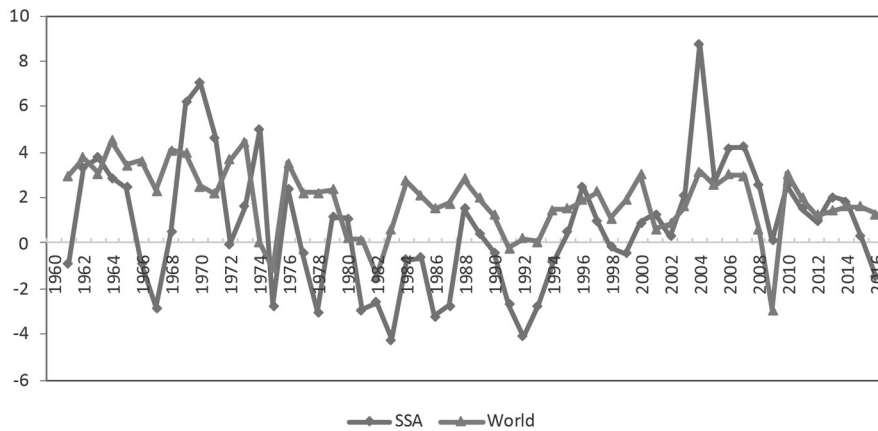
that it is shared and is inclusive, there is a need to re-emphasize economic growth generally in the African region, consistent with the general extant literature.

There has been economic growth resurgence in SSA since the mid- to late 1990s, following the dismal performance in the 1980s and early 1990s (Figure 9.7).⁸ Furthermore, Africa’s



Source: World Bank (2017a).

Figure 9.7 GDP annual growth (%), Africa vs world (1961–2016)



Source: World Bank (2017a).

Figure 9.8 Per capita GDP annual growth (%), Africa vs world (1961–2016)

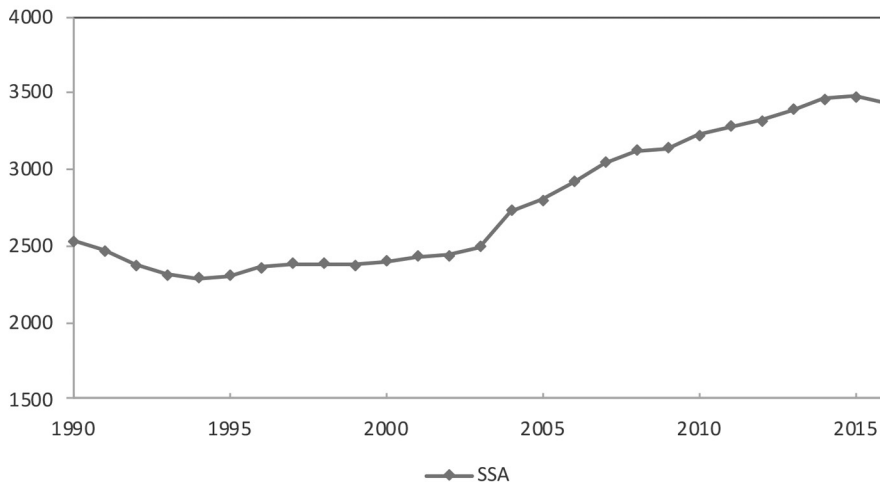
gross domestic product (GDP) growth exceeded the ROW's over the last decade and a half, which must happen if the region is to catch up with the ROW.

On a per capita basis, however, the growth resurgence is not as impressive (Figure 9.8), suggesting the need to limit population growth and dependency. Africa could, of course, rely on a 'natural' demographic transition as incomes grow; however, that process may take much too long. Moreover, unless productivity continues to rise sustainably in the region, this transition may be quite distant, with any economic catch-up likely to be delayed considerably.

As in ROW, Africa's growth declined considerably during the recent economic crisis of 2008–09, with SSA's GDP growth falling by more than 60 percent between 2007 and 2009

(Fosu, 2013a). However, the region seems to have recovered quite well. Africa exhibited much resiliency during this crisis; that is, relatively to the ROW, and also better than in any other economic crises post-independence. Such resilience is attributed in large part to improvements in institutions (Fosu, 2013a, 2013b, 2015b). For example, as is further explained below, there is the tendency for XCONST to mitigate the likelihood of a growth collapse.

Nonetheless, a most recent growth performance in 2016 is rather worrisome. For the first time since 2000, SSA's GDP growth rate has fallen below that of the ROW, following its downward trend since 2014 (see Fosu, 2018b, Figure 9.3), with the continent's per capita growth actually becoming negative in 2016. It is not entirely clear what might be responsible for the decline. However, this observation appears to give credence to Rodrik's (2018) cautionary note that Africa's 'growth miracle' is a mirage, in that it is not sustainable due to the likely abatement of high commodity prices and rise in global interest rates. Hopefully, the 2016 performance is episodic, as Africa's growth actually doubled to 2.8 percent in 2017 from its rate in 2016 (IMF, 2018). There is evidence that institutional improvements, consistent with the new institutional economics school of thought, have contributed significantly to the recent African growth resurgence (Bates et al., 2013). 'If so, then pessimism about growth sustainability may also be premature, unless, of course, institutions deteriorate in tandem with worsening economic growth. Hence, it is imperative that gains in institutional quality be fortified' (Fosu, 2018b, p. 4).

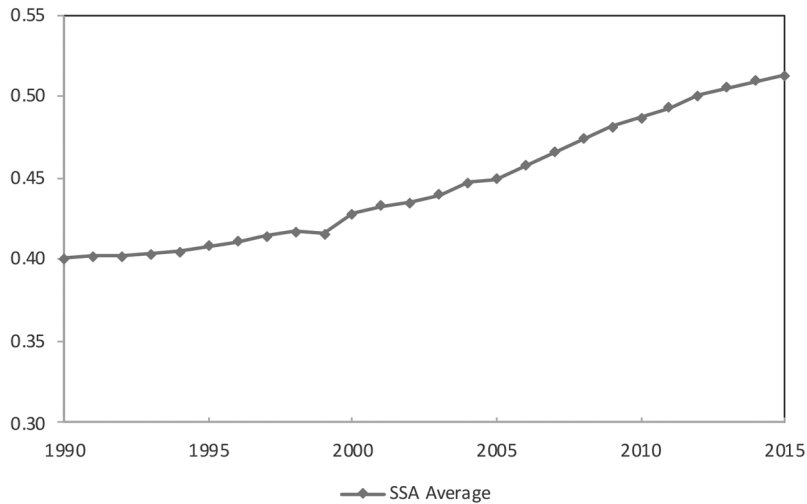


Source: World Bank (2017a).

Figure 9.9 Africa's per capita GDP, PPP (constant 2011 international \$) (1990–2016)

Development Outcomes

Consistent with the above growth record, per capita GDP stagnated during the 1980s and early 1990s, but has risen considerably since then (Figure 9.9). Indeed, the mean GDP per capita



Notes: The average is computed using the mean (non-weighted) HDI data for 47 SSA countries (author's computation).

Source: United Nations Development Programme (2017).

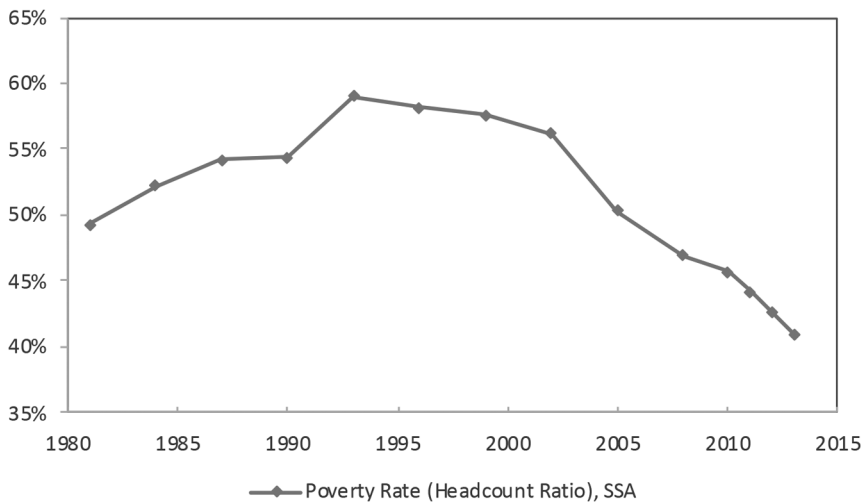
Figure 9.10 Africa's Human Development Index (1990–2015)

has increased by almost 50 percent during the last decade and a half, rising from \$2306 (2011 PPP-adjusted international dollars) in 1995 to \$3440 in 2016.

In addition, human development, measured by UNDP's Human Development Index (HDI), appears to have accelerated over the last decade or so, as compared to the previous decade (Figure 9.10). It has risen steadily from 0.416 at the dawn of the millennium in 1999, to 0.513 by 2015, ranking the continent technically as having achieved 'medium-human development.'

Furthermore, poverty has been falling in SSA since the mid-1990s (Figure 9.11), following its substantial rise in the 1980s. 'Extreme' poverty, based on the \$1.90 (2011 PPP-adjusted international dollars) per day poverty line fell by some 17 percentage points, 1.2 percentage point on average annually, between 1999 and 2013.⁹ Thus, the African growth resurgence has been generally inclusive. Decomposing poverty reduction into growth and inequality changes, Fosu (2015a) finds, as in the global case (Dollar and Kraay, 2002; Fosu, 2017a), that income growth has been the primary driver of the progress on poverty. However, the responsiveness of poverty to growth or changes in inequality tends to be small in SSA compared to that of the ROW (Fosu, 2009, 2010c). Thus, greater efforts are required for translating growth and improvements in income distribution into progress on poverty in SSA relative to the ROW. While the relatively high level of inequality tends to retard the progress on poverty in Africa (Fosu, 2010a, 2010b), the low level of income may pose just as much an impediment (Fosu, 2015a, 2017a, 2017b).

Moreover, Ravallion (2012) finds that initial poverty constitutes a major obstacle to progress on poverty, perhaps mainly because associated conditions are likely to be persistent. Success in reducing poverty should, therefore, help facilitate further improvements, which might in turn require certain social-protection programs that insure against the downside risk



Source: World Bank (2017b).

Figure 9.11 Africa's poverty picture (2011 PPP \$1.90 per day) (1981–2013)

of undertaking economic activities while raising income of the poor (see, e.g., Thorbecke, 2013).¹⁰

Much of the above evidence on poverty is based on the incidence ratio. However, more recent evidence shows that these findings hold for the poverty gap (spread of poverty) and the squared poverty gap (severity of poverty) as well (Fosu, 2018c). These other measures have also trended significantly downward since the 1990s; indeed, their rates of decrease appear to have been even faster despite the higher and increasing gaps with the rest of the developing world (*ibid.*). Furthermore, as to be expected, inequality tends to matter more for these other poverty measures: 'The importance of inequality for countries' ability to reduce poverty tends to increase with the order of the measure, that is, higher for the poverty gap than for the headcount ratio, and for the squared poverty gap relative to the poverty gap' (*ibid.*, pp. 103–4).

The foregoing sections clearly indicate that African economies, on average, have enjoyed growth resurgence since about the mid-1990s. This period coincides roughly with the advent of liberalized economic policies, following the government-monopolized resource allocation during the early post-independence era (Fosu and Ogunleye, 2018). But not only has growth increased, so have development outcomes. The next section explores possible links between these development outcomes and democratization.

5 LINKING DEMOCRACY AND DEVELOPMENT: THE AFRICAN EVIDENCE

It is apparent from the foregoing sections that the evolution of democracy in Africa has coincided roughly with the continent's growth and development. When the measures of democracy deteriorated on the aggregate in the 1980s, so did growth and the various economic

and development outcomes. And, when the measures improved as of the late 1980s or early 1990s, so also did these outcomes. A closer examination reveals further that improvements, especially in growth and per capita GDP where the data is much more complete, occurred with a slight lag. For instance, most of the improvements in the democracy indicators often began roughly about the late 1980s or very early 1990s, consistent with the post-Cold War period. Meanwhile, growth resurgence, for instance, began in the mid-1990s. Such evidence, however, is only qualitative and much too gross. I examine in this section the extant literature that might provide some linkage between the four measures of democracy outlined above and economic outcomes.

Electoral Competitiveness

The impact of electoral competitiveness on growth in Africa has been estimated as U-shaped; that is, democratization at low levels – ‘intermediate’-level democracy – is growth inhibiting, while growth-enhancing at high levels – ‘advanced-level’ democracy (Fosu, 2008, 2011).¹¹ This empirical outcome holds for both the EIEC and LIEC. Interestingly, Figures 9.1a and 9.1b show that the indexes accelerated beginning in approximately 1990, reaching a value of 4.6 by 1993;¹² this value just exceeds the threshold of 4.4 for attaining the growth-enhancing ‘advanced-level’ democracy in Africa, as estimated in Fosu (2008). Furthermore, the period tallies quite well with that for Africa’s resurgence in growth and development, which began slightly thereafter.

Based on sufficiently high levels of EIEC (6 or 7), Bates et al. (2013) also present evidence in support of the hypothesis that high levels of executive electoral competitiveness have improved economic growth outcomes at both the macro and micro levels in Africa. At the macro level, the authors find that political reform ‘Granger-causes’ per capita GDP growth; that is, there is the tendency for greater levels of democracy to lead to higher growth, rather than the converse. They observe additionally that at the micro level, changes in national political institutions towards greater democracy have served to raise total factor productivity (TFP) in agriculture. Furthermore, ‘that Africa’s electorate is largely rural further suggests that the movement to majoritarian institutions has served to attenuate the “Batesian” urban-bias policies of the past where governments pursued policies favoring (urban) consumers at the expense of the (rural) producers of agricultural products (Bates, 1981)’ (Fosu, 2013c, p. 492).

Political Rights and Civil Liberties

As measures of democracy, political rights and civil liberties have been observed to also exhibit U-shaped relationships with economic growth, similarly to the case of electoral competitiveness (Fosu, 2011). Reversing the definition of the original data from Freedom House, so that higher levels of these measures indicate greater levels of political rights (PR) or civil liberties (CL) (1–7 range), Fosu (2011) finds threshold values of 2.97, 2.87,¹³ respectively, for PR and CL; and 2.98 for the first principal component of these variables, which is weighted more heavily toward PR (0.725 vs 0.275). Thus, ‘advanced-level’ democracies in the present case would be defined as, on average, those regimes exceeding the respective thresholds. As Figures 9.2a and 9.2b show, the above thresholds were actually met in 1990 or 1991 (1991 for PR and combined PR and CL [3.04 and 3.23, respectively], and 1991 for CL [3.40]).

Remarkably, these results are very similar to those based on the IEC indicators, where the threshold was generally met by 1993.

In effect, the above African evidence suggests that it is only when the level of democracy is sufficiently high that one could expect it to lead to greater growth, which could in turn be translated into a higher level of development. This result holds, whether the measure of democracy is EIEC, LIEC, PR, or CL.

Executive Constraint

What is the linkage of XCONST to economic outcomes? Alence (2004) observes that democratic institutions in Africa, particularly those exhibiting high levels of restraint on the executive branch of government, greatly improve ‘developmental governance’: that is, ‘economic policy coherence (free-market policies),’ ‘public-service effectiveness,’ and ‘limited corruption.’ The study finds additionally that while ‘restricted political contestation’ (with limited executive constraints) has little direct impact on developmental governance, executive restraints improve developmental governance even if there is little political contestation (Fosu, 2010d).

Moreover, according to Fosu (2013b), XCONST can accentuate the likelihood of a growth-enhancing ‘syndrome-free’ (SF) regime,¹⁴ independently or by mitigating the potentially pernicious effect of ethnicity. The latter finding presumably emanates from the ability of higher XCONST to attenuate the tendency of less constrained executive branch of government to skew the distribution of resources, including public goods, toward its consistency. Such distribution tends to result in growth-inhibiting misallocation (ibid.). Particularly in the African setting, such constituencies are often ethnically aligned.¹⁵

Concurrently, the prevalence of SF has been observed to be necessary for sustaining growth while constituting ‘virtually a sufficient condition for avoiding short-run growth collapses’ (Fosu and O’Connell, 2006, p. 31; see also Collier and O’Connell, 2008). In addition, growth collapses have historically reduced Africa’s annual per capita GDP growth by about 1.0 percentage point (Arbache and Page, 2007). This estimate is hardly marginal, given that growth averaged 0.5 percent for African economies during 1960–2000 and the growth gap with the ROW was roughly 1.0 percentage point (Fosu, 2010d). Avoiding growth collapses can, therefore, be quite consequential for sustaining growth in Africa.

Thus, the role of XCONST in Africa’s growth and development is critical. It may promote developmental governance; accentuate the prevalence of SF regimes, independently or via its ability to mitigate the potentially adverse effect of ethnicity; and constitute an important antidote for preventing growth collapses. The growth-enhancing role of XCONST, therefore, should not be underestimated.

Polity2

McMillan and Harttgen (2014) find that increases in the Polity2 score appear to have promoted structural change in Africa since 2000, by reducing the share of employment in the relatively low-productivity agricultural sector.¹⁶ This outcome can occur directly, or via interactions with price changes. Since, in turn, structural change is often viewed as promoting higher sustained growth, via reallocation toward higher valued sectors, it is expected that this indicator of democracy would be positively linked to long-term growth.

Political Instability/Stability

Civil wars in Africa have been growth-inhibiting (Collier, 1999; Gyimah-Brempong and Corley, 2005). Collier (1999), for instance, finds that the incidence of a civil war could on average reduce annual per capita GDP growth by as much as 2 percentage points in Africa. A similar estimate is obtained by Fosu and O'Connell (2006) for 'state breakdown' (civil war or severe political instability). In addition, the incidence of elite PI, involving military coups, tends to be deleterious to growth in SSA (Fosu, 1992, 2001, 2002a, 2003). PI could, moreover, attenuate the rate at which growth is translated into human development (Fosu, 2002b, 2004). Thus, the diminution in PI as of the early 1990s might have contributed to the observed improvements in African economic and development outcomes since about the mid-1990s.

But, to what extent might the improved democratization contribute to the promotion of political stability? As observed above, the role of democracy in this process is ambiguous; however, it is quite likely that once one properly controls for the tendency of relatively low levels of democracy to spawn political disorder, the stability-promoting role of democracy might become apparent. For example, the very high frequency of elite political instability in the form of military *coups d'état* in Africa could be traced to the lack of a democratic framework for constitutionally changing governments, to begin with (see, for instance, Mbaku and Paul, 1989). If so, then the increased democratization would serve to attenuate such political instability.

Issues of Causality

As argued above, the issue of causality is important in inferring the appropriate line of policy action. In particular, if the direction of causation is from democracy to economic outcomes, then deepening democratic reforms can be expected to yield improved development outcomes. As observed above, Bates et al. (2013) shed light on this causality issue by finding that at the macro level, democracy 'Granger-causes' per capita GDP growth for African countries. That is, there is the tendency for high levels of democracies to result in relatively large growth, mainly because in the African case, at least, these high-level democracies are likely to adopt growth-enhancing policies, in order to be accountable to the voters.¹⁷ Thus, the above studies showing positive associations between democracy and development outcomes could reasonably be interpreted to mean that the democratic reforms, beginning generally in the late 1980s and early 1990s in Africa, may have borne fruit in terms of improved growth and development outcomes.

Obviously, the efficacy of democratic reforms and improvements of economic outcomes are likely to be reinforcing. Indeed, Bates et al. (2013) find that this is the case for the global sample; that is, there is bi-directional causation between democracy and per capita GDP, despite the finding of a unidirectional relationship for African countries. The disparate empirical outcome for Africa might result from the stylized fact that there was a strong external impetus to reform from donors, coupled with the demise of the Soviet Union and the Cold War. These events may have pushed a number of African countries to engage in such reforms, which, in tandem with economic reforms, later began to generate favorable economic outcomes.

6 THE CHALLENGES GOING FORWARD

The above sections of this chapter have shown that Africa has emerged from the economic doldrums in which it found itself in the 1980s and early 1990s. Not only has per capita GDP improved considerably, but so have such development outcomes as the HDI and poverty reduction. Concurrently, various measures of democracy have improved generally on the continent since about the late 1980s, thanks to the democratic reforms that were instituted in many African countries. There is, furthermore, credible evidence that the higher growth and development could be attributed, at least in part, to Africa's improved democratic dispensation. Notably, the role of democracy in this regard appears to be U-shaped: the early stage ('intermediate level') is often growth inhibiting, presumably the result of political disorder, while the later stage ('advanced level') tends to enhance growth. Nonetheless, are the current trends long term or episodic?

Rodrik (2018) appears to attribute much of the African progress on economic growth to the favorable external environment, especially high commodity prices and low interest rates in the 2000s. Thus, according to Rodrik, reversals of these external variables may render episodic the recent economic and development improvements.

Within the new institutional economics framework, however, institutions are primary. If so, then pessimism about growth sustainability may also be premature, unless institutions are weak. Hence, continuing to fortify institutions in Africa is crucial (Fosu, 2018b).¹⁸ Unfortunately, institutional fortification within the African democratic setting is fraught with fiscal challenges. Interpreting Bates (2006), Fosu et al. (2006, p. 1) write:

First, while politically accountable governments can lead to improved economic outcomes, they are unlikely to adopt economically desirable policies that are unpopular with the populace. Unfortunately, such governments also tend to increase the risk of political disorder in Africa, which may in turn be growth-inhibiting. Thus, recent attempts by African countries to adopt more democratic governments may not lead to the expected improved growth and development outcomes unless successful attempts at minimising political disorder can be achieved.

As observed above, there is the view that ethnicity has been a major culprit for the dismal historical growth performance in African countries (e.g., Easterly and Levine, 1997). Moreover, based on Kimenyi (2006) for instance, 'the existence of ethnically based interest groups is likely to result in sub-optimal provision of public goods' (Fosu et al., 2006, p. 1). And, it is such public goods that would be critical for attracting relatively productive (private) investment, as is clear from 'development' success cases (Fosu, 2013d). Hence, the issue of the desirability of multiparty democracy as the institutional basis in an ethnically polarized society, as may be the case in many African countries, deserves special attention.

As Collier (2000) and Easterly (2001) argue, 'good' institutions provide an appropriate mechanism for resolving ethnic conflicts. The key challenge, then, is how to attain such institutions. For example, employing Knack and Keefer's (1995) comprehensive measure of institutional quality, Easterly (2001) finds that institutions are capable of attenuating ethnic conflicts. This measure combines: (1) freedom from government repudiation of contracts; (2) freedom from expropriation; (3) rule of law; and (4) bureaucratic quality.

To the extent that multiparty democracy is capable of delivering such institutional quality (IQ) then, it is critical for ensuring that the gains that Africa has achieved in the last three

decades will endure. From a practical perspective, however, it remains unclear as to what the appropriate policy leverage is, given the multidimensionality of this above IQ.

Fortunately, the recent finding that executive constraint (XCONST) may mitigate the potential deleterious impact of ethnicity might provide a relatively feasible policy instrument (Fosu, 2013b). Unfortunately, the growth-enhancing level of XCONST is likely to fall short of that required to eliminate the adverse effect of ethnicity (*ibid.*). Indeed, attaining the upper limit of XCONST would be suboptimal, since it implies complete impotence of the executive branch of government.

Nor is ethnicity *per se* the only challenge. Within a framework of geographically based interest groups, ‘free’ local public goods, that is, locality-based public goods that are financed almost entirely by the central government, are very attractive to local constituents and, therefore, to politicians who wish to win national elections. Given a government budget constraint, however, such ‘geographic’ public goods (e.g., local-level schools, clinics, roads, etc.) might be provided at the expense of national ones (e.g., national-level schools, roads, railways, etc.), which could, nonetheless, be relatively productive (Fosu, 2018a).

Cumulatively, there is the tendency for such geographically based public goods provision to lead to oversupply, while reducing quality and exacerbating the fiscal condition of the economy (Fosu, 2018a). In my view, therefore, such a politico-economic disequilibrium, as alluded to by Bates (2006, 2008a) and Humphreys and Bates (2005) in a more general context,¹⁹ is a key challenge that development stakeholders need to grapple with, as African countries attempt to sustain their improved growth and development. A critical risk is that the implied mismanagement of the economy (Bates, 2008a; Humphreys and Bates, 2005), and possible political disorder (Bates, 2006, 2008b), might lead to backtracking by African countries in their thrust toward democratic consolidation. Yet, it is such consolidation that is likely to sustain the recent gains.

NOTES

1. I am grateful to the National Research Foundation (NRF) of South Africa for grant support, through the University of Pretoria, and to Gordon Crawford and Abdul-Gafaru Abdulai for valuable comments on an earlier draft.
2. This period is often approximated as post-1960.
3. The Growth Project was conducted over 1998–2004 and resulted in the two volumes, Ndulu et al (2008a, 2008b).
4. In the present chapter, ‘sub-Saharan Africa (SSA)’ is used synonymously with ‘Africa.’
5. This index is the first principal component of the LIEC and the EIEC, with the respective weights of 0.49 and 0.51 (Fosu, 2008); the first principal component explains over 90 percent of the variance (see Fosu, 2008).
6. XCONST measures the degree of constraint on the executive branch of government, and it takes on values of 0–7, where 7 is for ‘strict rules for governance,’ 1 means ‘no one regulates the authority,’ 0 signifies ‘perfect incoherence,’ and so on (for details, see Fosu, 2013b).
7. For SSA, ‘intermediate-level’ democracy was roughly estimated at IEC values not exceeding 4.4, while ‘advanced-level’ democracy would be above 4.4 (see Fosu, 2008); note that IEC ranges from 1 to 7. Details involving political and civil rights are provided below.
8. Employing data on consumption rather than national income or GDP, Young (2012) finds that SSA’s growth has been even faster. Rodrik (2018), however, has a contrarian view, arguing that the ‘miracle’ may actually be a mirage.

9. The poverty statistics presented here are computed from World Bank (2017b), which are derived mainly from household surveys. Using national income data, Pinkovskiy and Sala-i-Martin (2014) find that Africa's poverty rate has been falling even faster.
10. For example, crops may fail due to drought, and the self-employed can experience bad health, thus resulting in lower returns possibly below investment costs.
11. Fosu (2008) estimates the threshold for this regime as the level of the index of electoral competitiveness in excess of 4.4 (1–7).
12. More precisely, the thresholds were met in 1993 by LIEC and EIEC, and in 1994 by EIEC.
13. Note that in Fosu (2011, p. 23), this estimate is erroneously reported as 3.61.
14. 'Syndrome-free' regime means a 'combination of political stability with reasonably market-friendly policies' (Fosu and O'Connell, 2006, p. 54).
15. Indeed, there is the view that ethnicity is at the root of the historically dismal African growth record (Easterly and Levine, 1997).
16. The rationale is that improved democratic dispensation would result in the adoption of productivity-enhancing policies in agriculture (Bates et al., 2013); the higher productivity would in turn release labor from the agricultural sector to the more productive 'modern' sector, thus enhancing structural transformation (McMillan and Harttgen, 2014).
17. Consistent with Fosu (2008), for instance, Bates et al. (2013) designate as democratic in a given year only those African countries with high EIEC scores of 6 or 7 (range: 1–7).
18. See, for example, Fosu (2019) for a relatively detailed treatment of the role of institutions in African economic development.
19. Bates (2008a, p. 387), for instance, argues that the recent political reforms in Africa may have actually resulted in macro-economic mismanagement, as 'governments in competitive systems tend to spend more, to borrow more, to print money, and to postpone needed revaluations of their currencies than do those not facing political competition.'

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10. Leaders, multiparty elections and developmental performances in sub-Saharan Africa

Giovanni Carbone and Alessandro Pellegata

Political leaders have traditionally played a key role in the politics and development of independent Africa. As early as the 1960s, they took a central position and became ever more prominent over subsequent decades, at a time when their countries suffered a widespread decline of political institutions. As the economic failure of the majority of sub-Saharan states became apparent, especially in the 1980s, the deleterious rule of many African leaders was identified as a key culprit. In short, most post-colonial African polities exhibited a sort of ‘leadership trap’. This was apparent in two distinct political syndromes for which the region became notorious: the overlong persistence of many political leaders in power and a chronic instability provoked by the frequency of *coups d’état*. While the two phenomena are seemingly contradictory, they sprang from a single cause: the substantial absence of regularized procedures for the replacement of political leaders, or, more broadly, for political change and adjustment. Unregulated handovers of power generated a political environment dominated by the intent to retain political office rather than use it to accelerate a country’s development.

A period of political renaissance apparently began in the early 1990s. As the predominance in Africa of military and single-party authoritarianisms was gradually superseded by multiparty elections, it seemed that sub-Saharan states had finally found a way to ensure the orderly and regular succession of their leaders – although they still often failed to fulfil democratic standards. The forms and the timing of leadership renewal were clearly affected by the wave of multiparty reforms. But what broader impact was exerted on the economic development of African states by the new mechanisms for selecting political leaders? The main purpose of this chapter is to conduct an empirical investigation of whether and how the different modes in which sub-Saharan leaders rotate in office affect the economic growth of their countries. Our main argument stems from the new institutionalism approach. It maintains that the conditions under which a leader comes to power shape the extent to which he or she will pursue and promote a country’s development. More precisely, regular elections and multiparty competition can increase the accountability of sub-Saharan leaders – however feebly – and thus provide more incentives for them to strive and stimulate the national economy. Compared to the traditional literature on the ‘consequences of democracy’ (e.g., Carbone, 2009), the broader perspective we adopt here implies that even multiparty elections *short of democracy* – namely, voting that fails to meet minimal (Schumpeterian) procedural standards for democracy – are likely to produce some impact on economic growth.

On seeking to evaluate the extent to which the constitutional changes of the 1990s actually affected the dynamics of leadership selection and performance, however, one encounters an abundance of democratization measures but an amazing dearth of systematic data on how African rulers attain and leave office (that is, via guerrilla takeovers, *coups d’état*, competitive

elections, dynastic successions, or in some other way). It is for this reason that we decided to compile an original corpus of data: the Africa Leadership Change (ALC) dataset (Carbone and Pellegata, 2017, 2018, 2020), which maps all leadership handovers that occurred in all countries in the region from 1960 to 2018 (30 June).

The rest of the chapter is structured as follows. First, we introduce the role of political leadership in African politics. We then examine the existing literature to present and explain our main causal argument linking leadership change and economic growth. Next, we advance our research hypotheses. Finally, we illustrate the empirical analyses we conducted and discuss the findings we reached.

THE CENTRALITY OF LEADERS IN AFRICAN POLITICS

For a long time, political leadership attracted relatively limited interest in mainstream political science. Yet, it rapidly became central to the study of African politics, which right from the beginning appeared to revolve to a remarkable extent around a country's ruler. The newly established states that gained independence in the late 1950s and early 1960s were incarnated by Africa's founding fathers. Kenneth Kaunda was Zambia, Kwame Nkrumah was Ghana, Jomo Kenyatta was Kenya. Nationalist heroes catalysed the attention of both domestic public opinions and external witnesses. The common expectation was that they would achieve the full emancipation and rapid modernization of their countries. It is for this reason that, for example, Ghanaians revered Nkrumah as *Osagyefo*, or 'the Redeemer' in the Akan language. The personality cult of rulers was often linked to a belief that their actions and successes – including, at times, their wealth and well-being – were inextricably bound up with the fate of the nation. In state after state, the pivotal figure in domestic politics gained an out-of-the-ordinary prominence that led many rulers to claim for themselves the title of 'life president', contradicting the notion that individuals only provisionally occupy institutionalized political offices, and that the latter by their nature outlast the former. Strongly centralized and personalized leadership went hand in hand with the feebleness of fledgling institutions and a growing tendency towards elitist or 'de-participation' politics (Kasfir, 1976). Firm and stable leadership was even claimed to be a necessary counterbalance to such frailty. The 'tough-man system' embodied by Haile Selassie, for example, was deemed of 'immense importance to Ethiopian politics' for, 'in times of imperial weakness, the different elements in the state immediately start to drift apart' (Clapham, 1969, p. 111). Politics in advanced economies with strongly institutionalized systems has mostly been studied with a focus on institutions. In the poorly institutionalized polities of Africa, on the contrary, individual personalities have retained the most prominent role.

African politics scholars embraced the notion of 'personal rule' (Jackson and Rosberg, 1982) to account for the extent to which key political dynamics revolved closely around national presidents, and partly also the somewhat wider-ranging idea of 'big man politics' (Price, 1974; see also Hyden, 2012, pp. 97ff.). Jackson and Rosberg's analytical framework and empirical account would exert large influence on numerous observers of African affairs. They conceived personal rule as an inherently autocratic system resulting from the elimination of constitutional rights and counterpowers, including free political participation and opposition parties, and a concentration of political power into the hands of the head of the state or of government. Two essential elements lie at the heart of this view of African politics. The

first is the notion that no meaningful distinction is drawn between the individual in charge of a country and the political office that he or she occupies. This matches the findings of the larger literature on Africa's neopatrimonial politics (Bach, 2011, pp. 280, 279; see also Bayart, 1993, p. 224; Bratton and Van de Walle, 1994, 1997, p. 61; Médard, 1979, 1991; Sandbrook and Oelbaum, 1999, p. 2; van de Walle, 2001, p. 52). Modern public offices were ultimately treated as private resources or patrimonies. Leaders' identification with the state, their broad discretionary power and private use of public resources and the general lack of regular procedures for their removal and replacement turned many African strongmen into the highest incarnation of the neopatrimonial paradigm. Corrupt behaviours were de facto widely legitimized, while formal institutions and the rule of law remained largely ineffective. Nor could citizens' needs and demands influence political processes to any meaningful extent via formal channels. However, African rulers were obliged to take account of informal and particularistic norms such as ethnic ties, factional affiliations and patronage networks, which resulted in the spread of corrupt and clientelistic practices.

The second key feature is the intrinsic insecurity of personal rulers, which largely converted the political game into a politics of survival. Politics in much of the region increasingly looked like 'a fight rather than a contest', and governance became 'more a matter of seamanship and less one of navigation – that is, staying afloat rather than going somewhere' (Jackson and Rosberg, 1982, p. 18). Of course, strategies on how exactly to stay afloat could differ widely, with Léopold Senghor in Senegal or Jomo Kenyatta in Kenya presiding over (and even exploiting) factional competition, and Hastings Banda in Malawi virtually eliminating it. From Kenneth Kaunda (Zambia) to Kenyatta, from Kwame Nkrumah (Ghana) to Jean-Bédél Bokassa (Central African Republic), personal rulers did not differ in their overarching goal but rather in the strategies adopted to try and achieve it.

The literature on personal rule was primarily aimed at producing descriptive and interpretive accounts, rather than explanatory. Jackson and Rosberg's (1982) *Personal Rule in Black Africa* focused directly on national political dynamics, with little or no attention to their socio-economic developmental impact. This reflected the original aim of holding Africa's young states and nations together – that is, the primary search for political order – in contrast to the shift of priorities that would occur in later years. As Mkandawire (2001, p. 296) rightly observed, 'whereas the first generation of African leaders concentrated their energies on the *politics* of nation building, there are signs of a new generation whose focus is on the *economics* of nation building. These new leaders swear by economic growth and seem to view good growth as the main source of their legitimacy' (original emphasis). This view was reiterated in 2017 by Angola's new president, João Lourenço, as he observed that, if Agostinho Neto accomplished the country's historic independence struggle and José Eduardo dos Santos left peace and multiparty electoral openings as his main legacies, 'my mission will be to revive the economy... I would like to be recognised in history as the man of Angola's economic miracle'.¹ The message was virtually identical to that expressed by Namibia's ruling party in its 2014 election banners, which – under the motto 'The legacy continues' – associated the country's founding president Sam Nujoma (1990–2005) with peace, his heir Hifikepunye Pohamba (2005–15) with stability, and the third presidency-holder Hage Geingob (2015–) with prosperity (Melber, 2015, p. 50). In Africa's public discourse, leadership and development issues could not but come together.

DO LEADERS MATTER FOR DEVELOPMENT IN AFRICA?

Political leadership is hardly ever included as a relevant variable in empirical accounts of economic development in Africa. The latter largely start from the classic determinants generally entered by development economists – most notably, level of development, investment rates, human capital and government consumption – to which various other macro or structural drivers are added, such as the colonial legacy of African states, their size, geographical location and ethnic heterogeneity, demographic trends, natural resource wealth, a position of dependence in the global economy, the presence of authoritarian regimes, the extent of respect for the rule of law/property rights and the degree of corruption, development aid and the type of development strategies (see, e.g., Collier and Gunning, 1999 for an overview; see also Acemoglu, Johnson and Robinson, 2001; Barro, 2003; Easterly and Levine, 1997; Ndulu and O’Connell, 2008; Sachs and Warner, 1997). The prevailing lack of attention to leadership is not surprising, since leadership studies at large tend to look at leadership as a dependent variable rather than an independent one (Lyne de Ver, 2008, pp. 27–8). With limited exceptions, leadership is largely absent from the long list of potential drivers scrutinized by the broader economic growth literature. Empirical analyses pointing out that leaders do matter for growth are a marginal minority (see Berry and Fowler, 2018; Brady and Spence, 2010, Easterly and Pennings, 2018; Jones and Olken, 2005).

Macro-level explanations of economic development are complemented by a number of micro-level accounts – drawn from both qualitative and quantitative analyses – that emphasize the role of leaders. While personal rule and neopatrimonial readings adopt a largely ideographic approach and focus principally on political order, they also include theoretical implications for Africa’s growth and development. They essentially provide descriptions of how – if not always explicit accounts of why – African strongmen have failed to adopt successful policies (Blondel, 2014, pp. 707, 712; Mkandawir, 2015, pp. 5, 9, 25, 33–34). Notwithstanding the distinctions among the leadership styles of, for example, prophets, tyrants, autocrats or princes, personal rule regimes are said to have a lot in common, and particularly an elitist political process that ‘is primarily asocial insofar as it is largely indifferent to the interests, concerns, and problems of social strata beyond the political class’ (Jackson and Rosberg, 1982, p. 424).

The resemblances between personal rulers have led to an underrating of the importance of leadership handovers and government turnovers, with a possible misinterpretation of the impact that leadership changes may have even in contexts of highly personalized politics and weak states (Govea and Holm, 1998, p. 131). Regarding contexts beyond Africa, two analyses by Bunce (1981) and Jones and Olken (2005) have been rare exceptions. In a seminal work on the growth effects of leadership worldwide, for example, Jones and Olken (2005) find that randomly timed changes at the helm of a country (due to natural or accidental death) go hand in hand with dramatic reversals of growth – post-Mao Tse-tung China being a case in point. This, however, concerns powerful autocrats, not more constrained democratically elected leaders. The forceful impact apparently exerted by leaders on economic growth induced Jones and Olken (2005) to urge the careful design of institutional rules and other features that would foster the rise of national leaders of the right kind (Jones, 2009, p. 8).

In Africa, the fundamental assumption was that correcting the political failings of personal rulers would make a major contribution to establishing the bases for development progress (see Blondel, 2014, pp. 707, 712). Goldsmith (2001, 2004) discusses the conditions under which leaders in the region would or would not pursue development policies as rational actors.

In the high-risk political environment described by the personal rule literature, and empirically corroborated by Africa's comparatively high rate of military coups and wars, African powerholders tend to adopt short-term survival strategies harmful to the progress of their countries. They often 'rationally' choose to pursue the low but immediate returns of short-term policy making and political venality, rather than investing in long-term policies and public goods. Goldsmith (2004, p. 107), however, also readily acknowledged the potential of the multiparty reforms implemented in the early 1990s by sub-Saharan states to alter the incentives for national rulers and push them to focus more on public goods.

Between the 1960s and the 1980s, the vast majority of African countries became synonymous with non-performing authoritarian states. In a context of prevailing economic stagnation, politics in the region became dominated by personalities rather than by constitutional rules, formal organizations and institutions. Characteristic of post-colonial Africa were two distinct and yet related political syndromes: the first had to do with recurrent political instability; the second was the excessively long permanence in power of many rulers. In some cases, the former syndrome evolved into the latter.

Three decades of one-party and military authoritarianism and neopatrimonialism led to the intertwining of economic and state weakness. Only in the early 1990s, as a result of both domestic and international pressures, did many sub-Saharan countries begin enacting constitutional reforms that radically altered the political landscape of the region. Within a few years, most states had embraced multiparty politics, albeit with marked differences in the substance of these political changes (Bratton and Van de Walle, 1997; Cheeseman, 2015). Elections contested by multiple parties became the norm in a region that, with the remarkable exceptions of Botswana and Mauritius, had long steered clear of them. This was a political watershed.

Institutional changes profoundly affected leadership selection processes south of the Sahara. African polities hesitantly but visibly shifted towards the depersonalization of politics. As the 1990s reforms extended the use of multiparty voting to almost all countries in the region, formal institutions began to matter more. Some constraints were incrementally being brought to bear upon African powerholders. For example, although some presidents found ways to overcome the constitutional term limits – including the likes of Idriss Déby in Chad, Paul Biya in Cameroon and Yoweri Museveni in Uganda – when famous leaders such as Daniel Arap Moi (Kenya), Joaquim Chissano (Mozambique), Benjamin Mkapa (Tanzania) and Olusegun Obasanjo (Nigeria) sought election for a third mandate, which was not permitted by the constitution of their nations, they were eventually convinced to desist by existing rules (and by the protests of political oppositions). One key outcome is that, today, there is 'more to African politics than personalist rule' (Govea and Holm, 1998, p. 147; cf. Posner and Young, 2007, p. 137). Both Posner and Young (2007) and Govea and Holm (1998), however, investigated the new leadership handovers as a dependent variable. We adopt an approach different from these and virtually all other analyses by focusing on the impact of leadership handover processes on development.

We start from the notion that leaders matter. This implies that significant political change often occurs at the level of individual powerholders, rather than at that of political regimes. We thus consider leadership in a manner that is partly distinct from regime classifications. Our focus on power handovers is narrower than democracy measures (since it enables us to single out individual leadership episodes, rather than regimes as lasting sets of rules and practices). It is also wide ranging and more fine-tuned than democracy measures (for example, it accounts

for undemocratic handovers occurring in autocratic states via coups or through non-electoral but peaceful transfers of power).

Our core contention is that national leaders affect development outcomes in sub-Saharan Africa. We argue that the circumstances in which a leader reaches power – that is, the modes of leadership change – affect the extent to which he or she will pursue and stimulate a country's development. The causal conditions that we consider vary primarily in terms of whether leaders are voted into office in a multiparty context as opposed to being unelected (or elected under one-party systems). However, different from the literature that investigates the political and economic consequences of regime types, our focus on leadership allows us to examine several additional possibilities and features related to how powerholders rotate in office. First, we distinguish non-electoral leadership changes into peaceful power transfers (e.g., following the incumbent's formal resignation or natural death) and violent/irregular takeovers, such as coups, suggesting that the former may have better developmental consequences than the latter. Second, we record the presence or absence of multiparty elections as well as some more specific related features, including the overall number of elections experienced by individual countries and whether voting actually takes place under democratic conditions. Finally, we conjecture that the outcomes of multiparty elections – that is, an incumbent's win, an electoral succession within the same party, or alternation between opposite political forces – affect the developmental performances of different leaders. We presume a country's development progress to be empirically linked to the above-mentioned initial conditions. The bottom line is that, overall, elected leaders – crucially including officeholders elected under *non-democratic* conditions – will produce development results that are comparatively better than those produced by non-elected leaders. This will most likely be the case with leaders that are elected through open democratic votes, in highly competitive contests, and perhaps even gaining power from the opposition. But, as pointed out, we posit that even multiparty voting *short of democracy* may have a progressive impact, particularly in an African context where institutional mechanisms for choosing, rewarding/punishing and changing leaders were previously largely absent.

Table 10.1 shows that, in the post-1990 period, instances of leadership changes have been non-trivial events in institutional contexts short of democracy, particularly under multipartyism. Indeed, partial democracies (i.e., hybrid regimes with a Polity2 score between 0 and 5) experienced a higher average number of leadership changes (4.55) than democracies (3.75). Unsurprisingly, this includes a higher average number of both peaceful non-electoral changes (1.5) and irregular/violent takeovers (1.25). What is more surprising – as well as relevant – is that they also experienced more *electoral changes* than democratic regimes (an average of 2.7 versus 2.5), and this occurred despite holding a lower number of multiparty elections (i.e., an average of 4.7 versus 5.6). Elections can thus potentially work as mechanisms for changing leaders even in the absence of democracy, and we believe this may also have relevant implications for the developmental performance of leaders that are worth investigating.

We examined empirically the developmental consequences of different forms of leadership changes by looking, in particular, at economic growth performances – on which we focus in this chapter – as well as social welfare progress, corruption containment and state consolidation (Carbone and Pellegata, 2020). In accordance with an established tradition, we assume that elected rulers are incentivized to allocate resources to larger rather than narrower segments of the population and that this fosters the promotion of developmental policies (cf., for example, Brown and Mobarak, 2009, p. 195). The underlying assumption is that elected and

Table 10.1 Average number of leadership changes by regime type in the 1990–2018 period

Regime Type	Avg. Leadership Changes	Avg. Irregular/Violent Changes	Avg. Peaceful Non-electoral Changes	Avg. Multiparty Elections	Avg. Electoral Changes
Autocracies (Polity2 between –10 and –1)	1.43	0.48	0.52	4.24	0.71
Partial democracies (Polity2 between 0 and 5)	4.55	1.25	1.50	4.70	2.70
Democracies (Polity2 between 6 and 10)	3.75	0	1.37	5.62	2.50

Source: ALC dataset.

unelected leaders are not intrinsically different, but they are bound to act differently because they pursue their goals in highly diverse institutional contexts.

With regard to Africa, our approach implies a relatively positive view of the often incomplete ‘democratic transitions’ that much of the continent embarked upon since the early 1990s. Observers who adopt a different, pessimistic, standpoint maintain that many entrenched leaders in the region have been able to use ethnic affiliations and communal divides, patronage distributions and clientelist networks to capture, manipulate or bypass electoral processes (cf., for example, Tull and Simons, 2017). As a result, the region is now strewn with fake democracies in which politics is merely ‘business as usual’. We do not deny that the reforms of the 1990s were thwarted to a substantial extent and that they realized much less than what was promised. Nevertheless, on balance, they fundamentally altered established political processes and dynamics and inaugurated a largely new political scenario. Despite all its vicissitudes, the post-1990 political landscape never returned to the pre-1990 situation. The newly adopted multiparty elections, with the leadership changes and the alternations in office that they favoured, contributed to establishing a better political environment throughout much of sub-Saharan Africa. It is difficult to dispute that the scope for rights and freedoms has grown. But we go further than mere assessment of the actual extent of regime change, which has thus far been the main task addressed by political scientists and area studies scholars. In the still comparatively poor and deprived situation of Africa in general, one must ask whether political reforms have indeed improved policy-making and development outcomes, to the extent that much democratic theory explicitly predicts or indirectly implies (cf. Brown and Mobarak, 2009; Bueno de Mesquita et al., 2002; Lake and Baum, 2001). Periodic elections introduce a form of institutionalized uncertainty with regard to a leader’s political fate, which in turn favours a degree of accountability and some effort to meet the needs and demands of voters. This is all the more important since development failures had been prevalent among the region’s post-colonial states, regimes and rulers.

THE LINK BETWEEN LEADERSHIP AND DEVELOPMENT: RESEARCH HYPOTHESES

Our hypotheses stem from the overarching conjecture that, in the presence of periodic multiparty votes as regularized procedures for choosing leaders, African rulers tend to respond to electoral incentives. In doing so, they are likely to enhance development performance, notably the achievement of higher growth rates, welfare progress, state strengthening and lower levels of corruption. Pressures are more likely to have an impact when elections are repeated, competitive, favouring succession in office, or if they are open to alternation in power. In principle, they supposedly reach their apogee when the electoral and non-electoral components of a country's political set-up – such as respect for individual rights and the independent media – come closer to those of a truly democratic system. We posit, however, that electoral practices are likely to produce effects even when the system is democratically deficient. On the contrary, while some unelected leaders (i.e., leaders who attain office through non-electoral means, violent or otherwise, including single-party or no-party voting) may seek legitimacy through economic development, they generally lack institutional incentives to strive for the provision of public goods and the achievement of broader progress. Unregulated power transfers and unlimited stays in office, in particular, will more often combine with a more authoritarian, personalized, corrupt and ineffectual type of rule; one that is ultimately less responsive to bottom-up demands for social amelioration.

In what follows we list the research hypotheses that we investigated empirically. Our core conjectures built on the notion that electoral incentives play a critical role in directing a leader's energies towards the betterment of his or her country rather than having him or her focus on shorter time horizons, narrower interests and more private goods. We assume that a more truly democratic context would raise the stakes and pressures for leaders to pursue development. However, rather than dismissing the impact of multiparty electoral processes in non-democratic set-ups, we envisaged that the latter could shift the interests and thus the behaviour of powerholders in a direction more favourable to their countries' progress than is normally the case with non-elected leaders:

H1 (elected): elected leaders are associated with better development performances than non-elected leaders.

H1.1 (elected, democratic): leaders elected in a democratic context are associated with better development performances than non-elected leaders and leaders elected in non-democratic contexts.

Time may be a significant factor, not only when determining an individual leader's achievements, but also when accounting for how the above-mentioned pressures and mechanisms actually function. A nation's leaders and voters both need time to practise and understand the full implications of electoral mechanisms so as to favour a degree of match between demands and responses. The more elections are held, the more likely it becomes that leaders and voters will make them work, at least to an extent, how they should. To count the number of elections cumulated by a country, we decided to include all past polls regardless of temporal disconnections, since previous voting experiences may constitute something akin to a valuable electoral 'capital' on which citizens can draw. For example, this led us to count Uganda's 1980 multiparty vote as an initial basis upon which the country could build when it restored multi-

partyism in 2006. Finally, similar to our approach in the case of H1.1, we posited that recurrent votes are more likely to improve development performances when they are combined with other democratic requisites, such as the autonomy of the courts and a political environment open to independent media and civic activism. Therefore:

H2 (cumulative elections): the longer the series of cumulative elections in a country, the better its development performance.

H2.1 (cumulative democratic elections): the longer the series of cumulative democratic elections in a country, the better its development performance.

Our view of leadership changes stresses the notions of succession and alternation in office. Particularly in African countries that have experienced numerous spells of long-lasting and stagnant leadership, power transfers can be important moments of renewal even when they do not amount to the advent of entirely new political forces. Succession can be a way to renew a country's leadership within the context of stable or relatively stable control by the same ruling party. Succession can at times amount to little or no change. Yet, it can also represent a stage – and an opportunity for a degree of political and policy change – on the way towards full-fledged turnovers. João Lourenço's recent rise to the presidency in Angola, where he followed in the steps of long-time ruler José Eduardo dos Santos in late 2017, is a case in point:

H3 (succession): leaders reaching power through electoral successions are associated with better development performances than are non-elected leaders and incumbents confirmed in office.

Electoral alternations, on the other hand, represent and signal a clearer discontinuity in how power shifts to new actors and political forces. They testify to 'a high level of electoral competitiveness' (Strøm, 1989, p. 7) that, on occasions, only becomes evident *ex post*. Government/opposition turnovers is the definitive and most certain indication that powerholders can indeed lose office, with the consequence that the incumbent must pay some attention to what voters demand and expect if he or she wants to be re-elected. Alternation implies that a relevant part of the electorate was unhappy with the outgoing government and opted for a different candidate/party to adjust policy without regime interruptions. Uncertainty remains limited. Whereas irregular changes can prove to be 'a disruptive source of uncertainty and instability', ordered turnovers promote 'accountability and error correction through political competition...and might yield benefits to citizens just as market competition yields benefits to consumers' (Feng, 1997, p. 397; Horowitz, Hoff and Milanovic, 2009, pp. 107–8).

We deem a government turnover to occur at the time of so-called 'founding elections' (i.e., when an electoral regime is first introduced) only if the outgoing, pre-transition leader (or a candidate from his or her political force or one openly backed by him or her) stands for election and loses the race:

H4 (alternation): leaders achieving power through electoral alternations are associated with better development performances than are non-elected leaders and incumbents confirmed in office.

EMPIRICAL ANALYSIS

We carried out our empirical analyses based on the Africa Leadership Change (ALC) dataset, which furnishes a thorough account of the modes in which leaders attain and relinquish power in Africa (Carbone and Pellegata, 2017, 2018, 2020).² The dataset includes all leaders that held office in all 49 sub-Saharan states from 1960 (or subsequent year of independence) to 30 June 2018. It records their personal birth and death dates, the dates on which they took and left office and the length of their tenure. Leaders that remained in power for less than 12 months were deemed *interim* leaders. Since our primary concern were the dynamics of leadership change – that is, access to and exit from power – we drew a basic distinction between *non-electoral changes* and *electoral changes* (that is, power transfers that take place via *multiparty elections for the executive*). In dealing with the former set of cases, we separated *peaceful* from *violent/irregular* non-electoral leadership transfers. Instead, when a leadership handover took place via multiparty elections, we considered whether the vote constituted a ‘founding’ election; that is, one signalling a transition to a new multiparty regime where the latter was previously absent (including cases in which elections are reintroduced after a regime interruption). We then further distinguished electoral leadership transfers in which the new leader belonged to the same party as his or her predecessor (*electoral succession*) from those in which an opposition candidate took over (*electoral alternation*).

We opted for the standard country-year as unit of analysis so that the ALC can easily be merged with other datasets, such as the World Bank’s World Development Indicators (WDI), the Quality of Government dataset (Teorell et al., 2015) or the UCDP/PRIO Armed Conflict dataset (Gleditsch et al., 2002). Data for gross domestic product (GDP) annual growth and GDP per capita annual growth were drawn from the World Development Indicators. Compared to alternative sources, the WDI databank provides data on economic expansion for most sub-Saharan states from the early 1960s to 2016. For both indicators, only 10 per cent of total observations are missing in the period of analysis.

To test H1 and H1.1, we devised a categorical index coded ‘1’ when a leader takes power by non-electoral means or through non-contested elections (*non-elected leader*), ‘2’ when a leader takes power through multiparty elections (*elected leader*), and ‘3’ when a leader is elected in an institutional context regarded as democratic (*democratically elected leader*). We consider a political regime democratic if its Polity2 score is equal to or higher than 6. Elected leader and democratically elected leader are concurrently included in the same model, while non-elected leader serves as a reference category. For H2, we recorded the total number of multiparty votes for the executive held prior to or at any time t (this refers to presidential elections in regimes that envisage a direct vote for the chief executive, and legislative elections for parliamentary regimes). H2.1 was tested by measuring the number of democratic multiparty elections; that is, presidential or legislative elections held in years for which a country was deemed democratic according to Polity2. To account for the stock of elections held in any given country since independence, the count for (democratic) multiparty elections is down to zero for any year in a no-elections period (e.g., a phase of single-party or military rule), but, if and when elections are reintroduced, it resumes starting from the highest value previously reached. We then built a categorical index to test H3 and H4. These hypotheses suggest, respectively, that a leader reaching office by means of electoral succession or alternation will favour the achievement of better development results than both non-elected leaders and leaders re-elected via multiparty elections. The term ‘succession’ refers to a situation in which a multiparty vote gives rise to

a new leader belonging to the same party as that of the outgoing leader, whereas the term 'alternation' refers to an election leading to the replacement of an incumbent by a new leader hailing from the opposition. We built a categorical variable coded '0' for each country-year for which a *non-elected leader* (comprising leaders voted into office through single-party or non-party elections) was in power, '1' when an *incumbent re-elected* via a multiparty vote was in office, '2' in cases when a new leader emerged after an *electoral succession*, and '3' when a new leader came to office following an *electoral alternation*. A leader that came to power via succession or alternation remained in that same category during all his or her regular mandates in office, but he or she was then coded as an *incumbent re-elected* for any additional mandates gained by altering or bypassing constitutional term limits. *Incumbent re-elected*, *electoral succession* and *electoral alternation* were entered simultaneously in the same statistical models, while *non-elected leader* served as a reference category.

On the basis of the economic growth literature that we mentioned, we selected a number of alternative explanatory factors that might cause spuriousness in the relation between different modes of leadership change and economic growth. We controlled for the level of income per capita to account for the idea that a country's level of development shapes its growth path. We used gross capital formation to control for the growth-enhancing effect of investments and also expected that natural resources rents and international development aid, both measured as a share of the national income, inflate growth performances. On the other hand, we presumed that government consumption (as a percentage of GDP) negatively affects the latter. As a proxy for human capital, we opted only for life expectancy at birth, rather than also including an education indicator. We did so both to maintain the parsimony of our causal model and to maximize observations and thus the degrees of freedom. Higher levels of human capital (i.e., of life expectancy at birth) were predicted to have a positive effect on growth rates. We also included population growth among our regressors, albeit with no predetermined expectations. An additional control variable accounted for a country's involvement in an ongoing war (internal or interstate). It did so with a 0–10 scale measuring the magnitude of the conflict (data were taken from the Center for Systemic Peace). Ethnic fractionalization and landlockedness are two other factors possibly detrimental to economic performance. We also accounted for time-related trends by means of a dummy for post-1990 observations.

Given the time-series and cross-sectional (TSCS) structure of our data, the simple OLS technique might have yielded inefficient estimates and inconsistent standard errors. Consequently, taking Beck and Katz's (1995) advice, we employed panel-corrected standard errors (PCSEs), this being the technique commonly used for the analysis of panel data. More precisely, in order to deal with the temporal and spatial properties of our data that violated OLS assumptions – contemporaneous correlation, serial correlation and heteroskedasticity – we regressed our dependent variable on its lagged level and the lagged levels of independent and control variables. Tables 10.2 and 10.3 set out the results of four model specifications.

The results of our empirical analyses largely support our hypotheses and, unsurprisingly, do not show important differences in regard to either GDP growth or GDP per capita growth.

H1, according to which rulers who achieved power via multiparty elections are more successful growth promoters than unelected leaders, is backed by the evidence. This is a key finding in our framework. The correlated hypothesis (H1.1) – that is, that leaders voted into office under better democratic conditions are more effective than those elected in the absence of basic democracy or unelected powerholders – is partially confirmed. While the regression coefficient for democratically elected leaders is positive and significant, a *t*-test showed that

Table 10.2 Regression results for GDP growth

Dependent Variable: GDP Growth	Model 1	Model 2	Model 3	Model 4
GDP growth _(t-1)	0.163*** (0.041)	0.170*** (0.041)	0.172*** (0.041)	0.162*** (0.041)
Elected leader _(t-1)	1.346*** (0.427)			
Democratically elected leader _(t-1)	1.748*** (0.512)			
Cumulative num. of elections _(t-1)		0.173** (0.079)		
Cumulative num. of democratic elections _(t-1)			0.184* (0.100)	
Incumbent re-elected _(t-1)				1.388*** (0.423)
Electoral succession _(t-1)				1.741*** (0.488)
Electoral alternation _(t-1)				1.159** (0.588)
Population growth _(t-1)	0.646*** (0.217)	0.703*** (0.218)	0.686*** (0.218)	0.629*** (0.217)
(log)GDP per capita _(t-1)	0.017 (0.277)	-0.019 (0.284)	-0.028 (0.284)	0.032 (0.272)
Government expenditure _(t-1)	-0.051** (0.025)	-0.046* (0.025)	-0.047* (0.025)	-0.052** (0.025)
Gross capital formation _(t-1)	0.090*** (0.025)	0.089*** (0.025)	0.090*** (0.025)	0.089*** (0.025)
Natural resources rents _(t-1)	0.002 (0.018)	0.001 (0.018)	0.003 (0.018)	-0.001 (0.018)
Net ODA _(t-1)	0.040* (0.021)	0.042** (0.021)	0.039* (0.021)	0.044** (0.021)
Life expectancy at birth _(t-1)	0.033 (0.035)	0.049 (0.034)	0.052 (0.036)	0.041 (0.034)
Conflict involvement _(t-1)	0.192 (0.120)	0.159 (0.120)	0.143 (0.120)	0.185 (0.120)
Post-1990 _(t-1)	-0.710 (0.526)	-0.296 (0.556)	-0.046 (0.532)	-0.691 (0.534)
Landlocked _(t-1)	0.613 (0.441)	0.653 (0.439)	0.653 (0.439)	0.623 (0.437)
Ethnolinguistic fractionalization _(t-1)	-1.611 (1.114)	-1.624 (1.122)	-1.359 (1.101)	-1.626 (1.127)
Constant	-1.443 (2.773)	-2.046 (2.728)	-2.271 (2.744)	-1.863 (2.657)
N	1447	1447	1447	1447

Dependent Variable: GDP Growth	Model 1	Model 2	Model 3	Model 4
Countries	42	42	42	42
R ²	0.107	0.102	0.101	0.107

Notes: Panel-corrected standard errors (PCSEs) in parentheses. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. ODA = Official Development Assistance.

Source: ALC dataset.

it is not significantly higher than the regression coefficient for elected leaders. Thus, whilst leaders elected in a fundamentally democratic institutional context are associated with rates of economic growth higher than those achieved by unelected leaders, their performance in terms of growth is not significantly better when assessed against that of powerholders elected under non-democratic conditions.

Also corroborated by the above findings is the contention that the dividend of multiparty votes expands with the rise of their total cumulative number (H2 and H2.1). This is true in regard to both democratic and non-democratic voting rounds, as shown by the second and third model specifications.

Our final set of hypotheses concerned the economic bearing of leaders' electoral handovers. They envisaged that both a leadership succession (H3) and turnovers allowing opposition candidates to take power (H4) are associated with economic improvements. Both hypotheses were only partly supported by the empirical evidence. In the fourth regression model, both the coefficients for electoral succession and that for alternation were positive and significant. However, the non-significance of the *t*-test adopted to examine the difference between the two coefficients, respectively, and the coefficient for incumbent re-elected leaders confirms that those who took power through an electoral succession or a government alternation are linked to significantly higher growth rates than are non-elected leaders, but not higher than those associated with incumbents that have been re-elected. A possible explanation of this result is that frequent episodes of electoral alternation between ideologically distant leaders may have adverse consequences on economic growth. When a new leader takes office, policies and projects initiated by a former powerholder may be abandoned, and/or replaced by other initiatives, for a variety of reasons (different ideology, constituency, interests, priorities, etc.). Similar 'stop-and-go' policy dynamics may harm economic growth, as might have been the case in Ghana (Whitfield, 2018).

The above results were generally robust to several statistical checks, such as the addition of various controls (state control over territory instead of conflict involvement, and secondary school enrolment rate instead of life expectancy at birth), the entry of country dummies instead of time-invariant variables, and the inclusion of year or decade dummies instead of the post-1990 dummy. Finally, our findings did not change when we ran models with TSCS regressions with fixed effects. On the whole, the results that we have reported confirm that when and where African countries have modified the ways in which they select their leaders – particularly with the introduction of elections and related dynamics – this has contributed positively to the increased speed of economic growth recorded in much of the region since around the turn of the millennium (cf., for example, Swaniker, 2013; Young, 2012).

Table 10.3 Regression results for GDP per capita growth

Dependent Variable: GDP Per Capita Growth	Model 1	Model 2	Model 3	Model 4
GDP per capita growth _(t-1)	0.156*** (0.041)	0.163*** (0.041)	0.165*** (0.041)	0.156*** (0.041)
Elected leader _(t-1)	1.336*** (0.416)			
Democratically elected leader _(t-1)	1.681*** (0.499)			
Cumulative num. of elections _(t-1)		0.170** (0.078)		
Cumulative num. of democratic elections _(t-1)			0.176* (0.098)	
Incumbent re-elected _(t-1)				1.377*** (0.413)
Electoral succession _(t-1)				1.681*** (0.475)
Electoral alternation _(t-1)				1.119* (0.574)
Population growth _(t-1)	-0.126 (0.211)	-0.061 (0.212)	-0.077 (0.212)	-0.142 (0.211)
(log)GDP per capita _(t-1)	0.046 (0.270)	0.008 (0.278)	0.001 (0.277)	0.058 (0.266)
Government expenditure _(t-1)	-0.054** (0.025)	-0.049** (0.025)	-0.050** (0.024)	-0.055** (0.025)
Gross capital formation _(t-1)	0.088*** (0.024)	0.087*** (0.024)	0.088*** (0.024)	0.087*** (0.024)
Natural resources rents _(t-1)	-0.001 (0.018)	-0.002 (0.018)	0.000 (0.018)	-0.003 (0.017)
Net ODA _(t-1)	0.037* (0.020)	0.039* (0.020)	0.036* (0.020)	0.041** (0.020)
Life expectancy at birth _(t-1)	0.040 (0.034)	0.055* (0.033)	0.059* (0.035)	0.047 (0.033)
Conflict involvement _(t-1)	0.219* (0.117)	0.187 (0.117)	0.171 (0.117)	0.212* (0.116)
Post-1990 _(t-1)	-0.670 (0.512)	-0.264 (0.537)	-0.015 (0.516)	-0.646 (0.519)
Landlocked _(t-1)	0.569 (0.433)	0.605 (0.430)	0.605 (0.430)	0.577 (0.429)
Ethnolinguistic fractionalization _(t-1)	-1.711 (1.113)	-1.729 (1.122)	-1.469 (1.103)	-1.719 (1.127)
Constant	-1.990 (2.688)	-2.525 (2.643)	-2.771 (2.658)	-2.365 (2.573)
N	1447	1447	1447	1447

Dependent Variable: GDP Per Capita Growth	Model 1	Model 2	Model 3	Model 4
Countries	42	42	42	42
R ²	0.092	0.087	0.086	0.092

Notes: Panel-corrected standard errors (PCSEs) in parentheses. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. ODA = Official Development Assistance.

Source: ALC dataset.

CONCLUSIONS

African political leaders – specifically, the way they reach and maintain office – are empirically linked to a number of development outcomes. In what follows, we sum up the main results of our investigations into the impact of leadership dynamics on economic growth south of the Sahara.

Economic growth evidently responds to the conditions under which government leaders are selected in Africa. Elected powerholders – even those who gained or retained office through highly questionable, non-democratic practices – are associated with better economic results. This applies all the more to countries with longer experiences in the use of voting. Furthermore, electoral successions and alternations partly affect economic growth. While leaders who come to power by replacing an incumbent (whether the new leader belongs to the same party or to the opposition) are associated to higher levels of growth than non-elected leaders, they do not display better performance when compared to incumbents that are re-elected. As we anticipated, voting as a method for selecting African leaders and holding them somewhat more accountable essentially alter their incentives and ultimately shape their effort towards improving economic performance.

While in this chapter we only summed up the analyses we carried out with regard to economic growth, elsewhere we examined the impact of leadership dynamics on development outcomes in a broader manner (Carbone and Pellegata, 2020). How African leaders gain office and retain it affects welfare progress, state consolidation and control of corruption – though not, of course, in any deterministic manner.

Analysts and observers have long been divided between those who ignore or dismiss political leadership as a significant factor in development and those who suspect, suggest, or openly state the exact opposite, although they almost always do so without producing any rigorous evidence. We tried to address the issue by designing and compiling an original leaders' dataset that covers the entire region since independence and using it to test the leadership–development hypothesis systematically. The evidence abounds, and it is ultimately compelling. Powerholders do indeed have an effect across a range of dimensions and empirical indicators of progress, notably in terms of economic expansion. The dynamics of political leadership are important for the development of African countries.

Elected leaders largely outdid their unelected peers. This held true even in cases where basic democratic standards were not met: mandates obtained under the multiparty frameworks in the 1990s most often proved sufficient to prompt changes in leaders' incentives and, hence, in their performances. Moreover, better democratic circumstances, a country's longer experience with voting, the arrival of an electoral successor and that of an electoral alternator these were all elements that tended to enhance the performance of leaders who reached office through the ballot box.

African powerholders have thus transformed. Most sub-Saharan rulers are now elected 'hegemons' – whose incidence seems to have somewhat stabilized over the past 20 years –

and a slowly increasing number of democratically elected rulers. The growing prevalence of the latter two categories is connected to the widespread use of elections and has gone hand in hand with the capacity of these powerholders to improve their countries' development performances. As Africa has changed its rulers, the new leaders have brought broader advances, and have begun to change Africa.

NOTES

1. AFP News Agency (2017), 'Angola heads to polls as Dos Santos ends 38-year rule', *The Times* (South Africa), 23 August. See also *Jornal de Angola* (2017), 'Discurso de João Lourenço na cerimónia de investidura como Presidente da República', 27 September.
2. The ALC dataset and the related documentation can be downloaded from <https://www.ispionline.it/it/publicazione/africa-leadership-change-project-21162>.

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11. Democracy and development in Latin America

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Among specialists in Latin American politics, the concept of democratization was predominantly associated with the study of transitions from military regimes to electoral democracies in the late twentieth century. Such military regimes have a long historical record in Latin America,¹ but in the 1970s and early 1980s they regained a particularly strong presence in the continent at the peak of a political wave that started in the 1960s. The institutional configuration of those regimes was varied, but their emergence always responded to class conflict and readjustments of the national balance of social forces during crises of accumulation (Harding and Petras, 1988; Lowy and Sader, 1985; cf. Collier, 1979). Military regimes received support from fractions of hegemonic dominant classes, and had a very salient repressive function. They were also often aided by US governments, the latter driven by a combination of geopolitical interests, fear of the ‘domino effect’ that the Cuban Revolution of 1959 could in their view stimulate in the region and notions of moral superiority (Dodds, 2007; Pearce, 1982; Schoultz, 1998). The capitalist crisis of the early 1970s exacerbated social conflict and reaffirmed the position of military regimes as regional expressions of a readjusted model of global accumulation: their national and international supporters saw those regimes as guarantors of capitalist economic growth and effective control of subaltern classes in their nations. Once there was evidence that the promises of sustained growth and containment of popular and working classes could not be effectively fulfilled, military regimes lost elite and external support and were eventually replaced by civilian governments.

This was the scenario in which the concept of ‘democratization’ emerged prominently among both scholars and politicians discussing Latin American politics. By the end of the 1980s, only Chile and Paraguay maintained military dictatorships, and in the 1990s even those two dictatorships were replaced by electoral democracies. Democratization then became a central conceptual frame to analyse processes of political transition and to discuss conditions for democratic consolidation (Linz and Valenzuela, 1996; Mainwaring, O’Donnell and Valenzuela, 1992). But, given the broader global context of the period, the concept of democratization was also loaded with economic considerations from the outset, and actually served to recast ongoing debates on development in the continent. As a result, the previously dominant state-centred development models were displaced from governmental agendas.

The so-called debt crisis of the 1980s, with a succession of Latin American countries declaring incapacity to meet external debt payments under existing conditions, revealed the subordination and fragility of most Latin American economies, which most military regimes had reproduced while often deepening social inequalities. With the crisis, reliance on a primary export base and on external capital was exposed as a widespread continental problem once again. The political ascendancy of countries of the core and international financing agencies over Latin American nations was also reaffirmed (Devlin and French-Davis, 1995; Stallings, 1990, 2014): credit would continue to flow towards the latter, but it would come along with externally imposed political conditions and surveillance. In this context, state-centred projects of industrialization and economic diversification, which after World War II and until the

1970s prevailed in developmentalist thinking in the continent,² were signalled as part of the problem. In parallel, the so-called ‘Washington Consensus’, advocating the downsizing of the state and reliance on market mechanisms for economic growth (Williamson, 1990), started to drive Latin American policy makers under pressure from international financial institutions and core countries. The collapse of the Soviet Union in 1991 facilitated this readjustment of a global order in which capitalist markets (in practice, shaped in favour of large corporations) were everywhere presented as the necessary foundation for democracy.

Those international factors provided foundations for the hegemonic consolidation of the neoliberal paradigm in the 1990s and also shaped the concepts of democratization and development that mapped the emergence of Latin American democratic regimes. There were still expert Latin American voices drawing attention to structural factors in the shaping of uneven development models and advocating a degree of state-controlled balancing of market mechanisms (Leiva, 2008), but, in practice, democratization in the continent was underpinned by economic liberalization, with proposals for even more foreign capital inversion and emphasis on efficiency in the management of resources – in practice, synonymous with privatization of public assets and, in general terms, with austerity policies.

That neoliberal paradigm seemed to have been consolidated among Latin American political elites in the 1990s, though critical voices continued to question its ideological pillars and criticized the negative effects that new policies were having on the poor and the working classes. But, as poverty and inequality deepened, signs of citizen detachment from conventional political parties and institutional politics soon evinced growing discontent among large shares of the Latin American population. In the 1990s, social protest and mobilization against national governments or against specific policies such as privatizations increased, in some cases led by the indigenous population (Assies, 2003; Nash, 1992; Sawyer, 2004). This discontent and mobilization generally lacked pre-existing organic structures to channel competition for power at a national level, but nevertheless created the conditions for the wave of political change that started to take shape in the late 1990s. In political terms, this wave constituted a post-neoliberal shift (Borón, 2003a; Grugel and Riggirozzi, 2012; Sader, 2009), outcome and crystallization at governmental levels of a long process of previously disarticulated reactions to neoliberal governance. In the English-speaking world, the analysis of this political shift has somewhat run parallel to debates on the causes and effects of the so-called ‘Pink Tide’ – a term coined to denominate a group of diverse left-leaning governments that emerged from the late 1990s and into the 2000s. Sharp discrepancies exist in those debates (Ellner, 2019; Ruckert, Macdonald and Proulx, 2016), with some positions even questioning the validity of the post-neoliberal label to name political processes that have not substantially altered the socio-economic status quo. But Latin America has unquestionably been home to significant processes of political/economic experimentation, and some actual transformations, since the post-neoliberal movement started to gain institutional power in the late 1990s.

This chapter examines the context of and key political frictions generated by those processes, with a focus on discussing how ‘democratization’ and ‘development’ have been partially reconceptualized in Latin America in this scenario. That reconceptualization has resulted from the political praxis of some governments and other actors undertaking collective action, but is, of course, a contested one: Latin America is traversed by sociological diversity and political divergences, some of them sharply expressed at governmental level. So, here is a caveat: in many respects, treating Latin America as a homogeneous whole is analytically unsound and potentially misleading. This chapter keeps that caveat in mind in its explora-

tion of five dimensions of the interrelationships between processes of democratization and socio-economic development in the continent. Rather than presenting a unified profile for the continent, the chapter addresses five topics that facilitate the contextualization and discussion of current political tendencies and frictions in the continent. Specifically, those topics are the following: the question of populism in the analysis of the post-neoliberal shift; the definition of state/civil society relations in the configuration of democratic and development models; geopolitics, regionalism and sovereignty; neo-extractivism and alternative developments; and the role of production of and access to information in debates on democratization. The chapter will show that, as an overarching political question, the post-neoliberal shift brought ‘the state back’ into the politics of democratization and development in the continent, but it will also make clear that the extent to which state-centrism may consolidate as a lasting paradigm for social development is unclear, given the antagonistic forces that currently traverse the region.

POST-NEOLIBERALISM AND THE QUESTION OF POPULISM

The election of Hugo Chávez as Venezuelan president in 1998 signalled the first governmental milestone of the post-neoliberal shift in Latin America. As a candidate, he had run a campaign pervaded by appeals to republican reFOUNDATION and to the implementation of a ‘third way’ model for the Venezuelan economy (Raby, 2006, pp. 145–57). Along with his profile as a political outsider, anti-establishment discourse and charisma, that campaign captured the hopes of large (and socially heterogeneous) shares of a citizenry struck by massive levels of poverty, generalized socio-economic disenfranchisement and strong political discontent.³ A comparable discontent with the effects of neoliberal governance, and with the political actors that articulated it, was identifiable in other countries where left-leaning candidates won presidential office in subsequent years.⁴ During the 1990s, an extremely uneven distribution of wealth, in some cases accompanied by alarming levels of poverty, continued to strike large shares of the population even in the countries where gross domestic product (GDP) growth was notable – indeed, by the end of the 1990s the continent registered a peak in terms of inequality (Comisión Económica para América Latina y el Caribe [CEPAL], 2001). So, while nation-specific factors imprinted different political conditions on the left-turn in continental governance, the latter generally rested on the formation of heterogeneous political blocs that crystallized around new leaderships and out of widespread opposition to the effects that neoliberal reform had generated.

Pink Tide governments have followed quite diverse policy orientation, but in turn they have converged in seeking to set limits to neoliberal governance and regaining degrees of sovereignty in the management of internal and foreign affairs. This general directionality was epitomized in 2005 by the rejection of the Free Trade Area of the Americas (FTAA) that presidents Néstor Kirchner of Argentina and Hugo Chávez of Venezuela staged at a Summit of the Americas celebrated in Mar del Plata, Argentina. The FTAA represented a continuation of the ‘democratization’ model linked to neoliberal governance that predominated in Latin America during the 1990s. The draft treaty, shaped by US governments, proposed trade liberalization and reliable conditions for (foreign) investment as foundations of economic growth and prosperity. The treaty was opposed by governments whose praxis had started to reclaim the role of the state as guarantor of freedoms and socio-economic development – governments that in

parallel feared the effects of such type of free trade agreement, given the unequal capacities of US and Latin American economies.

The new governmental orientation proved successful in the short term for Latin American countries in some key socio-economic areas. On occasion this was facilitated by the expansion of conditional cash transfers such as the much commented on Bolsa Família in Brazil, a programme created in 2003 under the government of leftist Lula da Silva. But these programmes rarely achieve sustained positive results in the provision of key social services such as education and health (Sánchez-Ancochea and Mattei, 2011), so improvements during this period were more dependent on direct state investment in those services. In aggregate terms, income poverty was reduced on average from 43.8 per cent in 1999 to 30.4 per cent in 2011 (CEPAL, 2012), and in countries such as Venezuela, which led a strong state-centric model of development over those years, that reduction was even more substantial (it fell from 42.8 per cent in 1999 to 26.8 per cent in 2010).⁵ The Human Development Index, whose inclusion of measurements of life expectancy and education complement the measurement of income, also showed significant improvements in several countries, often as a direct result of stronger public investment in social services such as education. Continental averages continued to improve during this decade, increasing the Index from 0.685 in 2000 to 0.730 in 2010. These improvements in key socio-economic indicators, in conjunction with notable GDP growth in many Latin American countries during part of the 2000s, led to the dubbing of this period as ‘the won decade’ – a term that establishes a direct contrast with the conditions that led the coining of ‘the lost decade’ to denominate the 1980s, where those indicators deteriorated and, on average, GDP growth fell 0.3 per cent yearly when measured per capita (Borón, 2003b, pp. 23–4).

The reorientations in governmental praxis during this period have been the subject of strong political disputes, centrally channelled through electoral competition but also through other forms of collective action (ranging from street protest to social media manoeuvring). These disputes opened the way to what some authors denominate a new right-leaning cycle in the continent, inaugurated at a governmental level in 2015 with the victory of Mauricio Macri in Argentina and followed by a series of electoral victories by candidates with marked neoliberal economic profile in the continent. At an aggregate continental level, poverty levels augmented in 2015–16 in a tendency that was partially stopped by 2017, but which nevertheless maintained indicators of a renewed increase of inequality: extreme poverty (measured by income) grew significantly in this scenario (CEPAL, 2018). While the real character and prospects of this cycle are uncertain, what is evident is that electoral disputes are expressing at a practical level a confrontation of societal projects that, at a theoretical level, is captured in different articulations of the concepts of ‘civil society’ and ‘the state’ (as ‘political society’). The next section discusses different theoretical conceptualizations of those terms, which are central to the configuration of political differences between neoliberal and post-neoliberal models. But the question of populism needs to be addressed first, in order to complete this initial contextualization of the post-neoliberal shift in Latin America.

The term populism has pervaded analysis of the Latin American post-neoliberal shift, both in scholarly circles and beyond, since the late Hugo Chávez was elected in Venezuela in 1998.⁶ However, the term is generally used in contradictory ways. In public debate, ‘populism’ has primarily become a mechanical tool to (dis)qualify political rivals, and in academic circles the analyses revolving around this concept diverge substantially in their premises and conclusions. Some scholars use the term populism to conceptualize forms of leadership and regime building

that relate to the singular characteristics of democracy in Latin America (De la Torre, 2010). Populism is from those perspectives characterized by a number of traits: personalist leadership, concentration of power in the executive, and a weakening of other institutions of democratic regimes. In economic terms, populism is presented as a model primarily focused on creating groups of clients/electors that in turn guarantee the maintenance of power – a model that would be responsible for the reproduction of rentierism in extractivist countries such as Venezuela or Ecuador, for instance.

Some currents of Marxist theory have also used the term populism in their recent analyses, but in their case in reference to alleged deviations from a normative path of socialist revolution. Thus, the governments of the late Hugo Chávez in Venezuela (1999–2013) or Evo Morales in Bolivia (2006–19) are presented as examples of a populism, a deceitful progressivism that halts revolutionary transformations. This current of Marxist analysis converges in part with characterizations of Pink Tide governments as instances of ‘passive revolutions’.⁷ These latter analyses suggest that Pink Tide governments have only introduced superficial readjustments to the existing structure of capitalist social relations and property (Modonesi, 2012). In political terms, they also emphasize the idea that the co-option or repression of leaders and organizations of the subaltern classes is a central characteristic of this period of passive revolution.

However, neither of those analyses provides insight into electoral behaviour, for they mechanically question the legitimacy of electoral results or ignore the latter as sources of political analysis. They just detach elections, which are a fundamental element of democratic politics, from social analysis, and also withdraw from explaining the causes of continuing electoral support for the governments labelled as populist. As a result, the motivations of who provide electoral support to ‘populist’ governments are ignored or tacitly presented as irrational.

Laclau (2005) theorized populism as a dimension of politics that relates to the constitution of collective political identities, rather than as a deviation from democratic ideals. His theory can be used to shed light on the emergence and crystallization of the political blocs that have supported post-neoliberal governments. These blocs have formed as that type of collective subject that Laclau denominated ‘the people’: not a well-bounded sociological category, but a construct that names and mobilizes heterogeneous social sectors. The constitution of this type of collective subject requires that a degree of identification (what Laclau denominates a ‘logic of equivalence’) is created among actors that were previously politically fragmented but which nevertheless share a common minimum denominator: their discontent with the conditions of an existing system (and with those who are identified as their articulators). This theoretical model can be used to describe the formation of the political blocs that have sustained electorally many of the governments in the orbit of the Pink Tide: these blocs are internally heterogeneous in political terms, but they crystallized around new leaderships that were discursively identified as an alternative to the conditions that neoliberal governance had generated in the continent, and which nevertheless maintained inclusive socio-economic development as a driving goal.

‘CIVIL’ AND ‘POLITICAL’ SOCIETY IN THE CONFIGURATION OF LATIN AMERICAN POLITICS

In the Latin America of the 1990s, the praxis of democratization and development implied both a practical and a theoretical displacement of the political capacities of the state. Conceptualized

as ‘the political society’, the state was signalled as a coercive space, a potential threat for democratic liberties and an obstacle for economic prosperity. In opposition, ‘civil society’ was theoretically identified as the natural realm of freedom as well as an engine of economic prosperity, and this latter concept was thus pervaded by positive moral considerations.⁸ That polarized conceptual distinction was consonant with practical policy, as, for instance, evinced by the fact that ‘civil society’ organizations became direct recipients of development financial support and the designers of development projects, to a large extent displacing ‘political society’ from those roles in development plans (Petras and Veltmeyer, 2001).

The conceptual distinction between ‘civil society’ and ‘political society’ that sustained the neoliberal paradigm rests on the idea that societies are constituted by ontologically distinctive entities. Such distinction has, of course, a long history in political theory, yet it unsurprisingly gained ideological momentum after the collapse of the Berlin Wall (Wood, 1990, p. 63), when neoliberal ideology consolidated a globally hegemonic position. The premises that conceptually demarcated the boundaries for this ‘civil society’, and the opinions about the role and potential of this entity, were consonant with a societal model in which the central locus of political power is in practice transferred into the realm of the (capitalist) economy.

Civil society is presented as a politically neutral category when defined as the social space constituted by secondary associations that come between primary ones (family and friendship) and the state. Yet, such apparently apolitical definition harbours two antagonistic ideological positions, differentiated by the role that is assigned to ‘the (capitalist) market’ in civil society (Edelman, 2005, pp. 30–31). In one of those positions it is held that the definition of civil society should not encompass ‘the market’ and economic agents such as corporations. It is contended that the activity of those agents, if not regulated, entrenches forms of inequality that erode the conditions of freedom and civic citizenship for most members of society. From another perspective, the opposite view applies: corporations, and more generally the idea of a liberalized (capitalist) market, are considered essential in the definition of a civil society and to facilitate the principles of freedom.

These conceptual divergences sustain practical predispositions: when ‘the market’ is considered to be a natural and necessary constituent of ‘civil society’, and when the latter is presented as the only social space that guarantees freedom and prosperity, the role of ‘the state’ is reduced to accompany and guarantee the mechanisms of ‘the market’ with as minimum an interference as possible. The ‘civil society’ that was promoted as the pillar for democratization in Latin American countries during the peak of the neoliberal paradigm was of this latter type. Such civil society included corporations and capital holders as privileged members, and their presence in the continent was in practice stimulated and generally protected by favourable normative conditions and a reduction of the political capacities of the state (Borón, 2003b).

The models of democratization and development primarily based on civil society organizations were criticized for their potential democratic deficits, when those organizations are detached from regular public input and accountability and therefore are transformed into particularistic associations. Analysts also underscored other implications of the model, such as the capacity to establish distinctions between acceptable and non-acceptable political subjects that the operations of non-governmental organizations (NGOs) reproduce. For instance, anthropologist Alcida Rita Ramos showed how the scenario of indigenous rights advocacy that developed in the 1990s in Brazil was influenced by bureaucratic confluences of international normative arrangements and NGO programmes guided by deceptively depoliticized notions of the indigenous subject – what Ramos denominated the hyperreal Indian (Ramos, 1994).

Such subject, which Ramos identified as a construction projecting Western ideals of virtue, stoicism and heroism, became the target of activism in an operating model that displaced the rights and necessities of non-hyperreal indigenous people – for instance, those who were involved in economic activities such as mining in order to sustain themselves and gain some access to basic services. Such a model of rights advocacy unfolded in harmony with national and international civil society agencies, yet it was incapable of advancing what many indigenous peoples considered their interests and rights, which included a degree of socio-economic development. Thus, important shares of the indigenous population engaged during the 1990s and 2000s in overtly politicized forms of collective action that expressed a preference for a consolidated state (‘political society’) as the space for the promotion of democratic rights and for socio-economic development. In countries such as Bolivia and Ecuador, for instance, such collective action was one of the pillars that facilitated governmental reorientation, even new constituent processes, after the elections of Evo Morales and Rafael Correa, in 2005 and 2006 respectively.

The reactions against the ‘civil society’ model of development among the governments in the orbit of the post-neoliberal shift include interventions guided by sovereignty concerns. For instance, parliaments supporting these governments have passed or discussed legislation that reinforces regulations over the flows of international cooperation that address civil society organizations in their countries. This legislation provides normative articulation to a principle of sovereignty that in Latin America is heavily invested with a progressive tradition of anti-colonial sentiment, fuelled by a long list of foreign military interventions in the region and, more recently, by the conditions of political subordination that the structural adjustments of the 1980s and 1990s revealed again for Latin Americans. Left-wing governments in the continent have been particularly sensitive to these questions of sovereignty and security in relation to civil society discourse, and with some basis. As anthropologists Fabricant and Postero recently noted (2014, p. 395), appeals to civil society have been used to justify the transfer of massive resources to political organizations that oppose those governments, just as human rights and humanitarianism discourses have been used in the past to justify direct military intervention in the continent.

In this respect, for instance, agencies linked to the US government have been criticized for the way in which their donations to civil society organizations in countries such as Venezuela increased exponentially during the early 2000s, once the late Hugo Chávez’s nationalist orientations were identified as potentially negative for US interests in the region. Some of the organizations that received substantial US funding participated actively in campaigns of destabilization against Chávez’s governments (Golinger, 2005). Comparable concerns with sovereignty and criticism against ‘civil society’ models of development have also been directed at the use of cooperation funds for programmes that oppose the directionality of policy elaborated by elected governments.

The active reactions of governments and legislators in the orbit of the Pink Tide has in turn been criticized as an attack on liberties, revealing another example of the tension between different conceptions of ‘civil society’ and ‘political society’ in the shaping of current Latin American politics. This tension, as well as the concern over sovereignty that governments in the orbit of the post-neoliberal shift presented as a justification of their approach to regulate the flows of international cooperation, finds echoes in the areas of geopolitical activity and foreign policy, where intense activity took place over the past two decades. Key tendencies and conflicts traversing continental politics are also identifiable there.

GEOPOLITICS, REGIONALISM AND SOVEREIGNTY

The Latin American politics of development have unfolded over the past two decades in a changing international scenario marked by a growing degree of (asymmetrical) pluripolarity. After the collapse of the Soviet Union in 1991, US global hegemony was robust and uncontested, but it has gradually weakened. The US maintains its position as the dominant global power and its own core area of uncontested influence, but other poles of power can be identified around China, Russia and even the European Union and Japan (Cohen, 2009, pp. 46–7; Walton, 2007). The increasingly autonomous institutionalization of Latin American and Caribbean regionalism precisely evinces the consolidation of this scenario of growing pluripolarity (Angosto-Ferrández, 2014; Aponte-García, 2014; Chodor and McCarthy-Jones, 2013).

This regionalism facilitates the assertion of sovereignty of its constituent members and has deep historical roots in the continent. Concrete advancements of institutional regionalism materialized with the creation of the Community of Latin American and Caribbean States (CELAC) in 2010, the Union of South American Nations (UNASUR) in 2008, the Bolivarian Alliance for the Americas – People’s Trade Agreement (ALBA–TCP) that emerged in 2004 or Petrocaribe in 2005. It is no coincidence that these organizations appeared in a period in which several regional governments were determined to recover the role of the state in the implementation of development plans, and some of them also to build non-capitalist ‘counter-spaces’ through new forms of supranational cooperation (Muhr, 2017).

However, this new regional integration does not preclude the existence of different ideological sensibilities among the states that are forming it. This brings a degree of uncertainty over the future capacities of the new organizations, which are not only dependent on contingent political factors as is the case for any other supranational organization, as the recent withdrawals from UNASUR by right-leaning governments demonstrates (e.g., Ecuador in 2019, following the cases of Colombia, Chile, Paraguay, Brazil, Argentina and Peru); those new organizations have also faced frontal intra-regional balancing from other organizations that represent different political and economic models, such as the Pacific Alliance (Nolte and Wehner, 2013). In addition, governments of all ideological leanings in the continent are demonstrating a pragmatic multilateral approach to pursuing credit and international commercial deals. Think tanks in the orbit of the leftist governments of the region such as the Latin American Strategic Center for Geopolitics (CELAG) nowadays overtly present pragmatic diversification of commercial deals and sources of credit as a generalized and to some extent unavoidable characteristic of a global geopolitical scenario of insecurity (Serrano Mancilla, 2016). And, indeed, even the countries within the orbit of the Pink Tide, including those that have been more active in supporting the creation of a new and more autonomous regionalism, have undertaken a foreign policy orientation that seeks to combine pragmatism with the assertion of sovereign independence. The diversification of commercial and credit relations has been presented by organic intellectuals of the Latin American left as one of the achievements of progressive continental governments over the past decade, and as a necessary step toward the consolidation of sovereign autonomy among Latin American nations (García Linera, 2015, p. 75). Countries such as Bolivia, Cuba, Nicaragua or Venezuela have complemented this orientation with the advocacy of a pluripolar geopolitical order and the promotion of alternative socio-economic orders through supranational integration (Muhr, 2012; Raby, 2011).

In the countries that came to be identified with the so-called socialism of the twenty-first century (namely, Bolivia, Venezuela and Ecuador, at least during Rafael Correa's presidencies – 2007–17), the pursuit of those alternative socio-economic orders has also been discursively associated with a reconsideration of the relation between humanity and the natural environment and with an open critique of capitalism's unsustainability. Such reconsideration has nevertheless faced the dilemma posed by extractivism as a pillar of the economy, as the next section discusses.

NEO-EXTRACTIVISM AND ALTERNATIVE DEVELOPMENTS

With the post-neoliberal turn, some Latin American countries have gone through a contradictory process in which sustained citizen demand for socio-economic development had to be combined with the demand for the creation of alternative forms of development. The latter had been advanced for decades as a goal by some indigenous peoples and environmentalist activists in the continent, and in general by poor people opposing land dispossession associated with extractive industries. The critique of utilitarian conceptions of nature in dominant development models was also at the core of important streams of Latin American thought (Coronil, 1997; Escobar, 2005). A critique to the way in which capitalist logics dispossessed and disenfranchised the poor was often made in tandem with the promotion of post-developmental societal models among those who mobilized during the 1990s and early 2000s in opposition to privatizations of natural resources and basic services or against concessions granted to large corporations for the extraction of hydrocarbons or minerals. These protests thus included demands for alternative development models that were discursively absorbed by the political movements that brought leftist presidents to countries now included in the orbit of the post-neoliberal shift. Indeed, such demands for alternative development models reached normative expression in countries such as Ecuador and Bolivia: the constitutions sanctioned in these countries in 2008 and 2009 respectively included recognition of indigenous conceptions of human development encapsulated in terms such as the Quechua *Sumak Kawsay* (translated into Spanish as *Buen Vivir* or *Vivir Bien*). The 2008 Constitution of Ecuador, which pioneered the normative articulation of the *Buen Vivir* (collective well-being) concept, explicitly elaborated on the conditions that could enable its realization, describing a 'regime of development' (Art. 275) and indicating specific objectives that should organize it (Arts. 276 and 277). However, after the constitution was approved, the governments led by Rafael Correa maintained, and even intensified, extractivism as the engine of national development in Ecuador. A similar reliance on extractivism has been maintained by the leftist governments of other countries where *Sumak Kawsay* or comparable concepts were discursively presented as governmental goals (e.g., Bolivia or Venezuela). The term neo-extractivism has been used to describe the practices implemented by these governments, differentiating them from the neoliberal model but also underscoring that global capitalism and uneven development are reproduced with this new extractivism, as well as problems such as the displacement of local communities and environmental degradation (Gudynas, 2012).

Neo-extractivist practice has generated protests of different intensity against leftist governments over the past decade, and has stimulated commentary on the real meaning and effects of that discursive production that pointed towards the establishment of alternative developments but failed to materialize them (Farthing and Fabricant, 2018). Some authors argue that *Buen*

Vivir became part of a discursive strategy that enabled new political groups to gain power in a period of crisis, only to reproduce the state as a structure of power without substantial transformation (Walsh, 2010; cf. Lalander, 2014). However, these arguments often overlook the fact that leftist governments involved in neo-extractivism have maintained strong political support in their countries, support that often stems from members of the working and popular classes – including sectors of the indigenous population. In dismissing this support, the political consciousness and legitimacy of important sectors of the population is negated, and the understanding of the politics of democracy and development in the continent are obscured. The consideration of poverty (or the real threat of poverty) among large shares of the Latin American population, along with the unequal distribution of wealth at national and global levels, are factors that introduce other perspectives into the discussion. The leftist governments that have maintained extractivism as an economic pillar have responded to ongoing demands for socio-economic development in their countries; the effective articulation of this demand underpins the electoral support that neo-extractivist governments have received. Redistributive policies, improvements in social service provision and the generation of new opportunities for the poor consolidated basic socio-economic rights and the political standing of large shares of popular and working classes. Of course, these improvements need to be sustained in time, and extractivism, exposed as it is to economic fluctuations in demand and prices, is too thin a foundation for a solid welfare state if not complemented with other activities that guarantee production and a healthy public treasure. The recent collapse of the Venezuelan economy after years of rapid growth and improvement in socio-economic indicators indeed highlights once again the problems associated with the reproduction of rentierism and reliance on extractivism – a situation that was not created by the Bolivarian governments that have presided over the country since 1999, but which these governments had not been able to overcome.

At any rate, the discussion of Latin American neo-extractivism within the frame of (just) sustainability remains important.⁹ Just sustainability is a concept that brings to the fore the politics of (in)equality and (in)justice that underpin the debates on sustainability (Agyeman, 2013). With the current levels of aggregate consumption of resources and pollution at a global level, neo-extractivism constitutes unquestionably a negative force that brings us closer to what experts describe as a tipping point in environmental equilibriums – those aggregate levels of human consumption of resources and pollution may make it materially impossible to live on the planet. Yet, on the other hand, a discussion can be established about shares of responsibility in regard to this global phenomenon. Neo-extractivism indeed involves Latin American countries in which extractivism directly takes place (such as Bolivia, Ecuador or Venezuela), and their responsibility becomes easy to identify. Yet neo-extractivism also involves other countries whose responsibility is generally less noticeable: countries in which capital for this industry originates, and/or countries where current levels of aggregate consumption (and pollution) sustain the demand for hydrocarbons and other non-renewable resources. In fact, in the countries of the so-called developed world, the population lives at an aggregate level well above their own biocapacity, as studies of the so-called Global Footprint Network have shown.¹⁰ This means in practice that, in order to sustain their current forms of life, the population in those countries is continuously buying ‘nature’ from other parts of the world.

This perspective sheds light on the fact that, while governments labelled as neo-extractivist (and populations that politically support them) receive large shares of responsibility in the global problem of climate change and environmental degradation, they are only weak links in the chain of causation of this problem. Against this background, one acknowledges that, when

the population of ‘neo-extractivist’ Latin American countries supports the governments that maintain this policy, they are obviously supporting a non-sustainable model; but attention is also drawn to the fact that this is a model that they have not caused in the first place, and that this model is at present made unsustainable by the population of those countries of the core that, at an aggregate level, live above their own biocapacities. It may thus be unethical to put the burden of responsibility on countries that are only weak links in a global chain and that, additionally, have shown over the past two decades a genuine concern with promoting social justice. Responsibility for global sustainability needs to be accepted by all, but differential degrees of action can be discussed in the search for just and genuinely sustainable societies.

PRODUCTION OF AND ACCESS TO INFORMATION

The media have probably become *the* key institution in shaping public debate, but at the same time the production and circulation of information are strongly dominated by private corporations. While the right to information has been enshrined as a human right, its production and circulation has become fully enmeshed in market dynamics, and as a commercial area the media and mass communication have been characterized by the entrenchment of quasi-monopolies. The extent to which this affects democratic quality has become the centre of debates that, to a considerable extent, relate to the different articulations of the concepts of ‘civil society’ and ‘political society’ that were discussed in a previous section of this chapter.

In Latin America, as in virtually any other part of the world, media, and more generally the production and circulation of information, remain primarily controlled by large commercial corporations. But it is probably in this continent where more innovations have been introduced over the past decades in these areas. More public debate on the current state of the media and on its relations with democratic values has been generated over the past two decades (Campo and Crowder-Taraborrelli, 2018; Sorj, 2012). This has been both a reflection of and a stimulus to the mobilization of demands of democratization in the area of producing, circulating and accessing information in the continent. Proposals often requested an effective diversification of the field of information production and circulation, and the presence of the state as guarantor of that diversification was called for. Indeed, legislation has been passed in several Latin American countries granting rights to non-commercial producers of information, including both public entities and community actors, and seeking to set limits to the quasi-monopolistic capacities that commercial entities have been able to play in practice in the past. The countries include Argentina, Bolivia, Brazil, Ecuador, Uruguay and Venezuela, and in all of them the discussion of legislation became the object of strong political confrontations that mobilized supporters and opposition to these projects on a mass scale. Supporters projected the idea that the state as ‘political society’ needs to guarantee citizen rights that are eroded if only articulated by actors fully dependent on market mechanisms; the latter contended that more state regulation in the area of information and mass communication is a threat to liberties and a mechanism for political authoritarianism, and that ‘civil society’ should maintain the capacity to produce and circulate information (a civil society defined in association with the capitalist market).

At any rate, the legislative reforms that have many small producers have celebrated as a potential path for the democratization of the media sector are in themselves insufficient to guarantee a lasting transformation in the realm of production and circulation of information.

On the one hand, the implementation and enforcement of that legislation will be subjected to potential reorientations in government directionality, and simple cuts in national budgets can strongly affect the capacity that community and public producers have to maintain the production and circulation of information independent from market mechanisms.

A separate mention can be made of the efforts that some Latin American countries have directed towards the creation of communication platforms that might represent and strengthen the institutionalization of the new regionalism (Cañizález and Lugo, 2007). The foundation of TeleSur (Television of South America) has been the most ambitious project: it has been broadcasting since 2005, led by the late Chávez and primarily funded by Venezuelan and other leftist governments in the continent (including Argentinean, Bolivian, Cuban, Ecuadorean, Nicaraguan, Uruguayan governments, at least for a while – the current Argentinean government under Macri and the Ecuadorian one under Moreno halted their countries' participation). Supporters of this channel have somewhat transferred into the international arena the same principle that applies to demands of media democratization inside Latin American countries: the right to information needs to be reflected in the diversification of producers and channels of circulation of information.

TeleSur has consolidated its presence in the continent and has a global reach, but like the processes of regionalism that it has tried to strengthen, it is subjected to political fluctuations that bring uncertainty to its future. It has been identified in political terms with the leftist turn in the continent, and it is significant that with the return of rightist presidents to countries such as Argentina (with Mauricio Macri elected in 2015), or with political readjustments in other countries such as Ecuador (where Lenin Moreno succeeded Correa in 2017 and has marked distance from the orientations of the latter), the funding for the channel is endangered; Macri and Moreno have stopped supporting the channel.

CONCLUSION

Different political tendencies and key antagonistic perspectives are identifiable in the current Latin American conjuncture, and none of them is in a solid hegemonic position. Despite such uncertain scenarios, in this chapter I showed that, over the past two decades, among those tendencies and perspectives was a strong stream of forces converging to bring the state back into the shaping of democracy and socio-economic development in the continent. These political streams gained continental dimensions as a post-neoliberal turn, a response to the societal model that prevailed at governmental level in the continent since the 1980s. I suggested that this political turn can be discussed, in theoretical terms, as a re-evaluation of the concept of 'the state' after a period in which dominant ideology had transformed into a negative category, and in the natural enemy of 'civil society'. In practice, the political shift in the continent was sustained by the emergence of political blocs whose formation can be read in relation to theory on populism (detaching this concept from vulgar associations), and soon found expression in the institutionalization of a new Latin American regionalism. These political blocs supported governmental action that recovered the role of the state in the mediation of social relations, including the realm of the economy but also other key areas for the consolidation of democratic rights such as the production and circulation of information. The question of neo-extractivism and the possibilities for alternative developments was also addressed, since it encapsulates crucial debates on the contemporary politics of development. Why did leftist governments

brought to government over post-neoliberal movements maintain such engagement with global capitalism through the intensification of extractivism in their countries? The question remains (partly) open, but at this stage it seems clear that these governments responded primarily to the overarching demand of socio-economic enfranchisement of their supporters, who continued providing mass electoral support once the new conditions of extractivism had been made apparent. The materialization of such demand for socio-economic enfranchisement was not possible without the income generated by the extraction and commercialization of hydrocarbons and minerals, but this logic was obviously problematic under the lens of sustainability. Is this neo-extractivist approach to development sustainable? No, if we consider the global picture of environmental degradation. Yet, neo-extractivism may appear as *legitimate* politics in a world in which those who keep alive the demand for the intensive extraction of resources are primarily those who consume and pollute in ways that, if exported to the rest of the world, would make life on the planet literally impossible. These are people who live in the core of the world economy, and most often in countries in which they do not have to face *directly* the environmental calamities that extractivism reproduces. And, unless people and governments in these countries accept their very large share of responsibility in finding solutions to the problem of (just) sustainability, it will remain unethical to put the blame on the governments of poorer countries with populations in need of socio-economic enfranchisement.

NOTES

1. In this chapter, general references to Latin America do include Central American and Caribbean countries. See also caveat at the end of this introductory section.
2. For a detailed analysis of these models, including the importance and original contributions made by Latin American theorists, see Kay (1989) and Dos Santos (2003).
3. When the late Hugo Chávez won his first presidential term, over 50 per cent of the Venezuelan population lived in conditions of poverty (Weisbrot, Sandoval and Rosnick, 2006). Chávez received 56 per cent of the national vote in the 1998 presidential election.
4. Elected presidents in this left-leaning wave include, among others, Néstor Kirchner in Argentina and Luiz Inácio ‘Lula’ da Silva in Brazil in 2003; Evo Morales in Bolivia and Tabaré Vázquez in Uruguay in 2005; Rafael Correa in Ecuador and Daniel Ortega in Nicaragua in 2006; Cristina Fernández de Kirchner in Argentina in 2007; Fernando Lugo in Paraguay in 2008; Mauricio Funes in El Salvador in 2009; and José Mujica in Uruguay in 2010.
5. See World Bank’s ‘Poverty headcount ratio at national poverty lines (% of population) – Latin America & Caribbean, Venezuela, RB’, accessed 26 November 2020 at <https://data.worldbank.org/indicator/SI.POV.NAHC?locations=ZJ-VE>.
6. This discussion of populism is a revised version of material that will be published in Angosto-Ferrández (2019).
7. See Morton (2007) for a discussion of Gramsci’s concept of ‘passive revolution’.
8. This section condenses a revision of material and arguments I have previously published in *Venezuela Reframed* (Angosto-Ferrández, 2015).
9. The following discussion is a revised adaptation of arguments advanced in Chapter 7 of Angosto-Ferrández (2015). ‘Indigenous peoples, capitalism and the political economy of the socialisms of the twenty-first century in Latin America’.
10. The Global Footprint Network defines biocapacity as ‘the capacity of ecosystems to produce useful biological materials and to absorb waste materials generated by humans, using current management schemes and extraction technologies’. See more details at <http://www.footprintnetwork.org/en/index.php/GFN/page/glossary/>; accessed 26 November 2020.

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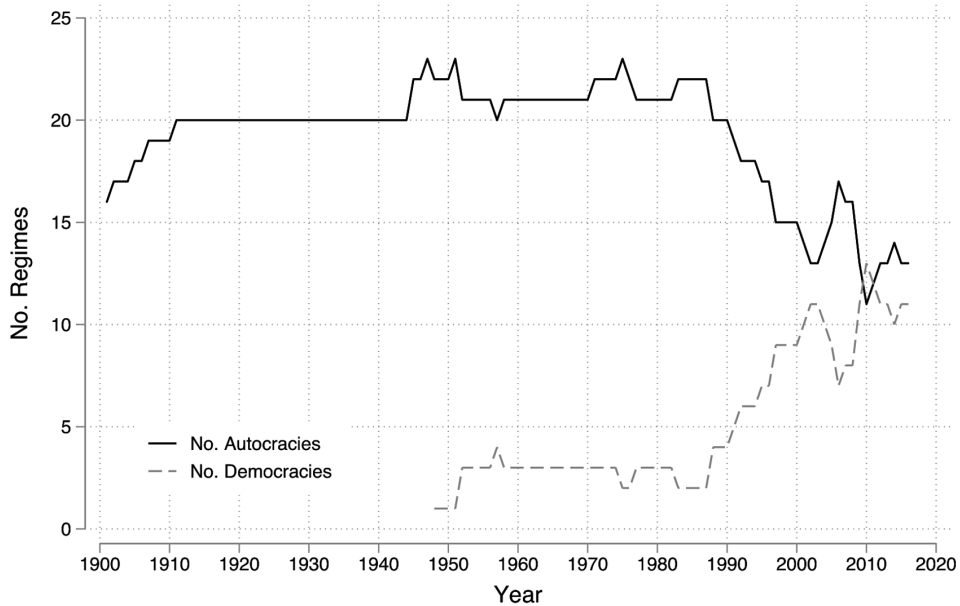
12. Development and democracy in Asia

Aurel Croissant and Lars Pelke

1 INTRODUCTION

Does economic development promote democracy? What is the impact of democratic institutions on economic growth and wealth? Legions of scholars and policymakers alike have sought the answer to these questions but the debate remains inconclusive (Acemogl, Naidu and Restrepo, 2019; Ruiz Pozuelo, Slipowitz and Vuletin, 2016; Sunde and Jung, 2014). There is, of course, a positive correlation between development (approximated as per capita income) and democracy worldwide, as most affluent countries have democratic governments, but whether this correlation implies a causal relationship in a certain direction, or if the relationship works dynamically by way of reinforcing each other, and what the causal mechanisms are, remains contested. Moreover, the literature has far from settled on what aspect of economic development is the ‘key’ to democracy and if income is just a proxy for some other relevant trait that is really driving democratization, such as education, urbanization, inequality, particular values or new patterns of social interaction (Acemoglu and Robinson, 2006, 2018; Boix, 2003, 2011; Treisman, 2015; Welzel, 2013). Older studies that established a correlation using cross-sectional data and interpreted it as a causal relationship in a certain direction suffered from problems of reverse causality and omitted variables (Bollen and Jackman, 1985; Burkhart and Lewis-Beck, 1994; Cutright and Wiley, 1969; Lipset, 1959). Recent research uses panel data to identify the effects of interest via temporal variation and to separate them from time-invariant country-specific intervening factors (e.g., Acemoglu et al., 2008, 2019; Boix, 2011). In addition, IV estimators are increasingly used to avoid problems of endogeneity (cf. Acemoglu, Johnson and Robinson, 2001). Still, empirical results depend very much on scholars’ choice of model specifications and their empirical strategies (Boix, 2018). The Asia-Pacific region (comprising South, Southeast, and Northeast Asia) is of particular importance for the discussion about the development–democracy nexus. The region has been home to some of the most impressive success stories of economic growth and human development in the post-World War II period. In Japan, Hong Kong, Taiwan, South Korea, Singapore, Malaysia, Thailand, and Indonesia, real per capita gross domestic product (GDP) rose twice as fast as in any other regional grouping between 1965 and 1990 (Maddison, 1991; see also Bolt et al., 2018). In the 1980s and 1990s, China and India also emerged as major forces in the global economy and GDP per capita has increased a remarkable sevenfold in China and more than doubled in India (Bosworth and Collins, 2008). Even more impressive is the dramatic reduction in poverty in these countries, and the simultaneous increase in literacy, life expectancy, and the size of the new middle classes (Asian Development Bank, 2010).

In recent years, the Asia-Pacific has also seen its share of transitions from authoritarian rule to democratic governance (Croissant, 2004; Croissant and Hellmann, 2020). The so-called third wave of democratization reached the shores of the region in the mid-1980s. Although consolidated democracy is still the exception, the number of democracies tripled from three in 1980 to nine in 2005, and 11 in 2017 (Figure 12.1).¹



Source: Data from Coppedge et al. (2018a) and Lüthmann, Tanneberg and Lindberg (2018).

Figure 12.1 Number of democracies and autocracies in Asia, 1900–2017

Yet, a closer examination of the democratic and economic experiences of the Asia-Pacific reveals that many countries seem to defy simplistic assumptions regarding the relationship between democracy and development. On the one hand, poor and relatively underdeveloped countries such as India, Bangladesh, Timor-Leste, and the Philippines adopted electoral democracy although they did not meet the socio-economic requisites of democracy. On the other hand, authoritarian governments in affluent countries such as Singapore, Brunei, and Malaysia withered the challenge of democratization. Despite rapidly rising levels of socio-economic modernization, other countries, such as China and Vietnam, do not exhibit any trend towards more democratic political institutions.

At the same time, the region seems to contradict the widely held view that ‘democracy does a better job in raising living standards in poor countries than does authoritarian government’ (Halperin, Siegle and Weinstein, 2010, p. 1). By global standards, democracies outperform authoritarian regimes on almost every measure of development (Przeworski et al., 2000) but in the Asia-Pacific, many, though not all, authoritarian regimes demonstrated a strong capacity to produce growth-generating public goods, economic growth and human development. A glance at the average growth rates in autocracies and democracies over the time span 1960–2010 shows that, globally, democracies do indeed exhibit higher growth rates than autocracies, although the gap is less substantial than is often assumed. More importantly for the theme of this chapter, however, is the observation that democracies do not outperform autocracies in GDP per capita growth but, depending on the time period, economic growth rates in autocracies are higher than in democracies. Even if one accepts that the ‘average’

Table 12.1 *GDP per capita growth rates in autocracies and democracies in the Asia-Pacific*

	Regime Type	1960–2010	1960–89	1990–2010
World	Autocracies	2.31%	2.02%	2.84%
	Democracies	2.82%	2.88%	2.78%
Asia-Pacific	Autocracies	3.54%	3.11%	4.37%
	Democracies	3.54%	2.83%	3.91%

Sources: Data from Coppedge et al. (2018a), Lüthmann et al. (2018), and Maddison Project Database by Bolt et al. (2018).

autocracy lags behind the ‘average’ democracy on economic development, Table 12.1 shows that Asia-Pacific dictatorships tell a different story, even if one takes into account differences between time periods and sub-regions.²

In fact, ‘all the recent examples of successful authoritarian modernisation cluster in East Asia rather than other parts of the world’, as Francis Fukuyama (2013, p. 16) notes. In contrast to highly predatory autocracies in the Middle East, Latin America, and sub-Saharan Africa, non-democracies in the Asia-Pacific often provide a relatively high level of ‘rule of law for elites’ (North, Wallis and Weingast, 2009) and protection of property rights – two of the most important ingredients for economic development in the long run (Acemoglu and Robinson, 2012; Haggard, MacIntyre and Tiede, 2008).

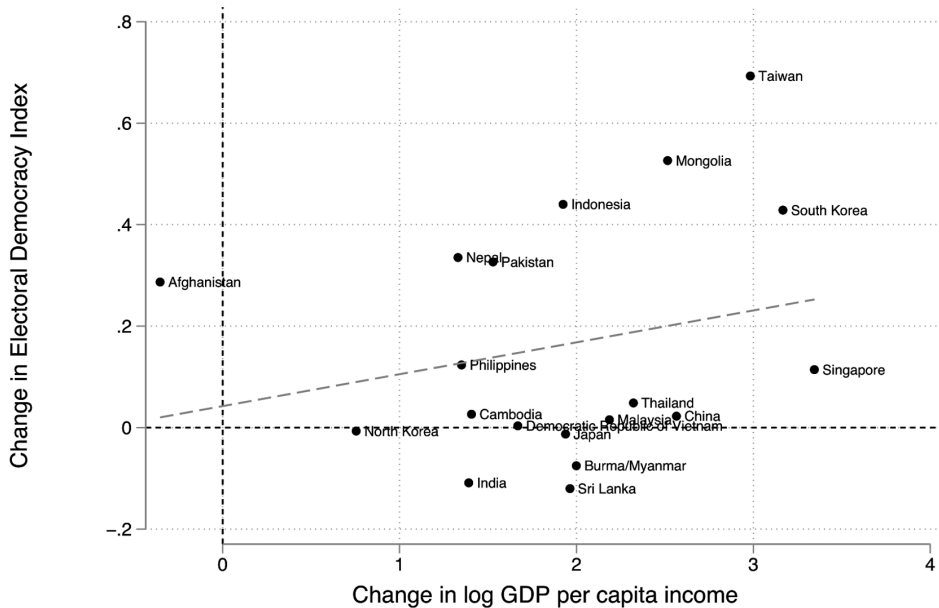
Figure 12.2 plots the relationship between the changes in GDP per capita (log) from 1960 to 2015 and the changes in the Varieties of Democracy’s (V-Dem’s) ‘Electoral Democracy Index’ (EDI) over the same period. It provides weak evidence that democratization and economic development is generally linked in Asia. Some, like Taiwan, Mongolia, Indonesia, and South Korea, experienced a major increase in democracy and income, whereas others, such as India, Myanmar, and Sri Lanka, demonstrate a considerable increase in economic development but somewhat decreasing levels of electoral democracy. Most prominently, countries such as China, Vietnam, Malaysia, and Thailand saw a very substantial increase in income but had not made significant progress in democracy in this period.

Building on this quick overview, the remainder of this chapter examines the possible causal relationship between form of rule and economic development for 20 countries in South Asia, Southeast Asia, and Northeast Asia. We approach the topic in four steps. Section 2 discusses the extant literature on the development–democracy nexus. Section 3 then presents our key concepts, data, and method. In Section 4, we test the relationship between income and democracy in the Asia-Pacific, as well as potential impacts of rule of law and state capacity. Section 5 presents our conclusions.

2 LITERATURE REVIEW: A DEVELOPMENT–DEMOCRACY NEXUS?

From Economic Development to Democracy?

The notion that democracy is a function of economic development and socio-economic modernization has been one of the most dominant theoretical frameworks in democratization studies. Perhaps the most extensively tested claim linking the political system to (economic)



Sources: Data on electoral democracy from Coppedge et al. (2018a). Data on GDP per capita from Maddison Project Database (Bolt et al., 2018).

Figure 12.2 Changes in level of income (log GDP per capita) and level and electoral democracy, 1960–2015

development is Seymour Martin Lipset's proposition that modernization operates in favor of democracy. Concretely, Lipset claimed that 'the more well-to-do a nation, the greater the chances that it will sustain democracy' (1959, p. 75). Lipset's understanding of modernization is broader than per capita income, but, because of its wide coverage and intrinsic comparability, the indicator has been widely used as a proxy for development in empirical studies on democratization.

The two main distinctions in this debate are the following. First, does economic development affect the probability for a transition to democracy ('endogenous theory' of democratization by modernization), the likelihood that democracy will survive ('exogenous theory') or both (Boix and Stokes, 2003; Przeworski et al., 2000)? The second key distinction is between 'simple' and 'conditional' models of modernization theory (Treisman, 2018). According to the simple modernization argument, economic development produces an instantaneous and proportional effect on democracy that is the same everywhere around the globe. In contrast, the conditional thesis argues that modernization operates in favor of democracy 'only in countries that have a certain kind of economic development or when certain political or international conditions hold' (Munck, 2018, p. 40). The democracy effect is (1) probabilistic rather than deterministic; (2) is not instantaneous but takes place in the medium or long run; and (3) is active only by the occurrence of specific proximate causes or trigger events such as economic crisis and leader turnover (Boix, 2018; Kennedy, 2010; Treisman, 2015).

Studies that appeared until the early 1990s mainly tested the endogenous and simplistic understanding of modernization theory. Building on widely supportive findings in these earlier studies, Burkhart and Lewis-Beck (1994) concluded that the (positive) economic effect of development on democracy would be one of the few iron laws in social sciences. However, since the late 1990s, numerous researchers have again taken up Lipset's thesis (Munck, 2018, p. 40). For example, Przeworski et al. (2000) contend that there is no clear causal link between development and the probability of transition to democracy ('endogenous theory') but that economic development helps democracies, once established, to survive and mature ('exogenous democratization'). Acemoglu and co-authors claim that income and democracy are unrelated and that there 'is no tendency for countries to become more democratic as they become more "modernized" whether in terms of higher levels of income per-capita...or education' (Acemoglu and Robinson, 2018, p. 26; see also Acemoglu, Johnson and Robinson, 2005; Acemoglu, Johnson, Robinson and Yared, 2008). Their conclusion was that the evidence in favor of causal effects of developmental status in terms of per capita income on the probability of democratic structures was mainly driven by unobserved heterogeneity and variation between countries – that is, historical factors – and therefore inconsistent. Once variation is used for identification within countries, no direct causal effects can be demonstrated (Acemoglu and Robinson, 2018).

These refusals of the 'endogenous democratization' approach have been criticized as resting on dubious premises and erroneous interpretation of their own results (Boix, 2003, 2018; Boix and Stokes, 2003; Inglehart and Welzel, 2005; Welzel, 2013). However, against the background of these results, scholars have developed more refined versions of modernization theory that focus on the conditions and events that may 'trigger' the causal effect of development on transitions to democracy (Boix, 2011; Treisman, 2015); indirect mechanisms through which economic development affects democratization (education, inequality, globalization, or value change) (Barro, 1996; Boix, 2003; Kim and Heo, 2018; Murtin and Wacziarg, 2014; Inglehart and Welzel, 2005; Welzel 2013, 2018); and the relationship between economic development and only the electoral component of democracy (Knutsen et al., 2018, p. 11). From these studies it can be concluded that the substantial evidence favors the exogenous democratization thesis more than the endogenous thesis and it is stronger for the conditional thesis than for the simple modernization thesis. Development does not immunize democracy, but low levels of development are a key barrier to the consolidation of democratic rule, whereas wealthy democracies are unlikely to collapse. Modernization in general and economic development in particular do not have the same impact on democracy around the world and different time periods, but the effect is conditional on the national and international context.

From Democracy to Economic Development?

There has been also extensive research on the question of whether democracy or autocracy is better for economic growth (Acemoglu, Naidu and Restrepo, 2019; Sunde, 2006; Wu, 2004). Competing theoretical models claim that democracy facilitates development ('win-win' hypothesis), is a hindrance to development ('trade-off' hypothesis), or bears no independent relationship to development outcomes. However, the evidence from quantitative, cross-national studies yields few robust conclusions with respect to the theoretical models (Acemoglu, Johnson, Robinson and Yared, 2008; Sirowy and Inkles, 1990; Sunde and Jung, 2014). The findings, however, remain mixed.

The ‘trade-off’ argument states that democratization and economic development, at least at an early stage of economic development, are in conflict. From this point of view, authoritarian regimes are better able to promote development-inducing policies than democracies because authoritarian:

Institutions can overcome...collective action dilemmas by restraining the self-interested behaviour of groups through sanctions; collective-action problems can be resolved by command. Since authoritarian political arrangements give political elites autonomy from distributional pressures, they increase the government’s ability to extract resources, provide public goods, and impose the short-term costs associated with efficient economic adjustment. (Haggard, 1990, p. 262)

From this theoretical point of view, it thus seems easier for autocratic regimes to implement unpopular yet growth-friendly policies because they are less dependent on majority preferences and support from interest groups than are governments in democracies. In the 1990s, political leaders especially in Singapore and Malaysia forcefully argued that authoritarian governments or ‘Asian-style democracies’ were more able to bring development to underdeveloped countries and that the introduction of democratic institutions would harm (economic) development (Thompson, 2001). In the 2010s, the seemingly irresistible rise of China’s economy seems to suggest that authoritarian growth models such as the ‘China Model’ could offer political leaders in the Global South attractive and applicable alternatives of political and economic development (Ambrosio, 2012).

In contrast, scholars who contend that political democracy is positively associated, at least in the long term, with stronger economic performance argue that it is precisely because democratic governments need broad support to survive politically that they disproportionately invest state resources in public goods that benefit large segments of society (Olson, 1993). While autocrats may be in a better position to resolve collective-action problems by command, they have little incentive to do so in favor of promoting development-friendly policies: autocrats generally depend on satisfying the needs of a relatively small segment of society, which allows them to exclude most citizens from political participation and ignore their needs (Bueno de Mesquita et al., 2003). Democratic institutions, on the other hand, incentivize governments in a way that promotes more growth-enhancing policies (Acemoglu Naidu and Restrepo, 2019; Gerring, Band, Barndt and Moreno, 2005; North et al., 2009). Although some authoritarian regimes were indeed capable of launching and advancing ambitious developmental projects (Sáez and Gallagher, 2009), successful development dictatorships are the exception, or as Dani Rodrik (2010) points out: ‘For every Lee Kuan Yew of Singapore, there are many like Mobutu Sese Seko of the Congo.’ Moreover, growth development under authoritarian, ‘extractive political institutions,’ such as in China, can be impressive but ‘will not translate into sustained growth’ and is not viable in the long run (Acemoglu and Robinson, 2012, p. 445).

The question remains, however, which institutions exactly matter for viable economic development in the long run? For example, Acemoglu, Simon and James (2005) see the differences in economic institutions as the fundamental cause of differences in economic development. According to their research, the economic potential depends in particular on how an economy is organized – that is, on its economic institutions. Overall, the empirical studies on the growth effects of democracy show that growth impulses come mainly from improved conditions with regard to education, inequality, and, above all, inclusive economic institutions. It is therefore critical to distinguish between narrow and broad conceptions of democracy. While broad conceptions treat inclusive and effective economic institutions as if

they were characteristics of political democracy, narrow conceptions limit democracy to the electoral sphere, whereas components such as ‘rule of law’ and security of property rights are understood as a synonym for ‘inclusive economic institutions’ (Acemoglu and Robinson, 2012). According to Acemoglu and Robinson, ‘inclusive economic institutions...are those that allow and encourage participation by the great mass of people in economic activities that make the best use of their talents and skills’ (2012, p. 144). They argue that ‘to be inclusive, economic institutions must feature secure private property, an unbiased system of law, and a provision of public services that provides a level playing field in which people can exchange and contract’ (ibid.). The presence of inclusive economic institutions creates incentives for citizens to achieve success in the long term. But to achieve long-term, stabilized economic growth, countries need to develop institutions that enable individuals to participate in the economic and political systems of their country.

3 CONCEPTUALIZATION, DATA, AND METHOD

The investigation of the empirical link between democracy on the one hand and economic development on the other requires a definition of the concepts and corresponding empirical measures. There are very different ideas in political science about exactly what democracy or development is. For the purpose of this chapter, it is sufficient to acknowledge that despite the nature of democracy as an ‘essentially contested concept’ (Collier, Hidalgo and Maciuceanu, 2006), actual empirical research on democratization relies on a procedural understanding of democracy (Munck, 2016). Still, the debate is whether a minimal and essentially electoral understanding of democracy is sufficient or if democracy should also include the presence of more substantial elements, such as the rule of law and constitutionalism (Croissant and Merkel, 2019).

Building on the previous discussion, we adopt a narrow understanding of democracy as ‘electoral democracy.’ In our statistical models, which estimate the effect of development on democracy, the dependent variable ‘electoral democracy’ is based on V-Dem data. It measures the degree to which the ‘ideal of electoral democracy in its fullest sense (is) achieved’ (Coppedge et al., 2018b, p. 38). Following the example of Acemoglu et al. (2005), the term ‘rule of law’ is understood in the following as a synonym for ‘economic institutions’ and the granting of property rights. We employ the rule of law measure provided by the V-Dem project as a control variable; it measures ‘to what extent are laws transparently, independently, predictably, impartially, and equally enforced, and to what extent do actions of government officials comply with the law’ (Coppedge et al., 2018b, p. 232). Additional control variables are ‘regime type’ (closed autocracy, electoral autocracy, electoral democracy, and liberal democracy) based on Lührmann et al. (2018), and ‘state capacity’ (Hanson and Sigman, 2013). The inclusion of the state capacity measure developed by Jon Hanson and Rachel Sigman takes into account the fact that state capacity is a ‘fundamental ingredient for effective governance’ (Savoia and Sen, 2015, p. 441). Much of the empirical evidence sustaining the thesis that authoritarian regimes are in general more effective than democratic ones in promoting economic development comes from the so-called authoritarian developmental states in East Asia (Korea, Taiwan, Singapore, and Meiji Japan). As some analyses have suggested, the secret of rapid economic growth in many Asian autocracies lies not in the authoritarian nature of the

political regime per se, but in the superior ability of state institutions to implement official goals and policies (Woo-Cummings, 1999).

Similar to democracy, there is no generally accepted definition of the concept of ‘development’ in economics and social sciences. We agree that economic growth is an engine of development and social progress, but not its purpose, and development is a multidimensional concept (see Chapter 3 in this *Handbook*). The empirical literature that is relevant for this chapter has long been equated development with economic growth. Since the 1990s, however, there has been a debate about humanizing the concept of development. The human development approach emerged in the late 1980s, under the influence of the thinking and work of economist Amartya Sen, who conceived an alternative way to development as ‘the process of expanding the real freedoms that people enjoy,’ a focus that contrasts with narrower views of development as economic growth (Sen, 1999, p. 19; see also Chapter 4 in this *Handbook*).

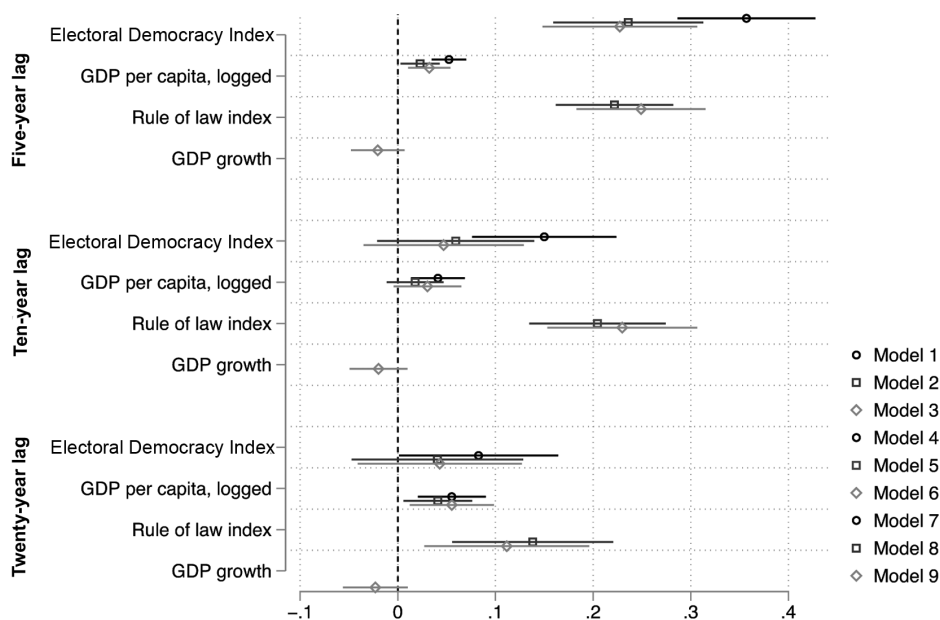
Nonetheless, this chapter follows conventions in political science and uses a measure of income level: GDP per capita adjusted for power purchase parities. The variable is far from perfect but per capita income has been widely used as a proxy for development because of its wide coverage and intrinsic comparability. Our data is from the Maddison Project Database, version 2018, and GDP per capita is transformed by the natural logarithm to account for a non-linearity relationship between democracy and income. The control variable GDP growth measures the annual GDP growth in a country-year (Bolt et al., 2018). In addition, to examine whether other country-specific factors might be causing both GDP per capita and democracy, we include country fixed effects that absorb any time-invariant characteristics of countries that simultaneously impact economic development and democracy (Acemoglu and Robinson, 2018, p. 26). The fixed effects regressions include time fixed effects to account for time-specific factors that could affect the relationship between democracy and development. Those time fixed effects are excluded for the two-state least squares regressions, because our analysis does not converge with the additional year dummies. This type of fixed effects strategy is far from perfect. It controls only for time-invariant country characteristics potentially impacting modernization and democracy. If instead there are time-varying factors, such as a change in the political power of different social groups that can shape both political development paths and economic outcomes, fixed effects strategies will not estimate the relevant causal effects. Building on Acemoglu et al. (2008) we therefore use a variety of instrumental variables (IVs) to address this problem.

4 A DEVELOPMENT–DEMOCRACY NEXUS IN THE ASIA-PACIFIC?

The following section presents our findings from the regression analyses. We first test if income has a positive influence on democratization. Second, we examine if introduction or existence of democracy have a positive influence on economic development in Asia. The main sample consists of about 1600 country-year observations on up to 20 countries in the Asia-Pacific in the period 1800–2016. The unit of analysis is the country-year.

From Development to Democracy?

To test the relationship between income and democracy we employ an ordinary least squares (OLS) estimator with panel-corrected standard errors (PCSE), country and year fixed effects, a lagged dependent variable (LDV) and auto-correlated error term. Models 1, 4, and 7 are the baseline models estimating the effect of GDP per capita on the EDI and controlling for the LDV. Models 2, 5, and 8 add the rule of law index as a control variable, while Models 3, 6, and 9 control for rule of law and GDP growth. To allow for the possibility of simultaneous causation between income and democracy, we measured electoral democracy, GDP per capita, rule of law, and GDP growth with five-year, ten-year, and 20-year lags. This is also consistent with Boix (2011) and Treisman (2015) who present evidence that income mainly matters in the long run. Figure 12.3 reports the results for the five-year lag models (1–3), the ten-year lag models (4–6), and the 20-year lag models (7–9).



Notes: The dots represent estimated effects of the independent variables on electoral democracy. The whiskers show the 95 percent confidence intervals of these estimates. All models are based on 20 countries and between 1756 and 1393 country-year observations (unbalanced panel) and uses PCSE. Table A2 in the Online Supplementary Material shows the regression results in table format.

Figure 12.3 Time-series cross-section regression analysis of the effect of (log) GDP per capita on electoral democracy

We find that GDP per capita has a positive effect on electoral democracy in the five-year and 20-year lag models. However, in the ten-year lag models, the point estimate between GDP per capita and electoral democracy remains positive, while the effect ranging from a small nega-

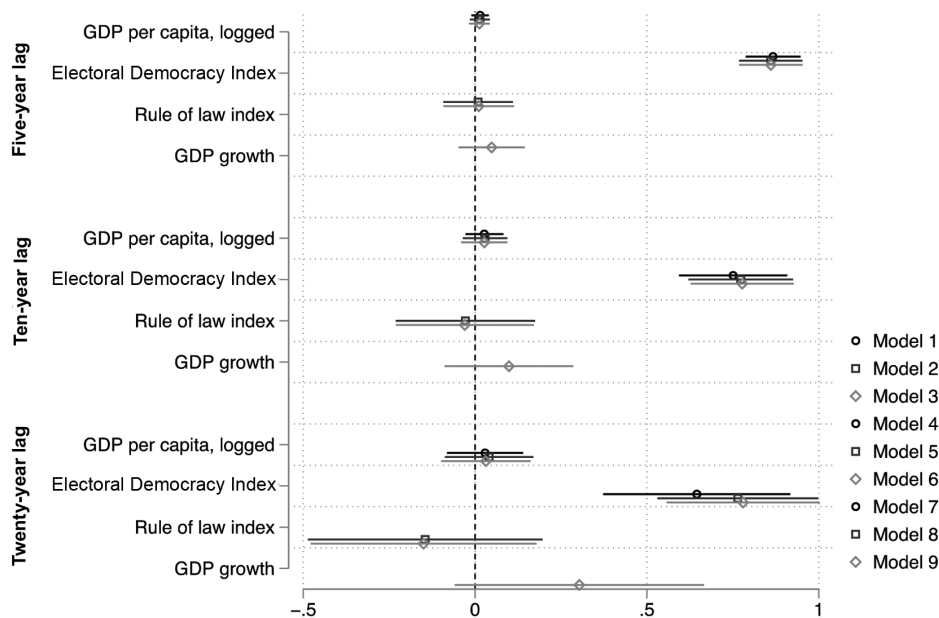
tive association to a weak positive association, when controlling for rule of law.³ Figure 12.3 shows that rule of law is highly correlated with electoral democracy in the medium run, but this effect decreases in the long run. To interpret the coefficient more intuitively, a 10 percent increase in log GDP per capita should lead to an increase of 0.003 in the EDI five years later (see Model 3). A 10 percent increase in the log GDP per capita should result in a 0.03 increase in the EDI after ten years. When taking into account the mean log GDP per capita increases in our sample of Asian countries from 7.04 in 1960 to 9.09 in 2015, the EDI should increase by around 0.06. From a substantive point of view, it seems fair to conclude that the effect of per capita income on electoral democracy is quite limited.⁴

Next, we use infant mortality rate⁵ as an IV for GDP per capita to account for endogeneity between democracy and economic development. As Boix (2011, p. 818) explains, instruments for endogenous variables must meet two central requirements of IV estimation: the instrument should be uncorrelated with the dependent variable, but it should be well correlated with the instrumental (endogenous) variable. To test for these conditions, we use the Stock–Yogo test to check the statistical strength of the IV (Stock and Yogo, 2005). The test shows that infant mortality rate is a strong instrument for GDP per capita and only weakly correlated with the dependent variable. As shown in Figure 12.4, using this IV approach allows us to demonstrate that the coefficient for the IV GDP per capita is positive for electoral democracy, but the effect is very weak and ranging from negative to positive associations. In the first stage, the infant mortality rate is correlated with GDP per capita – as we expected – and a decrease in infant mortality is correlated with an increase in GDP per capita.

By using two-stage least squares regression analysis, we show that GDP per capita has no substantial effect on electoral democracy in Asia. In contrast to Boix (2011), who found that GDP per capita has a positive effect on democracy worldwide by using two-stage least squares regression analysis as well as fixed effects regressions, we find that the relationship between GDP per capita and electoral democracy is weak. At least in Asia, GDP per capita does not affect the state of electoral democracy after 1960, consistent with the developmental autocracy literature that states that authoritarian states can reproduce authoritarian stability through good socio-economic performance, at least for some time, because performance produces specific regime support. It indicates also that economic development in Asia is not correlated with democracy. Nor does development increase the probability for electoral democracy in Asia, as is assumed by the ‘endogenous modernization theory,’ neither does economic development decrease the level of democracy. This is also a relevant finding, because the comparative authoritarianism literature contends that economic performance is a major source of legitimation and resilience for authoritarian regimes (Dukalskis and Gerschewski, 2018; Von Soest and Grauvogel, 2017).

From Democracy to Economic Development?

In this section, we examine the effect of democracy on GDP per capita for 20 Asian countries in our sample for which sufficient data is available. Again, we run fixed effects regressions and two-stage least squares regressions. In summary, we find that the economic implications of electoral democracy on GDP per capita are weak. Electoral as well as liberal democracies have no advantage over autocratic rule in Asia. In other words, whether a country has a democratic regime or not, does not seem to matter for economic development in the long run.⁶ Figure 12.5 estimates the relationship between economic development (GDP per capita) and

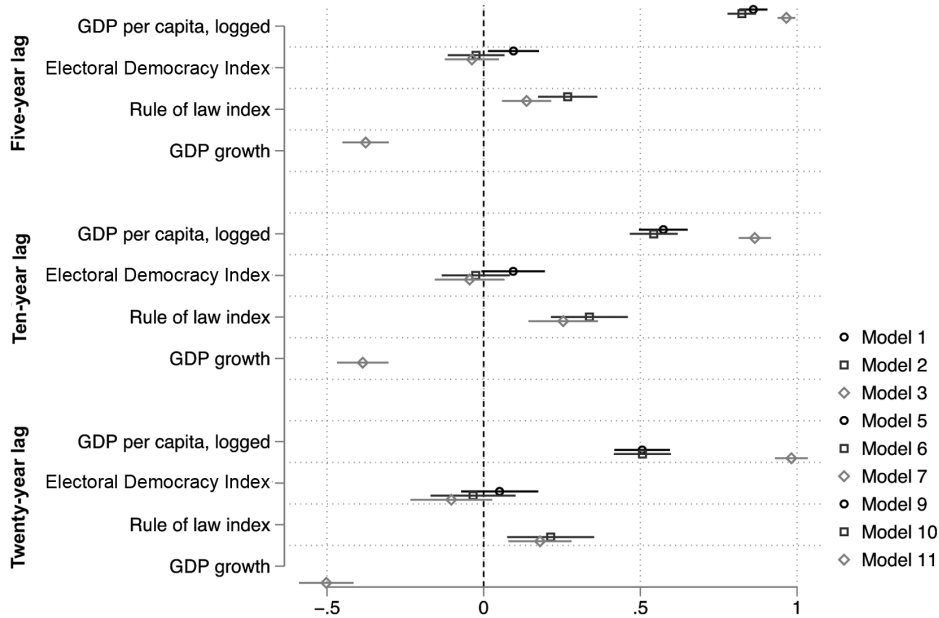


Notes: The dots represent estimated effects of the independent variables on the EDI. The whiskers show the 95 percent confidence intervals of these estimates. All models are based two-stage least squares regression analysis using infant mortality rate as an IV for GDP per capita. Models estimate the effects for 19 countries and between 917 and 623 country-year observations (unbalanced panel). Table A3 in the Online Supplementary Material reports the results in table format and shows the first-stage results.

Figure 12.4 Two-stage regression analysis: IV estimates of the effect of (log) GDP per capita on electoral democracy (second stage plotted)

electoral democracy using PCSE regression analysis with time and countries fixed effects.⁷ Models 1, 5, and 9 are the baseline models estimating the effect of electoral democracy on GDP per capita and controlling for the lagged dependent variable. Models 2, 6, and 10 add the rule of law index as a control variable, while Model 3, 7, and 11 control for rule of law and GDP growth. Models 4, 8, and 12 estimate the effect of different regime types on GDP per capita (not reported here).

We find that neither in the short, medium nor long run is an increase in the EDI substantially correlated with GDP per capita, when controlling for rule of law and GDP growth. The point estimate is negative but very weak and the effect ranges from negative to positive associations between GDP per capita and electoral democracy. However, Figure 12.6 suggests that rule of law seems to be an important driver for economic development in Asian countries. As Peerenboom, Petersen and Chen (2006) note, Asian countries, especially East Asian countries, tend to do much better on economic rights and rule of law measures relative to other non-Asian countries in their income group. One would only have to think of Singapore and Hong Kong, but also pre-democratic South Korea and Taiwan, or pre-war Japan, who established



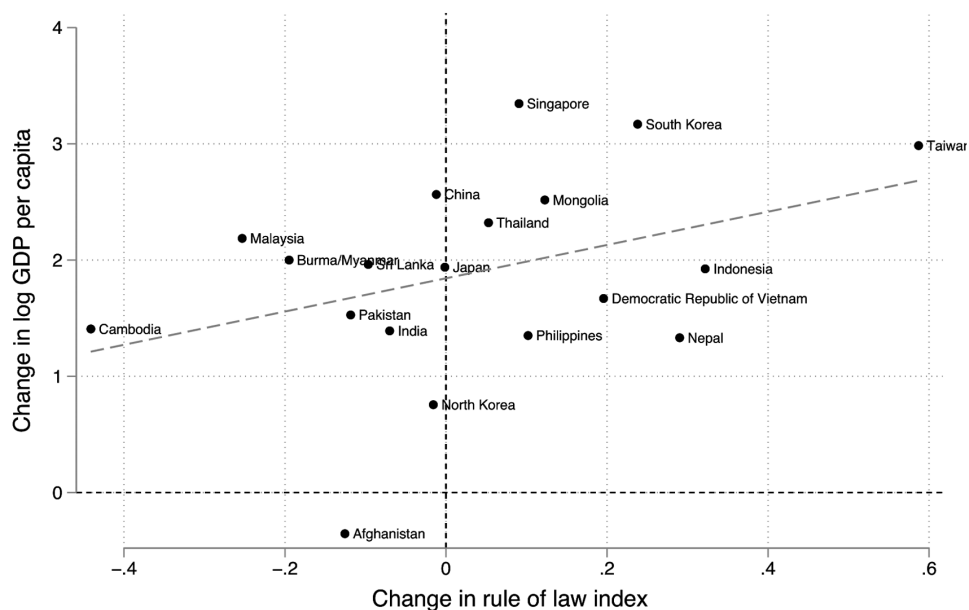
Notes: The dots represent estimated effects of the independent variables on GDP per capita (log). The whiskers show the 95 percent confidence intervals of these estimates. All models are based on 20 countries and between 1673 and 1338 country-year observations (unbalanced panel) and uses PCSE. Table A4 in the Online Supplementary Material reports the results in table format.

Figure 12.5 Time-series cross-section regression analysis of the effect of electoral democracy on GDP per capita (log)

well-developed legal systems, notwithstanding the lack of democracy and a restricted scope of individual rights.

While the V-Dem’s aggregated rule of law index has an explanatory effect, which supports previous findings in the institutionalist literature on the rule of law and economic growth, it is not clear what components of the rule of law are most significant – property rights protection, checks on government, judicial independence, levels of civil conflict or criminality, or corruption (for more detail, see Haggard and Tiede, 2011).⁸

To account for potential endogeneity between GDP per capita and electoral democracy, we use regional democratic diffusion⁹ as an IV for electoral democracy (see also Acemoglu, Naidu and Restrepo, 2019; Miller, 2015; Wang and Xu, 2018). We examine whether our baseline results from the fixed effects regressions are driven by different regional patterns of democratic diffusion. The Stock–Yogo test indicates that regional diffusion of democracy is a strong instrument for electoral democracy. Furthermore, regional democratic diffusion is uncorrelated with the dependent variable economic development, indicating that it is a valid instrument. Figure 12.7 shows that switching from fixed effects regressions to two-stage least squares regressions does not change the finding that electoral democracy has no powerful effect of the level of economic development in Asia. In all two-stage regressions models,



Notes: Data on rule of law from Coppedge et al. (2018a). Data on GDP per capita from the Maddison Project Database (Bolt et al., 2018).

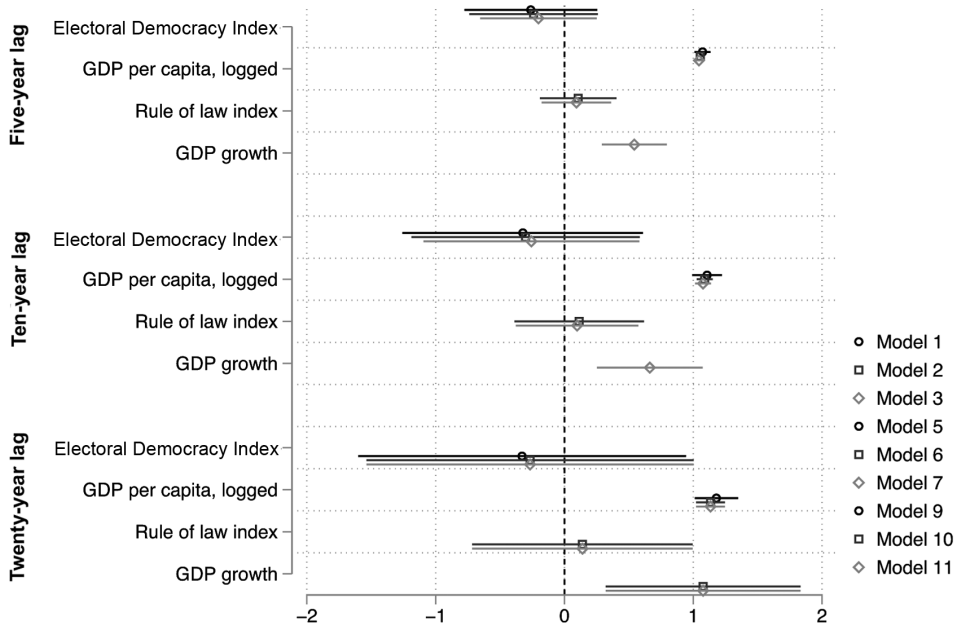
Figure 12.6 Changes on the level of rule of law and level of GDP per capita, 1960–2015

electoral democracy has a negative point estimate on GDP per capita, ranging from substantial negative associations to substantial positive associations, indicating the uncertainty of this association. However, the effect of electoral democracy is negative on GDP per capita, indicating that an increase in electoral democracy by 0.2 results in a decrease of log GDP per capita by 0.0668 20 years later. However, as Figure 12.7 indicates, the negative effect of electoral democracy on GDP per capita is very uncertain, regardless of time horizon. Still, we will return to the implications of these findings for the appropriate sequencing of political, institutional, and legal reforms in the conclusion.

In all models, the coefficients of the IVs (first-stage regression) are positive. As shown in Figure 12.7, our results remain robust in the two-stage least squares regression, indicating that the effect of electoral democracy on the level of income is weak or non-existent for Asian countries. In other words, we do not find empirical evidence that electoral democracy is a relevant cause of economic development in Asia.

Democracy, Development, and State Capacity in Asia

We now turn to explore the effects of state capacity on the level of income. The concept of state capacity denotes the ‘ability of state institutions to effectively implement official goals’ (Hanson and Sigman, 2013, p. 2; see also Skocpol, 1985). While there is no universal definition and conceptualization of state capacity, Hanson and Sigman (2013) summarize the existing lit-



Notes: The dots represent estimated effects of the independent variables on GDP per capita index. The whiskers show the 95 percent confidence intervals of these estimates. All models are based two-stage least squares regression analysis using regional democratic diffusion as an IV for electoral democracy. Models estimate the effects for 20 countries and between 1191 and 998 country-year observations (unbalanced panel). Table A5 in the Online Supplementary Material reports the results in table format and shows the first-stage results.

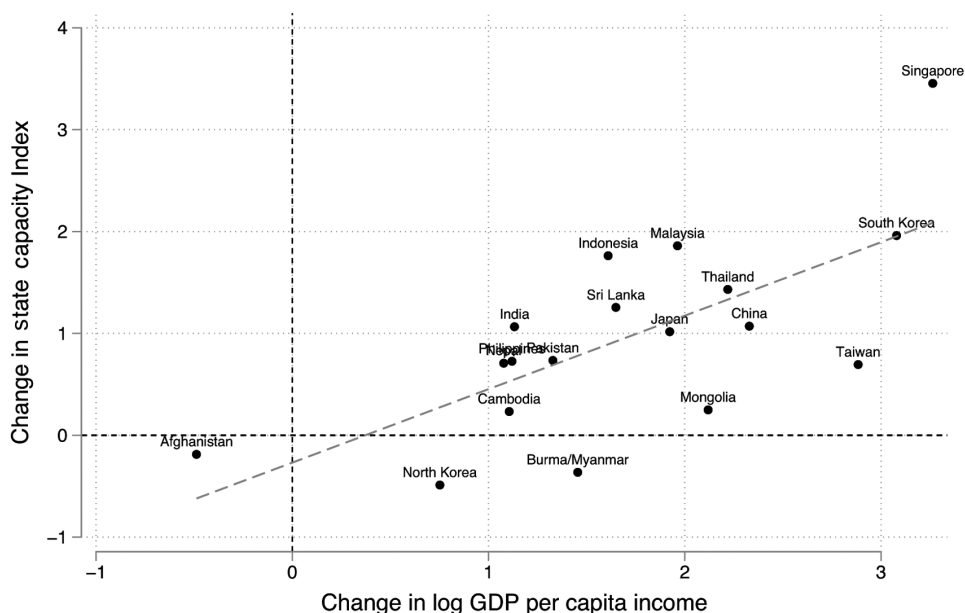
Figure 12.7 Two-stage regression analysis: IV estimates of the effect of electoral democracy on (log) GDP per capita (second stage plotted)

erature by distinguishing between three key dimensions of capacity: extractive, administrative, and coercive. Coercive capacity refers to the state’s ability to maintain a monopoly over the legitimate use of force, including both the ability to maintain order within the borders of the state and to defend the territory against external threats (Croissant and Hellmann, 2018). As Fukuyama (2014, p. 1329) points out, coercive capacity is not a ‘binary, on–off condition.’ Instead, the extent to which a state is able to provide security to its population can be measured as a continuous variable that ranges from near-absolute security to the complete breakdown of state authority. Similarly, administrative capacity is a scalar concept, indicating the degree to which public state organizations are governed by meritocratic recruitment and formally institutionalized rules, rather than by forms of particularism such as corruption, clientelism, nepotism, cronyism, or patronage.

Finally, the third type of state capacity is the ability of the state to raise revenues (extractive capacity). As Hanson (2018, p. 19) notes, extractive capacity ‘is not only essential for funding state activities of all types, but it serves as a marker for the capabilities that underlie state power.’ Based on the existing ‘developmental state’ and ‘stateness’ literature, we assume that state capacity has a positive effect on economic development, because it allows political

leaders to draft and implement growth-enhancing policies.¹⁰ Yet, it is important to note that state capacity is not a sufficient condition for economic development. Obviously, the fact that a government does have a high capacity state at their disposal is not sufficient to explain why political leaders decide to pursue developmental goals (Doner, Bryan and Slater, 2005; Stubbs, 2009). In fact, there is a rich literature on East and Southeast Asia that demonstrates the importance of additional structural, institutional, and motivational factors such as the intensity of ‘revolutionary threats’ (Acemoglu and Robinson, 2006), the degree of ‘systematic vulnerability’ (Doner, Bryan and Slater, 2005), the lack of alternative sources of revenues (‘resource scarcity’; Gallagher and Hanson, 2013), and the specific configuration of elite coalitions and particularistic networks (MacIntyre, 2000; Rock, 2017; Rock and Bonnett, 2004) that incentivized political elites in Asia to pursue developmental goals but also boosted their ability to implement growth-enhancing policies.

To evaluate the effect of the change of state capacity and its effect on economic development, Figure 12.8 plots the relationship between changes in GDP per capita (log) between 1960 and 2010 against the change in state capacity index. As reflected in this figure, different countries exhibit different trajectories of state capacity development. Based on the state capacity data collected by Hanson and Sigman (2013), it seems that state capacity has strengthened across the region since the 1960s, with only a few exceptions. We find that most countries in Asia exhibit a strong increase in state capacity and economic development.¹¹ The two outliers

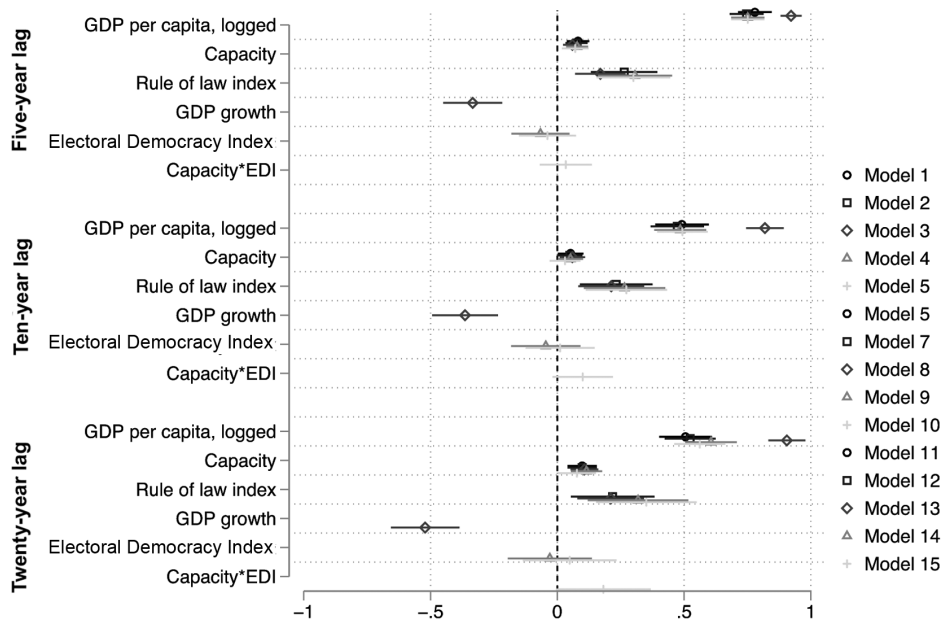


Notes: State capacity is the value of the Capacity1 measure developed by Hanson and Sigman (2013) in their State Capacity Dataset, version 0.95 (Hanson and Sigman, 2013). Data on GDP per capita from the Maddison Project Database (Bolt et al., 2018).

Figure 12.8 Changes in level of income (log GDP per capita) and level of state capacity index, 1960–2010

are Afghanistan and Singapore. Afghanistan is subject to a decrease in state capacity and economic development (certainly a consequence of more than 30 years of civil war), while Singapore experienced the most dramatic increase in income and state capacity from 1960 to 2010 (latest available year).

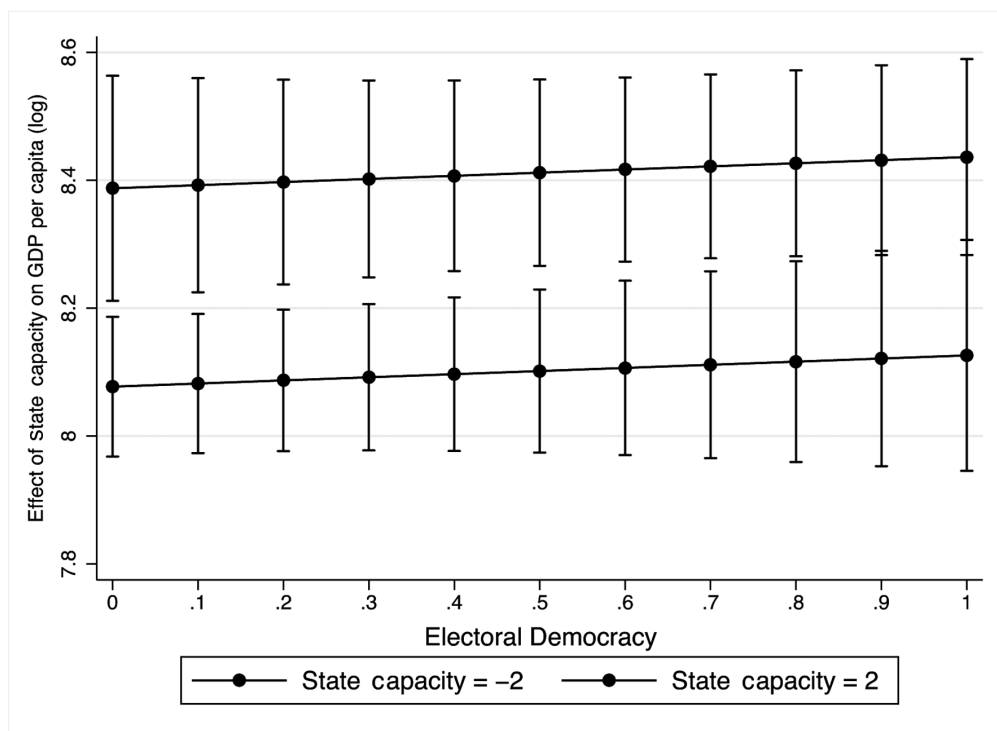
Figure 12.9 presents regressions with fixed country and year effects and shows that state capacity is an important predictor of GDP per capita in Asian countries between 1960 and 2015, but not electoral democracy. Models 1, 6, and 11 are the baseline models estimating the effect of state capacity on GDP per capita and controlling for the lagged dependent variable. Models 2, 7, and 12 add the rule of law index. Models 3, 8, and 13 control for GDP growth. Next, Models 4, 9, and 14 add electoral democracy as another independent variable. Finally, Models 5, 10, and 15 estimate the effect of the interaction between state capacity and electoral democracy.



Notes: The dots represent estimated effects of the independent variables on GDP per capita (log). The whiskers show the 95 percent confidence intervals of these estimates. All models are based on 20 countries and between 992 and 711 country-year observations (unbalanced panel) and uses PCSE. Table A6 in the Online Supplementary Material reports the results in table format.

Figure 12.9 Time-series cross-section regression analysis of state capacity (Hanson and Sigman index) on GDP per capita (log)

The five-year lag models show that state capacity as well as rule of law have substantial positive effects on GDP per capita in the short run. In addition, the effect of rule of law and state capacity remain stable for the ten-year lag model. Even after 20 years, the effects of state



Notes: Based on Model 15 in Figure 12.9. Conditional effect of state capacity and electoral democracy. Line represents the estimated effect on the dependent variable. Spikes shows 90 percent confidence intervals.

Figure 12.10 *Estimated coefficient of state capacity by electoral democracy*

capacity on GDP per capita remains substantial. On the other hand, state capacity seems to be a ‘regime-neutral’ quality, in the sense that it facilitates autocratic and democratic survival (Andersen et al., 2014). In fact, the findings of Andersen et al.’s (2014) cross-national, statistical analysis show that state capacity (especially coercive capacity but not administrative effectiveness) does indeed tend to enhance the stability of autocratic regimes. And while state capacity is positively associated with the survival of democracies, ‘too strong’ states can be detrimental for democratic quality.¹² In addition, the causal relationship between state capacity and democratic quality is bidirectional, that is, democratization also affects state capacity (Bäck and Hadenius, 2008; Carbone and Memoli, 2015). To evaluate the effects of the interaction between electoral democracy and state capacity, we use Figure 12.10 to illustrate these interactions for the 20-year lag model (based on Model 15 in Figure 12.9). Figure 12.10 clearly shows that the effect of state capacity varies between different levels electoral democracy. In addition, for a low level of state capacity of -2 (for example, Afghanistan in 1993 and 1994) the effect of state capacity is lower than for a state capacity of 2 (for example, Singapore after 1997) for all levels of electoral democracy.

5 CONCLUSION

Using a data panel for 20 Asian countries from the early nineteenth century to the second decade of the twenty-first century, this chapter makes four main claims. First, it shows that the effect of the level of economic development on the level of electoral democracy is weak, when controlling for country and year effects. Instrumenting for economic development and using two-stage least squares regression to account for endogeneity between democracy and income, the effect of GDP per capita is still weak and uncertain. Second, we find that electoral democracy is not statistically associated with the level of economic development for our sample of Asian countries, neither in the baseline model using fixed effects regression analysis nor in the two-stage analysis with instrumenting democracy by the regional diffusion of democracies. Third, this chapter shows that state capacity is a main driver of economic development when controlling for country and year effects and the level of democracy as well as the interaction between democracy and state capacity. Fourth, our findings regarding a positive link between rule of law and economic development in Asia are consistent with the existing empirical evidence derived from global samples. While the correlation between income and rule of law is especially strong in Asia, the two are also positively correlated when using cross-regional samples (Haggard, MacIntyre and Tiede, 2008; Haggard and Tiede, 2011). The legal systems of the high growth countries such as Japan, Singapore, South Korea, and Taiwan (as well as Hong Kong) measure up favorably in terms of economic freedoms and rule of law. Within the group of Asia-Pacific countries, Mainland China is somewhat of an exception because rapid increase in income coexists with the rule of law and restrictions on economic freedoms (protection of value of value of money, free exchange of property, a fair judiciary, few trade restrictions, labor market freedoms and freedom from economic coercion by political opponents). In contrast, the legal systems of most of the low-growth countries are among the weakest in the region. In summary, countries with more ‘electoral democracy’ do not tend to perform better in economic development. On the other hand, countries with better legal systems and stronger state capacity do perform significantly better, regardless of the degree of electoral democracy. The implications of these findings for the appropriate sequencing of political, institutional, and legal reforms in the Asia-Pacific (perhaps also beyond the confines of this particular region) are obvious. At least with regard to economic development, the effects of introducing or strengthening elements of electoral democracies are far less relevant than strengthening the rule of law and state capacity.

ONLINE SUPPLEMENTARY APPENDIX

Replication materials and the online supplementary appendix can be found on: <https://osf.io/9b6yq/>

NOTES

1. Bhutan, India, Indonesia, Japan, Mongolia, Nepal, Philippines, South Korea, Sri Lanka, Taiwan, and Timor-Leste. Data according to the Varieties of Democracy (V-Dem) Project.
2. The average GDP p.c. growth rate for South Asia is 2.53% for the period 1960 to 2010, but 3.92% for Southeast Asia and 5.43% for Northeast Asia.

3. Building on the discussion in the Special Issue of the *American Statistician* (Wasserstein, Schirm and Lazar, 2019), we do not report and interpret p -values here.
4. With one-year lag (not shown here), the GDP per capita has no substantial effect on democracy, which is consistent with the extant literature (Boix, 2011, 2018).
5. The variable infant mortality rate is based on World Bank Data.
6. Note that this is the result of our fixed effects regression analysis. We did not instrument the regime type variable.
7. The effects of regime types are reported in Table A4 in the Online Supplementary Material.
8. Because of the difficulties in isolating the effects of a particular dimension of the rule of law, either theoretically or methodologically, Haggard and Tiede (2011) suggest that it may be more useful to think about what they call ‘rule of law complexes’ – that is, ‘interlocking sets of institutions that can combine to stunt or promote economic growth, but in somewhat different ways across countries.’
9. Following Haber and Menaldo (2011), regional diffusion of democracy is calculated as the percentage of democracies in a region in a given year.
10. The East Asian variant of the developmental state in particular had gained tremendous currency as a model for state-led economic development. It should be noted, however, that the core idea of the developmental state – that strategic state intervention into the market can facilitate industrial transformation and economic growth more generally – is nothing especially new nor distinctly Asian (Wong, 2004; Woo-Cummings, 1999).
11. Myanmar and North Korea show a decrease in state capacity but a minor increase in income between 1960 and 2010.
12. For example, Hellmann (2020, p. 48) in his analysis of the relationship of strong stateness and low democratic quality in South Korea argues that ‘high state capacity does not automatically translate into high-quality democracy; instead, the historical process of state building and path-dependent effects are key intervening variables that shape the quality of democracy in transition polities.’ In the case of South Korea, the strength of the authoritarian developmental state contributed to the weakness of political parties, intermediary organizations and civil society, and, hence, is one of the primary causes for the structural weakness that is characterizing ‘the architecture of state-society relations’ in post-authoritarian South Korea.

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13. Democracy and development in the MENA

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DEMOCRACY AND DEVELOPMENT: LEFT AND RIGHT VIEWS

The idea that development is a prerequisite for democracy is as old as Western political thought. Greek political philosophers, such as Aristotle and Plato, associated democracy with the growth of the middle class (Aristotle, 1905, Book IV; Plato, 1961). Adam Smith laid the foundations of democracy based on laissez-faire capitalism (Smith [1776] 2014). Karl Marx and Friedrich Engels attached to every epoch of economic development or mode of production a corresponding political system (Marx and Engels [1845] 2016). For them, liberalism was the social and political manifestation of economic capitalism (Marx, 1867). Twentieth-century liberal thought converged with Marxism's historical determinism and forecasted the coming age of liberal democracy through economic development, expedited by technological innovations, urbanization, and modernization (Lipset, 1953). The growth of wealth and the expansion of the middle class were seen as indicators of a democratic inevitability synthesis (Huntington, 1991). In the 1990s, Francis Fukuyama, among other neoliberal thinkers, predicted the coming 'end of history' by a triumphant global liberalism (Fukuyama, 1992).

Despite their divergent ideological diagnoses, leftist and liberal thoughts converged on describing historic destiny as bound by an inevitable march toward human liberation. Their ideological differences, however, prompted two distinct socialist and liberal articulations of democracy as essential requisites for the 'end of history.' Both perspectives attributed to socio-economic development the essence of democratization, yet each in their own terms forecasted different pathways. While the former conditioned state centralization as a prerequisite for attaining democratic socialism, the latter required laissez-faire capitalism.

Throughout the twentieth century, the left and the right struggled to resolve major structural anomalies confronting global development paradigms. The world appeared unequally developed, divided between advanced industrial nations located in the Global North and the underdeveloped in the South (Amin, 1976). Then the rate of development proceeded unevenly between different countries to consolidate the divisions between 'developed' Northern and 'underdeveloped' Southern nations (MacIntyre, 1992; Warf, 2006). Finally, perhaps the most critical challenge to development appeared to lie in economic interdependencies that differentiated resources-rich from resources-dependent nations, setting different and often contradictory tracks toward development (Mansfield and Pollins, 2001).

Thus, the theoretical assumptions of both left and right views of democratization have been challenged by the phenomena of unequal, uneven, and interdependent national developments. This realism has, and in many ways, implied that the development prerequisites for democratization may have been satisfactorily accomplished in the Northern rich and industrially advanced nations, but have been aborted in the Southern underdeveloped and dependent ones. Southern peculiarity has led to divergent responses among the left and the right. Prominent left views blamed dependency and unequal development on the hegemony of capitalism and imperialism, prompting calls for national liberation to assert independence and unleash home-

grown development forces (Lenin [1916] 1974). These views departed from the proposition that ripened socio-economic conditions will pave the way for a 'democratic revolution' (Lenin [1905] 1966) through a comprehensive and permanent revolution (Trotsky, 1906–30) or in different incremental stages (Stalin, 1929). Liberal propositions have advocated similar views, yet asserted international cooperation and the mitigation of conflicts across the North–South divide (Braddon, 2012). Liberal rationalism established mutuality of interest, which is achievable through comprehensive and sustainable development. Liberal peace views emphasized the need for rich states to assist poorer ones in order to reduce global disparity and remove reasons for grievances and conflicts between nations (Small and Singer, 1976).

The Middle East and North Africa (MENA) region, like others in the 'Third World,' has had its share of ideological quarrels over the prospects of democratization and development. But the debate has intensified, as MENA's political economy emerged as particularly resilient to both liberal and socialist assumptions. Most importantly, democracy has remained lacking despite relative development. The Human Development Index has ranked Arab states above the medium average and Arab Gulf states as high (United Nations Development Programme, 2018). Nonetheless, and decades after independence, Arab states continued to rank very low on the Democracy Index, averaging a score of 3 out of 10 (The Economist Intelligence Unit, 2018). Though some countries may have fared better than others, such as Tunisia (ranked 63/168), Morocco (100/168), and Lebanon (106/168) compared to Syria (ranked 167/168) and Saudi Arabia (159/168), in general, all Arab states appeared to have been struggling to democratize. What explains this Middle Eastern democratic deficit and what are the peculiar obstacles standing against democratization? The answer to these questions helps unpack the anomalous relationship linking democracy to development.

For that purpose, the remaining analysis will shed light on the illiberalism of MENA's political economy and advances an alternative communitarian framework that suggests variables responsible for the detachment of democracy from development in the region. The discussion is centered around the proposition that the political economy of oil-rich Arab states has evolved differently from those of non-oil states. The dynamic linking development and democracy in each are examined from left and liberal perspectives to compare and contrast perspectives. In the final analysis, communitarianism is proposed as a complementary discourse to left and liberal views in advancing alternative and contemporary explanations to the prevalence of communitarian politics and in defiance of traditional assumptions linking development to democratization.

DEVELOPMENT AND DEMOCRACY IN OIL-RICH STATES

Development in the MENA states has rested on the dynamics of regional political economy, particularly the oil market. In general, development has been tied to demands for oil and higher prices. A general economic rule of thumb suggests that at an established level of production, demand determines price. Yet, this formulation has varied as oil-producing states have oscillated in their coordination to control the oil supply. In theory, oil-producing states can optimize their supply as demand rises to reach the highest possible price equilibrium and, consequently, incentivize local development by the rent gained (Ahmed, 2016).

However, regulating production has proven to be anything but straightforward. In fact, throughout the years, oil politics became subject to vicious struggles on both importing and

exporting ends. Historically, competition among producers has driven prices down while cooperation has lifted them up. Increased competition among exporters has benefited importers, while cooperation has undermined their profitability. Perhaps, this interdependency has been among the major shapers in determining Middle Eastern states' relationship with predominantly Western industrial countries, inversely implicating their respective development rates.

Some have held such an inverse relationship as responsible for stoking regional political conflicts (often referred to as the oil curse). The Cold War era witnessed the Arab–Israeli and Iran–Iraq wars, which were financed and armed by multiple stakeholders, predominantly Western powers. At the same time, oil-dependent powers (Europe and the US) put in the least effort to reduce the rivalry among major oil- and gas-producing states (Saudi Arabia, Qatar, Iran) that has plunged energy prices and, again, driven up arms sales to record highs. Saudi Arabia ranked after the US and China as the world's third most military spender, amounting in 2014 to \$80.8 billion (Roser and Nagdy, 2019). In total, the Gulf Cooperation Council (GCC) countries were expected to spend more than \$100 billion in 2019 on arms (Middle East Monitor, 2018).

Since the 2011 Arab Spring, North African oil- and gas-producing nations have been rocked by turmoil – particularly Libya, Algeria, and Egypt – which did not help stabilize energy prices. Whether designed by a Western conspiracy or driven by regional contestations, these conflicts have instigated stiff interstate competition, resulting in the overproduction of gas and oil and the fragmentation of the Organization of the Petroleum Exporting Countries (OPEC). Consequently, regional rivalry boosted military spending and ignited arms races. Ultimately, the decline of energy prices and the increased demand for arms have tilted benefits to the advantage of energy-importing states at the expense of MENA development.

It must be noted, however, that throughout the years and despite chronic instability, lower prices, and slow growth, oil-rich states have managed to accumulate immense wealth. Massive extraction, production, and export of oil allowed them to increase their gross domestic product (GDP) per capita, which surpassed many Western nations. In 2018, Aramco, the Saudi national oil company, reported a record-breaking profit of \$111 billion (*The Week*, 2019). Development in terms of education, income, urbanization, and modernization removed the Gulf states from the ranking of 'Third World' countries. But instead of political democratizing, Gulf regimes consolidated their sheikdoms and monarchical rules. Thus, the intriguing question remained: why have oil-rich countries, despite remarkable levels of development, continued to lack notable democratization as predicted by liberal and socialist assumptions?

Numerous interpretations of the democratic deficit phenomenon have been proposed. The most distinguished view is associated with state rentierism theory, which attributes states' abilities to exempt their citizens from taxation as a means to immune themselves from public accountability and deny representation or reforms (Luciani, 2009). Stated differently, rents accumulated through oil revenues and invested in local development projects and public welfare remove the state from democratic responsiveness requirements (Salamey, 2017, pp. 18–19). The abundance of oil revenues facilitates the importation of foreign labor and contractors to replace local productive forces (Henderson, 2010). In Qatar, UAE, Kuwait, and Bahrain, the foreign population exceeds the number of locals manifold, while a substantial amount of foreign labor has been utilized by Saudi Arabia and Oman (Gulf Labour Market Migration and Population Programme, 2016). Globally, the GCC countries are among the top 20 countries where foreign residents outnumber local nationals (Kamrava and Babar, 2012,

p. 8). Consequently, excessive rents deepen the detachment of the state from the broader society, where neither the local nor the foreign populations remain relevant stakeholders in oversight functions. The legal relationship that bonds non-nationals to the state is the *kafala* system, where residency and work permits are subject to local sponsorships. As a result, state-driven development proceeds irrespective of local aspirations, whether national or non-national (Fargues and De Bel-Air, 2015).

Besides the liberal views, post-colonial interpretations have also advanced explanations to the democratic deficit thesis. Most suggested that the colonial construct of states denies genuine nation building. Colonially incepted states are designed to maintain long-term dependency on post-colonial powers rather than achieve independence (Wengraf, 2016–17). This deformation is manifested in the division of states among small populations residing on excessive resources and wealth. Such a redistribution of unpopulated states necessitates the long-term dependency on foreign labor, as well as on foreign military protectionism. Unequal regional distribution of wealth and uneven development among neighboring states subjugate small states' local residents to a permanent threat of being overwhelmed by a foreign domestic majority population or being annexed by neighboring states. Such a dependency has significantly curtailed the prospects of democratization, which would have otherwise required the nationalization of foreign populations and the equitable distribution of revenues by rights-based representative governments.

Robustness to democratization has been consolidated by contentious regional politics and fears of takeover. Gas-rich Qatar, for instance, has been struggling to preserve its own existence while surrounded by two major predatory contenders: Saudi Arabia and Iran. Qatar's strategy for self-preservation has relied on increasing military assistance from the United States, yielding a permanent US military presence while forging major arms deals. Qatar has also invited Turkey to establish military bases to curb both Iranian and Saudi annexation ambitions (GlobalSecurity.org, 2019). The same can be attributed to other oil-exporting states, such as Kuwait, Oman, Bahrain, and UAE. Iraq's invasion of Kuwait in 1990 is a constant reminder of the grave consequences awaiting small oil-rich states caught off-guard. The situation ignited a vicious arms race, demands for foreign protectionism, the overproduction of oil to maintain survival requirements, and, consequently, lower oil prices. The combination deepened dependency on foreign protectionism and undermined critical essentialism for state sovereignty and democracy. Such essentialism would have included what the United Nations considers its member states as independent and equal rational actors in the international system (UN Charter, Chapter I). Likewise, liberals would have considered such requirements as prerequisites for democratic and consensual governments.

Left and liberal explanations converge in demonstrating domestic resistance to democratization despite development. Literature emerging from both ends of the political spectrum has attributed external reasons for the illiberalism of oil states. These views have included security-based interpretations, where global patron powers are assumed to have prioritized stability over attaining an uncertain prospect of political reforms (Salamey, 2009). Political economy interpretations have, additionally, advanced the proposition of interdependency and irreconcilable interests as responsible factors for reducing incentives among oil importers and major industrial powers to press for democratization. These assumptions suggest that policies stemming from oil-producing democratic states, in contrast to elite-controlled governments, will be subject to greater public oversight, a process destined to increase oil prices as government ensures the highest bidders while imposing taxes. Such an outcome is assumed to

emerge if extraction and export agreements are removed from the hands of the ruling elites and placed within regulatory frameworks that scrutinize oil contracts in favor of the larger public revenues. This can be partially shown when comparing democratic to non-democratic oil- and gas-producing countries. For example, Norway sets the price of its gas and oil barrel at a much higher price than Saudi Arabia. Though production costs are similar, Norway factors in taxations and capital spending to the cost of production (\$14) compared to Saudi Arabia (\$3.50).¹

DEVELOPMENT AND DEMOCRACY IN NON-OIL STATES

Non-oil states, noting their relative developments over the years, have likewise emerged defiant against democratization. Despite the collapse of the Soviet Union and the conversion to democracy of many authoritarian regimes elsewhere in the world, MENA states have defied the global trend. Democratic-deficit views have held the informal economy in non-oil states as responsible for the prevalence of illiberal national republics.

After all, the economies of national republics have hardly been formalized along the modern state construct. Half a century after independence, they remain mostly outside the jurisdiction of state regulations. It is estimated that the informal economy has grown in excess of 45 percent of GDP in most Arab countries (Chen and Harvey, 2017). It includes a range of informal activities associated with employments, small and medium-sized businesses, religious charitable contributions and almsgiving, cash transfers and remittances, money laundering, drug harvesting and production, human trafficking, cross-border smuggling, illegal arms sales, and public as well as private corruption (Blades, Ferreira and Lugo, 2011).²

Such a large sector of informal economic activities has produced elaborate networks of stakeholders and beneficiaries across socio-economic strata. The democratic deficit thesis attributes to these informalities major responsibilities for the proliferation of illiberal rule and the obstruction of democratization. As governments loosen regulations and overlook informal activities, they remove incentives for accountability. After all, informal sectors produce parallel institutions that are detached from those of the state. Beneficiaries seek the least state intervention and are typically indifferent to public representation or oversight. Even participation in elections turns informal, as bribes and vote buying overwhelm the electoral process. Illiberal regimes manipulate informal economies, and elites become direct participants in establishing nepotistic networks entrenched within (Syria and Yemen are examples). The remaining economic activities are typically controlled by the state and, likewise, political elites reward supporters through a system of public patronage (Kamrava, 2004).

Skewed development by informal economic activities dismantle democratic prospects, as it weakens citizen-state relationship and gives free rein to elite control (Kamrava, 2002). It remains premature to suggest that informal economies obstruct development as a whole. There are various propositions that have considered the informal economy as essential for development, specifically in areas of conflicts and socio-economic duress (Chen, 2007). Yet, it can be asserted that development based on the informal economy does not necessarily trigger democratization. Instead, it contributes to socio-economic stabilization for countries in turbulent conditions and may help safeguard against economic backsliding (Rossis, 2011).

In contrast to liberal exceptionalism views, and emphasizing similar attributes used to explain oil states' structural paralysis, the leftist discourse blames underdevelopment on MENA's colonial partition and dependency in non-oil states as well (Cummings and

Hinnebusch, 2011).³ The result is the same, as shown by the prevalence of small, weak, unequal, and non-viable states inherently dependent on the protectionism and management of post-colonial powers. Evidence can be extracted from continuous post-colonial Western economic and military interventions in the region that witnessed the suppression of renegade states and the prevention of economic and political mergers among them.

Throughout the 1950s and 1960s, national anti-colonial movements in non-oil states attempted, in vain, to reconstruct the region and form a more integrative union. Egyptian President Gamal Abdul Nasser's pan-Arabism, inspired by post-World War II independence liberation movements, sought to eradicate the colonial legacy and overcome national deformations. Together with pan-Arabists in Syria, he merged to form the United Arab Republic (UAR), forged alliances with others, such as Libya, Algeria, and Southern Yemen, and boosted the Arab League. But his efforts were immediately curtailed by Western rejection and a military showdown under the pretext of containing communism and Soviet expansionism.⁴ Three decades after, Iraqi president Saddam Hussein faced a similar fate when he attempted to force the annexation of Kuwait in 1990. Other pan-nationalist movements in the MENA region aimed to defy colonial constructs but were violently suppressed, such as those attempted by pan-Syrian (Syrian Social Nationalist Party in the 1950s) and Kurdish nationalism (throughout post-Arab, Turkish, and Iranian independence).

The MENA's deformed and dependent states have fared the worst following the collapse of the Soviet Union and the subsequent cycle of global liberalism, which compounded their fragile and vulnerable constructs (Springborg, 2019). As critical economic protectionism is removed, predatory neoliberal globalization overwhelms all aspects of national economies (Öniş and Aysan, 2000). The new wave of globalization has been guided by the Washington Consensus, world financial and trade organizations (World Bank, International Monetary Fund, World Trade Organization) along with major powers assembled under G8, G10, and G20 to remove trade barriers, inject privatization, and promote foreign direct investments (FDIs). These developments have directly implicated former Soviet satellite republics, such as Libya, Syria, and South Yemen, among other countries in Africa and Asia.

Leftist discourse points to the impacts of the contemporary globalization cycle on MENA countries, as reflected in a surging trade deficit in favor of imports. At the same time, FDIs shifted growth to fast-returning and non-sustainable sectors such as real estate and services, leading to a 'Dutch disease' phenomenon that undermined traditional productive economies such as agriculture in favor of newly emerging investment opportunities. The distribution of FDI between 2003 and 2015, for instance, showcases the largest share being dedicated to new sectors in non-oil states such as real estate, extractive industries, telecommunications, and infrastructural development projects.⁵ The agricultural sector, which has traditionally provided most sustainable work force and livelihood for local communities, fared the least in those investments. By 2015, Egypt's agricultural trade deficit, as a result, grew dramatically by the 'open door' policies as to transform the country from self-sufficiency into the world largest importer of wheat (Tellioglu and Konandreas, 2017).

The result is a growing wedge between creditor and debtor nations, thus further widening development prospects. In 2019, global debts reached a record high of \$244 trillion (Oguh and Tanzi, 2019). The MENA countries' share of world debts has grown rapidly, with some countries amassing a debt worth 160 percent of their GDP (e.g., Lebanon in 2018). Of course, the left is quick to blame Western neoliberalism for saddling Third World countries with debts that perpetuate dependency and exploitation (Prasad, 1996). Awarding new loans and

rescheduling payments have typically been driven by the Washington Consensus agenda, requiring the privatization of public sectors and lifting tariffs as preconditions for lending by institutions such as the World Bank and the IMF. In sum, the liberalization of the market has entailed, among other changes, lifting trade barriers, privatization, and facilitating FDIs. These policy pressures have turned many protectionist Arab autocrats to cronyism. By the turn of the twenty-first century, Arab nationalist states were quickly turning kleptocratic, as elites accumulate massive amounts of wealth and prosperity while tapping into privatizations and FDIs (Sahajwani, 2020).

Decades after their inception, the social cohesion of most non-oil Arab states remained weak and their level of fragility continued to rank among the highest in the world.⁶ Public allegiance to the state continued to deteriorate, and economic disparities between socio-economic classes only widened. By the turn of the twenty-first century, a growing legitimacy deficit in Arab autocratic states appeared to have brought many to the verge of total disintegration (Algeria, Syria, Iraq, Sudan, Yemen, Somalia, Libya, and Bahrain), while implicating almost every other country with violence and instability. The Arab Spring and the outburst of communal conflicts thereafter called to question the entire post-independence political arrangement that had instated autocratic rules throughout the region. Such a turbulent environment has taken its toll on the prospects of development, slowing growth and undermining social and political cohesion. Egypt, Yemen, Somalia, Syria, Sudan, Palestine, and Egypt have ranked among the bottom 60 GDP per capita countries in the world (World Population Review, 2019), while the MENA region is characterized as the most volatile (Institute for Economics & Peace, 2018) and Arab states fare the worst in terms of freedom (Freedom House, 2019).

DEMOCRACY AND DEVELOPMENT IN A COMMUNITARIAN DIVIDED AND TURBULENT REGION

Yet, both left and liberal explanations for a dearth in democratization and stumbling development have avoided venturing into examining regional communitarianism. The national political economy of development remains a central approach to both analyses, leaving little room to account for communitarian politics and its implications on both development and democratization. Preliminary observations, however, reveal strong associations that link the regional political economy to communitarian politics. Such a linkage can be shown as a critical determinant in regional development.

MENA's communitarian groups are strong collectivities that often perceive other groups as existential threats in competing for the state's spoils. A zero-sum calculation is typically adopted as the ultimate outcome of politics. This is particularly the case when the state is weak or unable to provide for the public 'common good' or facilitate a shared ground for positive cooperation. Consequently, members of the communities become increasingly submerged in collective actions, while the development agenda is negotiated through intercommunitarian bargains. Such a communitarian collectivist environment reduces individual choices to a negligible margin. The social mobility of individuals becomes further determined by allegiance and adherence to collective interest. Of course, such a relationship varies from one country and one geographic region to another, but, generally, the dependency of the individual on the group increases as socio-economic and security vulnerability grows.

This individual–group relationship emerges even stronger in politically unstable or economically stressful environments, and where the state is weak, repressive, or undergoing conflict. At least ten Arab countries in the MENA region are now engulfed in high-level disputes. Violence has forced the displacement of millions, creating protracted refugee populations (Palestinians, Syrians, Iraqis, Yemenis, Libyans, Sudanese). In February 2018, the UN estimated that more than 15 million were displaced persons in Syria and Iraq alone (United Nations High Commissioner for Refugees, 2018). Under such circumstances of political hostility and vulnerability, the community becomes indispensable to the protection and self-preservation of the individual. Collective action adds to the power of the group and renders deviating individual voices as a threat to the cohesion and survival of the whole.

As previously discussed, there are significant economic explanations articulated by left and right views that have helped unpack the peculiarity of Middle Eastern illiberalism, specifically what dissociates development from democratic drivers. Yet, most recently, communitarianism has asserted itself as a major determinant of regional political mobilizations. While it has been the primary but subtle mode of MENA’s politics, it only took center stage following the rise of radical Islamists to power. Since the 1979 fall of Iran’s pro-American monarchy by *velayat-e faqih* Shiism and the 1989 defeat in Afghanistan of the Soviet Union by Islamic Salafism, the surge of transnational communitarianism has continued to build esteem. The collapse of the Soviet Union gave a final push for the replacement of the Cold War’s traditional left–right warriors by a communitarian discourse that has since dominated and shaped regional political struggles.

By the turn of the twenty-first century, communitarianism had come to divide major regional powers, mobilized behind antagonistic affiliations: Sunni Wahhabism in Saudi Arabia, *Shia velayat-e faqih* in Iran, Jewish Zionism in Israel, and Sunni Muslim Brotherhood in Turkey. Regional communitarian rivalry has simultaneously expanded to implicate almost every state in the MENA region, while violently erupting in Syria, Iraq, Yemen, Libya, Bahrain, Saudi Arabia, Egypt, Sudan, and Somalia. Communitarian grievances within and across nations have been expressed in different tribal, ethnic, and sectarian manifestations and amplified by identity-based politics such as that of the Kurds, Copts, Houthis, and Amazigh, among other groups. Recognizing this communitarian-based regional polarity alters traditional Western conceptualization of development, and calls for the reassessment of its link to regional democratization.

The most important deviation from traditional conceptualizations of MENA’s political economy is the fact that development has been shifting from the confines of the national domain to the realm of community. In other words, socio-economic struggles that were expressed along national and class demarcations are now articulated by rivalry between communitarian groups. This occurs not only in Lebanon, where the distribution of public budget and ministries are allocated along sectarian lines, but also in Iraq, where the Arab-Kurd and Sunni-Shia communitarian economies drive national politics. Today, almost every country in the MENA region is entangled with communitarian rationalism and its corresponding struggle for the redistribution of national wealth and power. Contemporary conflicts in Yemen, Syria, Iraq, Somalia, Northern Sudan, and Libya are direct expressions of a vicious confrontation being fought for the redistribution of power along communitarian shares. Communitarian power contestation is clear and evident in bringing a wedge between Shia and Sunnis, as well as among the differential communitarian Islamic schools of jurisprudence: Wahhabi, Muslim Brotherhood, Ibadi, Ismaeli, *velayat e-faqih*, and Zaydi. Other communitarian expressions

divide the Gulf population along urban and Bedouin affiliations. There are similar communitarian cleavages that are engaged in differential degrees of competition for the redistribution of goods and services across Northern Africa including: Arabs, Amazighs, Copts, Tawariks, Nubians, Musaratis, and Western Saharans.

Generally speaking, communitarian solidarity varies, but it is deeply embedded in cultist collectivism, wherein strong adherence to the community is extended to all socio-economic walks of life. The community is often incorporated in economic activities to serve as an essential social organizing agency in projecting groups' interests relating to economic production and development. Because Arab states are typically weak and lack essential institutionalism to provide national services and benefits to citizens, communities often fill in the gaps. For instance, religious institutions accumulate large sums of money through almsgiving and charitable donations to help the poor within their respective communities. Communitarian political groups, such as Hezb Allah in Lebanon, Hezb Al Nour in Egypt, Hezb Al Da'awa in Iraq, Hezb Al Nahda in Tunisia, and Ansar Allah in Yemen, provide extended social service packages to communities. Some border communities thrive on smuggling and trafficking activities and are typically protected by national communitarian leaders and armed groups. Communitarian politics in Iraq and Lebanon are directly linked to that of the nation state, where bargains are conducted at the state level to maximize communitarian interests. Consequently, MENA's development agenda appears predominantly formulated by communitarian outlooks rather than by strict national agendas.

Communitarian collectivism deconstructs three core pillars that have historically been presumed as democratic prerequisites rooted in a national development paradigm. First, the growth of the middle class in multi-communitarian societies provides no assurances for the prevalence of national affiliations over allegiance to the community. In such societies, devotion to the community prevails over economic class solidarity or individual interests. Communitarian politics bridges the group across class divides and essentializes the existential destiny of the group as a whole. Social classes mobilize around their respective communities for economic salvation, as has been clearly demonstrated in countries such as Iraq, Lebanon, Yemen, Syria, the Gulf states, and almost every other Arab country. Liberal and Marxist theories that anticipated the gradual decline of cultural traditions and primordial modes of associations amid the expansion of modernization and capitalism have only witnessed opposite trends in the MENA region (Salamey, 2017). Deformed post-colonial nationalism and communitarian contentions have only consolidated economic bargains along communitarian collectivism, with the community acting as a powerful agency that ensures the public welfare, social safety, security, and economic gains of its members (Cammett, 2014; Richards and Waterbury, 2007). It can be asserted that by the twenty-first century, communitarianism in the MENA region had inherited the mantle of liberalism and socialism.

Second, neither the state nor communitarian-driven development would necessarily produce a representative government or undermine primordial communitarian affiliations. This is particularly the case in turbulent environments and contested regions. The case of the Gulf states is clear evidence that rentierism and vulnerability amid economic growth have only reduced reasons for democratization, often described as the oil curse. This is also the case in non-oil-producing states, where deformed post-colonial national constructs along with non-formal economic modes of production have undermined critical reasons for accountable rule despite various and relative developments. For example, though Lebanon became a middle-income country (MIC), widespread public corruption in the country has prevailed.

In 2018, Transparency International ranked Lebanon 138/180 on the Corruption Index, faring among the least transparent in the world (Transparency International, 2018).

Third, in a multi-communitarian environment that requires including all social groups in body politics, consensus determines legitimacy and society grows intolerant to majoritarian rules or individual choices. Participation, representation, and policy decisions are constructed along communitarian interests, yielding communitocratic forms of governance. States that utilize consociational power-sharing practices in their political conduct and are communitarian in their constructs are known as communitocracies (Salamey, 2017). Such political rule differs from democracy in at least two important attributes. First, it is fundamentally inclusive and pluralistic. Its decision making is based on consensus building rather than majoritarian-driven resolutions. Therefore, it typically features weak to negligible opposition culture. Second, it allows for the 'expression of communal interests in a state's policy outlooks' rather than catering to individualized constituencies (Salamey, 2017, p. 85). Communitocracies have demonstrated exceptional capacity to manage communal differences in deeply divided societies, without necessarily resolving them. For instance, Northern Ireland's Good Friday Agreement (1999) provided essential arrangements for the sharing of power between Catholic and Protestant communities, thus diffusing tensions and transforming conflict toward peaceful competition. The Taif Agreement in Lebanon (1989), the Daytona Agreement in Bosnia and Herzegovina (1995), and the Federal Constitution of Iraq (2005) are among cases where communitocracies have offered a conflict management platform for rival identity-groups.

CONCLUSION

Admittedly, there is no simple and straightforward relationship between democracy and development in the MENA region. Communitarianism provides a strong interpretation for the absence of democratization despite development. Neither liberal nor leftist discourses have given such a political phenomenon sufficient attention in their assumptions of democratic prerequisites. Both presumed that modernization and global economic advancement would undermine primordial and identity-based political affiliations. On the contrary, globalization and development have only consolidated the political and economic functionality of communitarianism in the MENA region. From the left perspective, dependency, along with unequal and uneven development, are dominant views of the Middle Eastern democracy deficit, yet it can only be comprehensive when combined with communitarian propositions.

Whether democracy will ultimately prevail in the MENA region remains a premature question to answer given existing regional complexities, but it is evident that the global development agenda may need to reconsider important MENA communitarian contexts in its goals. Some of these may require prioritizing communitarian dialogue, cooperation, cohesion, power sharing, and consensus building as a means to stabilization and development. Such strategies would help the MENA region reduce communitarian exclusionary outlooks in favor of inclusion and pluralism. This implies that given the protracted state of communitarian contentions, democracy may not necessarily be the inevitable outcome of development or the pressing response to contemporary regional challenges.

NOTES

1. See *Wall Street Journal* (2016), 'Barrel breakdown', 15 April. Accessed 19 April 2019 at <http://graphics.wsj.com/oil-barrel-breakdown/>.
2. More than 2 billion people are informally employed around the world, comprising 61 percent of the global labor force, mostly in developing or emerging countries, according to International Labour Organization (2018).
3. The 1916 Sykes–Picot Agreement divided the Ottoman Middle East among allied colonial powers. The agreement is often cited as a major determinant of post-colonial control.
4. American, Western European, and Israeli confrontations with Nasser's Egypt were fought on many fronts. The 1955 Baghdad Pact was formed directly to contain Egypt's quest for pan-Arabism under the guidance of Eisenhower's doctrine to overt international communism, followed by the 1956 tripartite military attack against Egypt by British, French, and Israeli armies, ultimately leading to the 1967 Six-Day War with Israel.
5. See background note for the MENA-OECD Economic Resilience Task Force (2018), 'FDI in fragile and conflict-affected economies in the Middle East and North Africa: trends and policies', which examines FDI trends in selected MENA countries. Accessed April 2019 at <http://www.oecd.org/mena/competitiveness/ERTF-Jeddah-2018-Background-note-FDI.pdf>.
6. In 2018, eight Arab states were ranked among the most fragile states in the world (Fragile State Index, 2018).

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14. Democracy, development and Islam

Michael T. Rock and Soli Ozel

1 INTRODUCTION

Muslim majority countries, hereafter Muslim countries, do not appear to be particularly hospitable to democracy or development.¹ Some pin the blame for this poor performance on Islam,² while others highlight particularly salient political issues in the Muslim world such as an *ulama*–state alliance (Kuru 2019),³ instrumental uses of Islam by political elites (Platteau, 2011, 2017) or institutional factors in the broader Arab world (Chaney, 2012; Rowley and Smith, 2009; Teorell, 2010) that militate against democracy and development. Whichever is the case, aggregate data tend to support the inhospitality of Muslim countries and possibly Islam⁴ to democracy and development. For example, of the 44 Muslim countries covered by the Polity IV data, a paltry 27 percent (12) were democracies in 2018 while the overwhelming majority (32, or 73 percent) were either autocracies or anocracies (Marshall, Gurr and Jaggers, 2017). To make matters worse, the median Polity2 score for this group of countries after 1960 was -5 , very close to -6 , the *POLITY2* cut-off measure for pure autocracy (ibid.). Said another way, for all intents and purposes, the average Muslim country has been a near pure autocracy since 1960. Although there is no statistical difference in the means of long-run real gross domestic product (GDP) per capita growth rates between Muslim countries and non-Muslim developing countries,⁵ the average Muslim long-run growth rate is quite low (1.7 percent per year; World Bank, 2019) making convergence all but impossible. Thus, it is not particularly surprising that the bulk of the literature on Islam, democracy, and development is devoted to explaining why Islam, authoritarianism, and underdevelopment go together.

But this is not the whole story. Reliance on aggregate data conceals as much as it reveals. Of the Muslim countries covered by Polity IV, six appear to be stable democracies⁶ and 14⁷ have experienced at least one bout with democracy, while only eight are stable and durable autocracies⁸ (Marshall et al., 2017). With respect to economic growth, five Muslim countries have long-run real income per capita growth rates above 3 percent per year (World Bank, 2019).⁹ The mean of the fastest-growing Muslim economies is 4.02 percent per year, versus 2.55 percent per year for the next 14 fastest-growing economies.

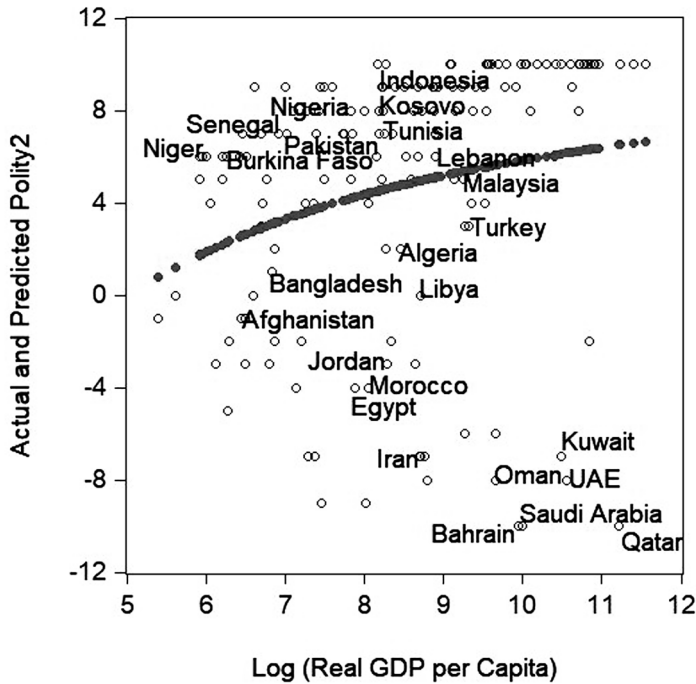
Given the significant differences in democracy/growth outcomes among Muslim countries, the aim here is to turn the page on the ‘Islam, autocracy and underdevelopment go together’ story by trying to understand why some Muslim countries are better at democracy and development than others. This is done in several steps. Section 2 reviews the theoretical and econometric literature on democracy and Islam, on the one hand, and development and Islam on the other.¹⁰ Because that literature is so inconclusive, Section 3 turns to an elite-centered analytical framework and several case studies to demonstrate how consensually united elites in Muslim countries can successfully usher in democracy and development and how elite conflict makes elite cooperation on democracy and development projects almost impossible. Section 4 draws conclusions.

2 LITERATURE REVIEW AND EMPIRICAL EVIDENCE

The historical and theoretical pan-Islamic literature on democracy and Islam emphasizes the degree to which Islam may be compatible or incompatible with democracy. Those emphasizing incompatibility (Huntington, 1968, 1984, 1993; Kuru, 2014, 2019; Lewis, 1964, 2010) focus on the deleterious effects of an *ulama*–state alliance, the lack of legislative and other corporate bodies, as well as of tolerance and pluralism. Those emphasizing compatibility (Bayat, 2007; Esposito and Voll, 1996; Hefner, 2000; Kurzman, 1998) point to a history of pluralism in the Ottoman Empire, tolerance toward other religions in the Koran and the existence of stable democracies in at least some Muslim countries such as Indonesia, the world’s largest Muslim country. Still others approach this topic through the lens of modernization theory, best exemplified by Lipset’s (1959) essay on the social requisites of democracy. This involves comparing the degree of democracy within individual countries with those countries’ real incomes per capita on the assumption that the degree of democracy rises with income and asking whether Muslim countries fit the modernization hypothesis (e.g., see Stepan and Robertson, 2003). This can clearly be seen in Figure 14.1, which regresses the degree of democracy (using the *POLITY2* variable from Polity IV) in a large sample of countries on real GDP per capita and compares the performance of Muslim countries to the regression line. As can be seen, the Arab Muslim countries tend to fall below the regression line, suggesting that they are democratic underachievers, while the non-Arab Muslim countries tend to fall above the regression line, suggesting they are democratic overachievers.

Alternatively, one can regress the degree of democracy on income for the Muslim countries and then compare performance relative to expectations (the regression line). This appears in Figure 14.2. What is most noticeable about Figure 14.2 is that the regression line has a negative slope, suggesting the opposite of the modernization hypothesis – that is, that the degree of democracy falls with income. What one can also see from Figure 14.2 is that the negative slope of the regression line is largely determined by the Arab Muslim countries. Most of those countries are democratic underachievers (they fall below the regression line) while the non-Arab Muslim countries tend to be democratic overachievers (they fall above the regression line). The conclusion from this kind of exercise is that there is no clear relationship between Islam and the degree of democracy or as Stepan and Robertson (2003) say, the democracy gap is an Arab not a Muslim gap.

The univariate relationships between income and democracy presented in Figures 14.1 and 14.2 is suggestive of an Arab, but not a Muslim, democracy gap. That said, Figures 14.1 and 14.2 also beg an important question. Is there robust empirical support for an Arab, rather than a Muslim, democracy gap in a multivariate statistical framework? Existing empirical work on this question is mixed. While Barro (1991), Barro and McCleary (2003), Blaydes and Chaney (2013), Fish (2002), Hegre et al. (2012), LaPorta et al. (1997), Potrafke (2012), Rowley and Smith (2009), and Teorell (2010) find a negative relationship between the share of the population that is Muslim and democracy, only a few of these studies test for the Arab, rather than a Muslim, democracy gap identified by Stepan and Robertson (2003). Yet, Blaydes and Chaney (2013), Rowley and Smith (2009), and Teorell (2010, pp. 47–50) do test for an Arab rather than a Muslim democracy gap by adding variables for Arab countries to their regressions. In each of these studies, the Arab specific variables tend to be statistically significant with the expected sign, while the size of the Muslim religious fraction variable falls and it is insignificant (Blaydes and Chaney, 2013; Rowley and Smith, 2009, p. 286; Teorell, 2010,



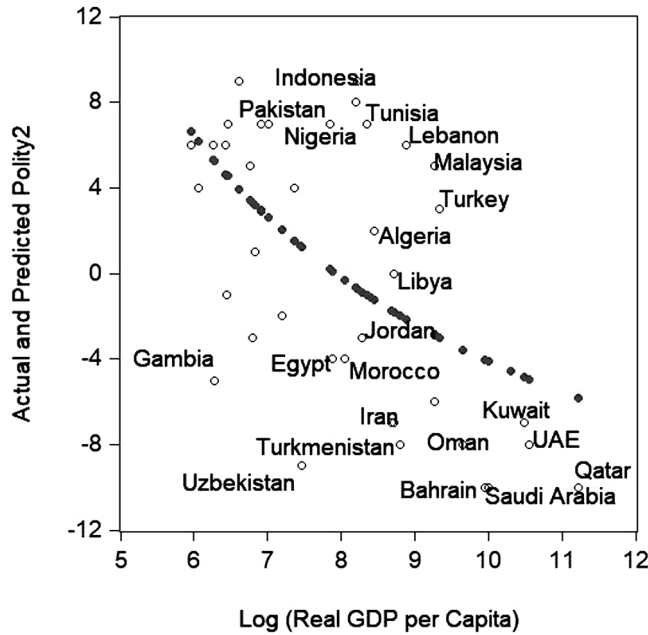
Sources: World Bank (2017) and Marshall et al. (2017).

Figure 14.1 POLITY2: actual and predicted values

p. 48). Authors of these studies interpret their finding as confirming Stepan and Robertson’s claim of an Arab, not a Muslim, democracy gap.

These hypotheses are tested with five different measures of democracy in a new dataset in the statistical appendix at the end of the chapter. The estimation results appear in Tables 14A.1 and 14A.2.¹¹ Several findings deserve mention. With respect to Table 14A.1, the regression coefficient on the Muslim religious fraction is statistically significant in three out of the five equations with an unexpected sign (positive for *VDEM* and *POLITY2* and negative for *CL*), but it is otherwise insignificant, suggesting no robust relationship between the Muslim religious fraction and democracy. Few of the regression coefficients on the other religious fraction variables are statistically significant. In addition, none of the regression coefficients on the other control variables is particularly robust, although when those coefficients are statistically significant, they do have the expected sign.¹² Finally, the regression coefficients on the lagged democracy variables are statistically significant nine out of ten times and the sum of them is less than one, indicating that democracy moves sluggishly over time.

Turning to Table 14A.2 with the ARAB dummy variable, the coefficient on the Muslim religious fraction variable is never statistically significant. On the other hand, the coefficient on the ARAB dummy variable is always statistically significant with the expected sign. This finding is consistent with a simple equality of means test, which rejects the hypothesis that



Sources: World Bank (2017) and Marshall et al. (2017).

Figure 14.2 Scattergram of POLITY2 on real GDP per capita majority Muslim countries

the mean value of democracy (*VDEM*) in the non-Arab Muslim ($VDEM = 0.36$) countries is no different than it is in the Arab Muslim countries ($VDEM = 0.13$).¹³ The only conclusion to draw from Tables 14A.1 and 14A.2 is that the democracy gap is an Arab, not a Muslim, gap.

What about the relationship between economic growth and Islam? On the one hand, as noted earlier, the real GDP per capita growth in the Muslim countries is much slower than that of the non-Muslim countries. On the other hand, of the nine fastest-growing economies between 1960 and 2015 for which long-run data are available, three (Indonesia, Malaysia, and Oman), or a third, are Muslim countries and one (Oman) is an Arab country (Rock, 2017, p. 6). Looked at another way, several econometric studies that use the share of the population that is Muslim as an independent variable in cross-country and panel growth regressions find that there is no clear relationship between the Muslim religion and economic growth. For example, Noland (2005) finds no relationship between the share of the population that is Muslim and economic growth. Sala-i-Martin, Doppelhofer and Miller (2004) find a positive relationship, while Barro and McCleary (2003) and LaPorta et al. (1997) find a negative relationship.

This inconclusive outcome is consistent with the broader historical and theoretical literature (Kuran, 2011; Kuru, 2019; Rodinson, 2007; Rubin, 2017) on Islam and growth. For example, Kuru (2019) attributes the poor growth performance of Muslim countries to an *ulama*-state alliance, rather than Islam, which crippled the political rise of merchants and the bourgeoisie. On the other hand, Kuran (2011) attributes this outcome to tenets of Islamic law that pose sig-

nificant barriers to the formation of long-lasting corporations and to inheritance laws that dissipate the accumulation of capital by fragmenting individual fortunes by dividing them among a deceased's family members. For his part, Rubin (2017) blames poor economic performance on the reliance of ruling elites on the *ulama* for political legitimacy (Rubin, 2017, p. 209). On the other hand, Rodinson (2007, pp. 41, 43, 66) finds no real impediments to capitalist growth in the Koran, the Sunnah, or in Islamic practices.

Hypotheses relating Islam to growth and the Arab Muslim countries to growth are tested in appendix Tables 14A.3 and 14A.4. In addition to these appendix tables, Table 14A.7 lists variable definitions and sources, while Table 14A.8 reports descriptive statistics. The only conclusion to draw from Tables 14A.3 and 14A.4 where neither the Muslim religious fraction variable nor the Arab dummy variable is statistically significant, is that Islam has no impact on the growth rate. One other finding in Tables 14A.3 and 14A.4 is worth mentioning. That is, five of the seven economic variables (relative income, investment as a share of GDP, the population growth rate, government consumption expenditures as a share of GDP, and the log of the inflation rate) are always statistically significant with the expected signs. Given the import of these variables in most analyses of the determinants of differences in growth rates, these findings are reassuring.

3 THEORY AND CASE EVIDENCE

Theoretical Considerations

As demonstrated so far, neither the theoretical nor the empirical literature provide convincing evidence that Islam is antithetical to democracy or growth. Yet, important differences in political and economic outcomes exist between the Arab Muslim countries and their non-Arab Muslim counterparts. For example, the mean *POLITY2* democracy score for the Arab Muslim countries after 1960 is -7.25 , while it is only -1.21 for the non-Arab Muslim countries (Marshall et al., 2017).¹⁴ Said another way, the average Arab Muslim country has been a pure autocracy since 1960, while its non-Arab counterparts are not, even though most were not democracies. Moreover, of the six Muslim countries that were democracies in 2018, only one, Lebanon, is an Arab country (ibid.). Things are not much different with economic growth. The average real GDP per capita growth rate for Arab Muslim countries after 1960 is lower (1.4 percent per year) than for their non-Arab Muslim counterparts (1.8 percent per year; World Bank, 2019).¹⁵ The experiences of Egypt, an Arab Muslim country, and Indonesia, a non-Arab Muslim country, parallels the aggregate data. In 1968, real GDP per capita in Egypt and Indonesia were roughly equal, but because Indonesia grew much faster than Egypt, by 2018, Indonesia's income per capita was 1.5 times Egypt's (World Bank, 2019). In addition, after more than 30 years of stable authoritarian rule, both countries democratized – Egypt in 2012 and Indonesia in 1998. By 2019, Indonesia had experienced 21 years of stable democratic rule while continuing to deliver development (Rock, 2018). Egypt's fledgling democracy lasted about one year and was replaced by a brutal autocracy that continues to fail to deliver development.

Why have the Arab Muslim countries had a more difficult time with democracy and development than their non-Arab counterparts? Or asked differently, why has Indonesia been so much better at democracy and development than Egypt? What, if anything, does Islam have

to do with these differences? The aim here is to answer these questions by using an analytical frame that places elites and elite conflict in two case studies – one of Egypt, the other of Indonesia – at the center of analysis. The analytical focus is on elites because there is ample evidence demonstrating that elites, the decisions they make, and the conflicts they experience, loom large in political and economic outcomes. For example, Higley and Burton (2006, p. 2) argue that no democracy has ever emerged without the formation of a consensually united elite.¹⁶ Mickey (2015) demonstrates how elite cohesion, or a consensually united elite, made it possible for the Democratic Party in the American South to sustain autocratic enclaves for over 50 years. Albertus and Menaldo (2018) and Ziblatt (2017) show how successful democratization depends on the calculations of authoritarian elites over whether they can, as Slater and Wong (2013) argue, ‘concede democracy and thrive.’ In Muslim countries, ‘conceding to thrive’ often revolves around whether secular nationalist elites and Islamic elites believe they can thrive under democracy.¹⁷ To make matters worse, Rock (2017) and Waldner (1999) argue that high levels of elite conflict can spill over into state building and development strategies in ways that are inimical to economic growth. As will be demonstrated, unrelenting elite conflict between Islamic and secular nationalist elites in Egypt over national identity, the state, and the constitution made elite cooperation on democracy and development projects almost impossible (Gerges, 2018). Yet, in Indonesia (Rock, 2017), the Islamic–secular nationalist divide has been tamed, even though this proved difficult to accomplish and took time, as Islamic and secular nationalist elites came to more, or less, agreement on national identity, the state, and the constitution such that they were able to successfully cooperate on both a democracy and a development project. But getting there was not easy.

Egypt

Egypt’s modern history is fraught with very high levels of elite conflict, especially between Islamists in the Muslim Brotherhood, hereafter MB, and secular nationalists in civil society, the military, and government. The divide between nationalists and Islamists remains the major cleavage in Egypt and the Arab world (Gerges, 2018, p. 4). This struggle began in 1922 when the king used Islam against the Wafd, Egypt’s largest secular nationalist political party (Marsot, 2007, pp. 117–18). With British support, the monarchy repeatedly undermined the governing Wafd, contributing to rapid turnover of elected governments between 1923 and 1938 (Vatikiotis, 1991, p. 297). The political instability of this era made development all but impossible, opening the way for the rise of the MB (Safran, 1961, p. 187). Within a relatively short time, the MB became Egypt’s most powerful civil society organization (Gershoni and Jankowski, 2010, p. 233; Wickham, 2013, p. 22). Leaders of the MB believed Egypt’s problems were due to parliamentary democracy, political infighting among the country’s political parties, and the spread of Western values and institutions that were out of touch with Egyptians’ religious beliefs (Mitchell, 1969, p. 4; Wickham, 2013, p. 22). They argued that because Egyptians had wandered from the spiritual and moral principles of Islam, they became poor, divided, and corrupt (Rutherford, 2008, p. 78). The only hope for gaining independence and building national power was a return to Islam and implementation of Sharia (ibid.).

Not surprisingly, the MB repeatedly battled the Wafd for control of the state (Mitchell, 1969, p. 44). This eventually exploded into violent pitched battles (ibid., p. 48) in 1942 when the MB created the secret apparatus marking a resort to political violence (ibid., p. 31). From then on until 1952, Egypt’s liberal political experiment descended into chaos (ibid., pp. 46,

48), culminating in assassinations of key figures in government and the MB (ibid., pp. 57–9, 62, 67, 69, 73). Between 1940 and the Free Officers coup in 1952, ten governments fell, with none completing a full term. Rampant political instability and major violent elite conflict all but destroyed any hope of cooperation between Islamic elites in the MB and secular nationalist elites in civil society and the state. Neither democracy nor development fared well during this period.¹⁸

Following the Free Officers coup in 1952 there was a short-lived honeymoon between Islamic elites in the MB and secular nationalist elites among the Free Officers.¹⁹ This held out the prospect of consensual agreement on national identity, the nature of the state, and the role of Islam in the constitution. Unfortunately, no consensus vision of a post-colonial Egypt ever emerged (Gerges, 2018, p. 77). Because both saw themselves as the only rightful heir to the revolution, it was all but inevitable that they would clash (ibid., p. 7). The clash began in 1952 when the Supreme Guide in the MB assumed that Nasser and the Free Officers were ‘his boys’ (ibid., p. 89). He summarily demanded that Nasser grant the MB veto power over all major decisions (ibid., p. 97). Nasser retorted, ‘I will not accept guardianship of the revolution from any party’ (ibid.). From then on, elite conflict between the elites in the MB and secular nationalist elites escalated as distrust and enmity grew (ibid., p. 77). Each accused the other of being a crony to outside forces seeking to control Egyptian, Arab, and Muslim destinies (ibid., p. 9). When the MB sided with President Naguib in his struggle with Nasser for control of the Egyptian state, relationships deteriorated even further (ibid., p. 99).

Relations finally broke down following a failed attempt by the MB to assassinate Nasser in 1954 (ibid., p. 118). From then on, Nasser set out to destroy the organization (Kandil, 2015, pp. 29–30; Kepel, 2003, pp. 26–35). Hundreds of Brothers were arrested. The brutal repression that followed became a defining moment for both, and it was the clash that triggered a long war between the two that lasted for nearly 65 years (Gerges, 2018, p. 8). Torture and humiliation in prison nurtured a subversive, revolutionary, and violent brand of Islam (ibid., p. 12). Subsequently, the MB framed its struggle with the secular nationalists as an existential zero-sum conflict that stands as the defining feature of Egypt’s and the Arab world’s post-colonial politics (ibid., p. 16).²⁰

To make matters worse, high levels of elite conflict spilled over into the Free Officers’ state-building strategy. They had hoped to utilize the MB’s organized networks to boost public support (ibid., p. 8), but when conflict between the two soared they resorted to building a mass base by incorporating labor and peasants into state building. They cultivated the *fellahin* through an Agrarian Law (1952) that neutered the landed elite while redistributing land to Egypt’s poorest land owners (Waterbury, 1983, p. 267). Incorporation of labor began with social insurance legislation in 1955 (Posusney, 1997, p. 59). The 1956 constitution strengthened the incorporation of labor by stating work was a right (ibid.). Law 78 of 1956 forbade the extension of probationary periods for workers (ibid.). A labor code introduced in 1959 reduced the probationary period to three months, cut the workday to eight hours, and doubled the differential for shift work (ibid.). Law 133 of 1961 reduced the work week to 42 hours (ibid., p. 70). The government also committed to providing administrative jobs for all university graduates and manual jobs to all secondary school graduates (ibid.). It extended an existing system of subsidies to cover a substantial number of food items and energy, while it used comprehensive price controls to ensure workers had a cheap supply of basic goods (ibid.). The regime’s commitment to labor was enshrined in the National Charter of 1962 (ibid., p. 73) that

recognized the right of all citizens to an education appropriate to their abilities and the right to an adequate job, a minimum wage, healthcare and old age benefits (Hansen, 1991, p. 115).

Creation of a robust social welfare state saddled Egypt with a large welfare bill²¹ that sapped and continues to sap all efforts at economic growth (Soliman, 2011). Because Nasser so distrusted foreign and domestic capitalist elites, he sequestered the assets of the former (Ikram, 2006, p. 6) and nationalized the assets of latter (Hansen, 1991, p. 114; Waterbury, 1983, p. 63) leaving most of the economy in government hands.²² For the most part, the major elements of a state-centered, mass-based development strategy – one rooted in import substitution industrial development through state-owned enterprises,²³ extraction of surplus out of agriculture through administered prices, and growing subsidies for a whole range of consumer goods, education, and healthcare – were more, or less, sustained by both the Sadat and Mubarak governments.²⁴ This development strategy has not fared well. Between 1960 and 2018, Egypt's real GDP per capita growth rate was 2.8 percent per year (World Bank, 2019). Slow growth meant that even though real GDP per capita in Egypt equaled that in Indonesia in 1968, by 2018, Indonesia's real GDP was 1.5 times that of Egypt (*ibid.*). Slow growth also meant governments found it increasingly difficult to meet its employment promises to labor.²⁵ It meant high youth unemployment, especially among university graduates.²⁶ High youth unemployment contributed to political instability (Urdal, 2006). It meant that the majority of Egyptians lived slightly above a meager poverty line of \$5 a day in purchasing power parity (Ghanem, 2014, pp. 9–10).

While Sadat revitalized the MB to counter the left (Platteau, 2017, pp. 191–2), the elites in the MB never trusted him (Gerges, 2018, p. 25). Following his signing of a peace treaty with Israel, Sadat tried to mollify them by amending the constitution to make Islamic Law the principal source of legislation (Platteau, 2017, p. 195). When that failed, he turned on the MB (*ibid.*, p. 196). They reciprocated by assassinating him (Kepel, 2005, pp. 51–9). Mubarak fared little better in his ability to tamp down elite conflict between the MB and the state. He began, like Nasser and Sadat, by releasing Brothers from prison (Platteau, 2017, p. 196). When the MB's opposition to the relationship with the US turned violent, the government turned on them, closing the Labor Party and its newspaper that they controlled, and arresting nearly 30 000 members in a series of severe crackdowns (Gerges, 2018, p. 371).

By the time Mubarak fell in 2011, a clear 65-year-old pattern was set. A mass-based state-led import substitution industrial development strategy failed to deliver development. High levels of elite conflict haunted both the MB and secular nationalist elites. Repeated arrests, imprisonment, and torture of the Muslim Brothers nurtured religious extremists within an old guard leadership of the MB who adhered to a revolutionary Islamist ideology upholding the 'charisma of shari'a' as a superior way of life (*ibid.*, p. 19). This experience bred a culture of victimhood, fear, and suspicion of secular nationalists (*ibid.*, p. 26). The deficit of trust between Islamic and secular nationalist elites repeatedly proved insuperable (*ibid.*, p. 390). As a result, elite conflict between the MB and the secular nationalists persists (*ibid.*, p. 393).

Thus, it is not surprising that secular nationalists in civil society and the military turned against President Morsi and the MB following the 2012 election. Both believed the MB aimed to install an Islamic state (*ibid.*, p. 398). The actions of Morsi and the MB did not help. Once in office they had no concrete social agenda, they failed to offer a development strategy (*ibid.*) and their actions were driven by fear and paranoia (*ibid.*, p. 397). Not surprisingly, the MB–secular nationalist fault line was resurrected (*ibid.*, p. 400) making cooperation on

a democracy project all but impossible. Instead, there is now all-out war between the MB and the Egyptian state (*ibid.*, p. 399).

What, might one ask, does this experience have to do with Islam? There are numerous answers to this question. To begin with, elites in the MB and the secular nationalists have diametrically opposing views of national identity, the nature of the state and the constitution. One appears to favor an Islamic state while the other favors a secular national state.²⁷ Since both see themselves as owners of the 1952 revolution, guardians of the people, and the only rightful heirs to the Egyptian state, both have been contending since the 1940s, frequently violently, for control of the state. This combination contributes to high levels of elite conflict that make cooperation on a democracy project almost impossible. High levels of elite conflict and lack of elite consensus over development policy also make it near impossible to effectively replace a failed development strategy with a more coherent and workable one. Under conditions of very high elite conflict, it is difficult to see how Egyptian elites might escape their fractious past to cooperate on a democracy and a development project.

Indonesia

Prior to 1966, elite conflict in Indonesia was nearly as contentious as in Egypt. Elites in the independence movement were deeply divided. There were substantial disagreements between those who cooperated with the Dutch and those who practiced non-cooperation (Elson, 2008, pp. 59–60). There were conflicts between those who favored an Islamic state, those who foresaw a communist one, and the secular nationalists (*ibid.*, pp. 74–5). Those favoring an Islamic state split between modernists and traditionalists (*ibid.*, p. 83).²⁸ Among the secular nationalists, some favored Western-style democracy, others thought it inappropriate for Indonesia. Attempts to create unity among these groups failed because of these differences (Elson, 2008, p. 74). In March 1945, two committees were formed to outline the basis of an independent state, establish terms of citizenship, and draft a constitution (Kahin, 1952, pp. 121, 127). Secular nationalists and Islamists engaged in bitter arguments over whether the state should be secular-nationalist or Islamist.²⁹ Concern for unity led contending political elites to paper over their differences by accepting Sukarno's proposal that conceptualized national identity and the state on the basis of Pancasila – a territorial nationalism grounded in humanitarian internationalism governed by deliberation and consensus, committed to promotion of political and economic justice, and a belief in one god (Elson, 2008, p. 107). Subsequent to the approval of a new constitution in August 1945, the new government proposed the introduction of a multi-party system (Kahin, 1952, pp. 151–4).³⁰ A plethora of parties revolving around one or more elites with divergent ideologies soon appeared. The Communist Party of Indonesia (*PKI*) favored nationalization of all estates and large landholdings, redistribution of land to peasants in soviets (workers' councils), and class struggle to organize peasants and workers (Anderson, 2006, p. 218). *Masjumi*, the major Muslim party, proposed creating an Islamic state (*ibid.*, p. 223). The Indonesian National Party (*PNI*), a party of professionals and civil servants, favored a secular nationalist state (Kahin, 1952, p. 155).

Personal rivalries among political elites and ideological differences between the parties fostered internecine warfare between elites and the ruling governments. Elite conflict contributed to a rapid rise and fall of 11 governments between 1945 and 1957 (Elson, 2008, p. 141; Feith, 1962, pp. xvii–xviii; Kahin, 1952, pp. 328–9). At the same time, elites in *PNI* and *Masjumi* engaged in a bitter dispute over whether Indonesia would be a state governed by Pancasila or

Islam. In this context, Indonesia's first national elections were held on 29 September 1955. The results shocked virtually everyone as the *PNI* and the *PKI* did much better than expected, while *Masjumi* did substantially worse than expected.³¹ Serious opposition to the new government occurred following successful bloodless coups in Central and Northern Sumatra (Feith, 1962, p. 320). *Masjumi* supported the coups by withdrawing from the government, joining the coup leaders, who seceded from the Republic of Indonesia, and declared the Revolutionary Government of the Republic of Indonesia (ibid., p. 321). The army successfully counterattacked and crushed the rebellion.

These events radically changed politics as *Masjumi* was discredited, banned and its leaders were imprisoned (Hefner, 2000, pp. 44–6). This effectively neutered those committed to an Islamic state and it left Sukarno and the army as the remaining power centers (Feith, 1962, p. 322). For a while Sukarno counterbalanced the power and influence of the army by relying on the *PKI* and its mass support in the Javanese countryside. This balancing act collapsed in an ill-fated coup attempt that provided the army with an opportunity to topple Sukarno and eliminate the *PKI* in a brutal pogrom (Roosa, 2006). In the end, the army was the only contender for power. Elite conflict between the Islamists and secular nationalists in the *PNI* disappeared when both *Masjumi* and the *PNI* were banned. Right–left elite conflict between the army and the *PKI* was eliminated when the army destroyed the *PKI*. All that remained was for the army and General Suharto to unify the country. Not surprisingly, neither democracy, development, nor political Islam fared well during this tumultuous period.³²

Following the destruction of the *PKI*, the collapse of Sukarno's Guided Democracy, and the neutering of political Islam, Suharto built a narrow center-right politically conservative, pro-capitalist coalition made up of elites from the military, capitalists, landowners, conservative students, and equally conservative Muslim elites, which evolved into a developmental autocracy (Chalmers and Hadiz, 1997, p. 18). Given this support base, it is not surprising that the government favored a capitalist, private enterprise, and open economy approach to economic and industrial development (Liddle, 1991, p. 416), although not a laissez-faire one (Rock, 2017, p. 15). Initially, the government promoted an indigenous capitalist class by offering tariff protection to politically favored *pribumi* (indigenous) entrepreneurs. When those efforts failed, government policy shifted to supporting a small number of Sino-Indonesian entrepreneurs (Robison, 1986, pp. 41–7, 133–44). Bias in government policies toward what were to become large Sino-Indonesian capitalist conglomerates went well beyond tariff protection. Those firms were granted preferential access to lucrative monopoly licenses and government contracts. They received preferential access to subsidized credit offered by state-owned commercial banks. Government requirements for promotional privileges – such as those offered by the Board of Investment (BKPM) – also favored a small number of Sino-Indonesian firms. In exchange for these promotional privileges, Indonesia's big Sino-Indonesian conglomerates grew the economy and provided Suharto and his government with the informal finance they needed to sustain his and their power positions (Liddle, 1991, p. 415).

Unlike Nasser, Suharto eschewed incorporating the masses into his state-building and development strategy. Instead, the New Order government repressed and controlled popular groups in civil society. The repressive apparatus of the state was turned against communists, leftists, students, politically organized Islamic organizations, and opposition political parties (Liddle, 1985, p. 75). Suharto kept political Islam at bay by refusing to allow a re-emergence of *Masjumi*, keeping its leaders in jail or under house arrest (Hefner, 2000, p. 96), and by forcing the modernist Muhammadiyah and the traditionalist Nahdlatul Ulama into one political party

(Bush, 2009, pp. 66–7). This neutered political Islam by reviving the old split between modernists and traditionalists (*ibid.*). Subsequently, he forced both Muslim organizations to accept Pancasila as the philosophical basis of the state and national identity (*ibid.*).

The government also organized civil society into a set of functional groups that were brought together in a quasi-political party, GOLKAR, designed to turn out to vote for Suharto and New Order politicians (Mackie and MacIntyre, 1994, p. 12). Labor unions, farmer organizations, student organizations, civil servants, teachers, and industry and business associations were all organized and controlled as functional groups within GOLKAR. This particular political formation was thoroughly authoritarian. Not surprisingly, for most of the New Order, elite conflict all but disappeared enabling the government to focus on development.

Indonesia's new development strategy contributed to an astonishing turnaround in development performance. Real GDP per capita grew at an average annual rate of 3.6 percent (World Bank, 2019).³³ Rapid growth went hand in hand with rapid declines in the incidence of poverty as the headcount incidence of poverty fell from 69 percent to 25 percent (*ibid.*). Income inequality remained low in Indonesia, as the Gini index moved within a narrow range of 30.4 to 38.1 (Rock, 2017, p. 16). Rapid shared growth occurred alongside sweeping and lasting changes in human development as fertility rates and the under-five mortality rates fell and life expectancy rose (World Bank, 2019). There were equally quick improvements in literacy and educational attainment (*ibid.*). Indonesia also experienced relatively strong macroeconomic performance as inflation tended to be low, fiscal balances and money growth were kept in check, and the exchange rate was kept close to market values (Rock, 2017, p. 68). When hit by external shocks, the government responded relatively quickly. Such a record stands in marked contrast to Egypt where slow growth, an overvalued exchange rate, and large recurrent fiscal and current account deficits alongside recurring debt crises loomed large (Soliman, 2011, pp. 35–53).

Despite the New Order's strong economic performance, its neutering of political Islam, and its ability to contain elite conflict, the East Asian financial crisis precipitated a collapse of the New Order and the ushering in of democracy (Aspinall, 2005, pp. 26, 252). While the transition to democracy was mass based, old New Order elites, opposition secular nationalist elites, and prominent Islamic elites joined together, captured the state and engineered the transition to a centripetal and developmental democracy (Rock, 2018). Together, this consensually united elite supported plural democracy, rejected attempts to restore 'the seven words' in Article 29 of the constitution, and rejected calls for the creation of an Islamic state.³⁴

This outcome proved possible because Indonesia, unlike Egypt, was fortunate to have a highly talented coterie of well-educated and well-placed Islamic elites who participated in civil society and politics by articulating the case for democracy while creating public support and the institutions to support it. Four such individuals – Abdurrahman Wahid, Ahmad Syafi'i Maarif, Nurcholish Madjid, and Amien Rais – loomed large (Stepan, 2014, pp. 213–16). Because of their backgrounds and education, each was committed to putting Islam and democracy on the public agenda. Each was well placed to articulate the case for democracy in Islamic terms; each was an active participant in civil and political society (Hefner, 2000, p. 162; Kunkler, 2013, p. 63; Stepan, 2014, pp. 213–15). Without them and their contributions, Indonesia's transition to democracy would have been much more difficult, if not impossible.

There is good reason to suspect that the shift in Indonesia to a centripetal and developmental democracy (Rock, 2018) played an important role in better control of corruption (Butt, 2012), in sustaining sound macro-economic policy making (Aswicahyono, Bird and Hill, 2009), in

continuing support for trade liberalization (Bird, Hill and Culbertson, 2008, p. 953), and in the return of growth and investment rates like those achieved by the New Order (Rock, 2018). This outcome reflects the fact that voters (Mujani and Liddle, 2010, pp. 42–4), even Islamic voters, expect governments to deliver development (Pepinsky, Liddle and Mujani, 2012, p. 593). But it is equally important to note that this outcome – a prosperous and democratic Indonesia – would have been next to impossible without the role played by the country’s Islamic public intellectuals. They were consensually united with secular nationalists on both a democracy and a development project, making democracy and development possible.

4 CONCLUSIONS

As demonstrated in this chapter, neither the theoretical nor the empirical literature, including that provided here, provide convincing evidence that Islam is antithetical to democracy or growth. That finding is both somewhat surprising and yet encouraging, since it suggests that Islam, per se, is not inimical to democracy or development. This finding is reinforced by the fact that there are currently six Muslim democracies. It is reinforced by the fact that five Muslim countries have experienced long-run real GDP per capita growth rates of more than 3 percent per year. This set of findings should put to rest the ‘Islam, autocracy and underdevelopment go together’ argument. Yet important differences in political and economic outcomes exist between the Arab Muslim countries and their non-Arab Muslim counterparts. Why have the Arab Muslim countries had a more difficult time with democracy and development than their non-Arab counterparts? Or asked differently, why has non-Arab Indonesia been so much better at democracy and development than Arab Egypt? What, if anything, does Islam have to do with these differences? The aim here was to answer these questions by using an analytical frame that places elites and elite conflict in two case studies – one of Egypt, the other of Indonesia – at the center of analysis. The analytical focus is on elites because there is ample evidence demonstrating that elites, the decisions they make, and the conflicts they experience, loom large in political and economic outcomes.

So how did a focus on elites and elite conflict affect the answer to the question: why has Indonesia been so much more successful than Egypt at democracy and development? Several differences loom large. Indonesia, unlike Egypt, was fortunate that there was substantial elite consensus on a definition of national identity, the state, and the constitution. The country was also fortunate that it had a coterie of well-educated and well-placed Islamic public intellectuals who participated in civil society and politics and collaborated with secular nationalists while holding leadership positions in the country’s major Islamic organizations. This group was committed to putting democracy on the public agenda. They used their positions to articulate the case for democracy in Islamic terms while creating public support and the institutions to support it. They helped build up civil society. They prepared the ground for Indonesia’s democratic institutions within their own Islamic organizations and in Indonesia’s rising middle class. They helped force Suharto to resign. They were major political players in Indonesia’s democratic transition and in its newly consolidating democracy.

Why did they work collaboratively and consensually with secular nationalists on a democracy project? Many of Indonesia’s secular nationalist and confessional elites, particularly those who remembered and/or experienced the failure of Indonesia’s parliamentary democracy, were deeply committed to democracy. They linked the previous failure of democracy

to the fragmentation of the party system and emergence of both Guided Democracy and the authoritarian New Order. They wanted to make sure that Indonesia did not repeat that experience. Because of this, they played critical roles in piecemeal reform of the 1945 constitution, in rejecting calls for an Islamic state, and in constructing Indonesia's centripetal and developmental democracy, which aimed to avoid the disunity and fragmentation experienced by political elites between 1945 and 1957.

Nothing like this occurred in Egypt. Neither secular nationalist nor Islamist elites in the MB ever agreed on what it meant to be an Egyptian. Neither appeared to learn anything from the failure of Egypt's earlier liberal political experiment. Neither were willing to cooperate on a democracy project. The unwillingness to cooperate reflected deep mutual mistrust, radically different visions of Egyptian nationalism and identity, a major power asymmetry, and statist inclinations manifest in a willingness to resort to autocratic means to achieve political ends. Because secular nationalist elites and Islamic elites in the MB so distrusted each other, they were suspicious of each other's democratic promises and of democracy more broadly. An asymmetry of electoral power led secular nationalists to fear that they might never gain political power through the ballot box. This gave them little hope in 'conceding democracy to thrive'. Because they saw themselves as the rightful heirs to the Egyptian state, they were willing to rely on a repressive state to achieve their political ends. Even though Islamists within the MB professed support for democracy, they were never comfortable with non-Islamic political parties and they tended to view democracy in instrumental terms. Because they too saw themselves as the rightful heirs to the state, they too were willing to use the autocratic state to achieve their political ends. At the same time, they failed to deliver development.

Indonesia was also more successful than Egypt at delivering shared economic growth even though this came at a very high price. This, no doubt, reflects the near loss of the country to communism. Destruction of the *PKI* by a murderous pogrom that cost hundreds of thousands of lives (Roosa, 2006, p. 4) enabled a hegemonic center-right pro-capitalist political coalition, all but assuring that Indonesia would follow a capitalist development strategy. Destruction of the left and containment of popular groups meant this center-right political coalition did not need to incorporate popular groups into their state building and development projects. This freed them to focus on delivering development. Because the autocratic New Order took this development pathway, it adopted a lean welfare state and it eschewed incorporating popular groups into state building.

Indonesia's shared growth development strategy more or less carried over into its democracy, as growth and investment after democratization have been as high as they were under the New Order (Rock, 2018, pp. 156–7), while a redistributive welfare state has remained lean. High growth enhanced the legitimacy of democracy in the eyes of the public. It demonstrated that democracy was consistent with rapid shared growth. It made the arguments of Indonesia's Islamic public intellectuals easier to accept. It probably influenced the thinking of those public intellectuals about the relationship between democracy, Islam, and development. It led voters, even Islamist voters, to evaluate candidates for election and their political parties based on their ability to deliver development (Pepinsky et al., 2012, p. 593). This drew votes away from political parties that appealed for votes based on Islam, ultimately forcing those parties to the political center.

Egypt's economic development strategy never had a chance of succeeding. It was too redistributive and too statist. Incorporation of labor into early state building saddled governments with promises to labor, evidenced in a large welfare state that has seriously hampered economic

reform. Egypt, unlike Indonesia, forced its indigenous capitalist class into exile (Hansen, 1991, p. 114; Waterbury, 1983, pp. 63, 85). Shorn of a capitalist class, governments turned to an inward-looking state-owned enterprise import substitution industrialization (ISI) development strategy. The combination of a large welfare state and an inward-looking ISI development strategy virtually assured slow growth. Lack of elite consensus over development policy made it virtually impossible to shift to a more workable development strategy. Poor development performance made it easier for Egypt's Islamists in the MB to criticize the authoritarian regime on its own terms while making the case that Egyptians needed to return to true Islam and an Islamic state. Because economic reform, which might have contributed to more rapid growth, favored crony capitalists (Ghanem, 2014; Roccu, 2013; Verma et al., 2014) while undermining promises to labor and the welfare state, public opinion turned against it, making it that much harder to get shared growth going. The failure of reform undermined the support for Muslim democratic parties like the Wasat Party, making it easier for the MB to attract voters and votes (Yildirim, 2016, pp. 128–82). Not surprisingly, the inability of the MB's Freedom and Justice Party to deliver development following democratization undermined public support for the country's nascent democracy, ultimately ending that experiment.³⁵

One other difference mattered. Indonesia's major Islamists and Islamic organizations, Nahdlatul Ulama and Muhammadiyah, were deeply embedded in an independence movement and a nation-building project that forced them to learn how to bargain, negotiate, compromise, and participate in the give and take of democratic politics. This laid the groundwork for the emergence of a consensually united elite once Suharto fell. Nothing like this occurred in Egypt. There, secular nationalist political parties and the leaders of those parties, particularly in the Wafd, were involved in constant and bitter battles with Islamists, particularly those in the MB. This experience set the tone for a lingering distrust between secular nationalist and Islamic elites. While a younger generation from the MB did learn how to interact with and compromise with political actors in civil society, this was not the case for an older generation that controlled the MB. When the latter assumed political power following Egypt's Arab Spring, they were ill-prepared for the democratic task of governing. They had virtually no experience in the give and take of democratic politics such as negotiating, bargaining, and compromising with a secular nationalist opposition. They had no understanding of popular protest other than as a sinister plot to bring them down. Because they had no vision of development, they failed to deliver it.

NOTES

1. There is a vast literature on both topics. Kuran (2018) offers an excellent exhaustive review of the Islam and economic performance literature. Barro and McCleary (2019), Kuru (2019), and Kuran (2018) offer good summaries and analyses of the democracy and Islam literature. Interested readers should consult Balla and Johnson (2009), Blaydes (2012, 2017), Blaydes and Chaney (2013), Bayat (2007), Chaney (2012), Esposito and Voll (1996), Fish (2002), Hefner (2000), Hegre, Knutsen and Rød (2012), Huntington (1968, 1984, 1993), Kuru (2014, 2019), Kurzman (1998), Lewis (1964), Potrafke (2012), Rowley and Smith (2009), Stepan and Robertson (2003), and Teorell (2010), among others.
2. Rubin (2017) and Kuran (2011) find Islam incompatible with development. Lewis (1964, 2010), and Huntington (1968, 1984, 1993) find the precepts of Islam incompatible with democracy.

3. In Islam, the *ulama* are the guardians, transmitters, and interpreters of religious knowledge. This alliance, which occurred in the eleventh century, increased the role of Islam in politics, marginalizing intellectuals and the bourgeoisie, thus forestalling development (Kuru, 2019, pp. 3–6).
4. Bayat (2007), Esposito and Voll (1996), Hefner (2000), and Kurzman (1998) contest the view that Islam is incompatible with democracy, while Jomo (1992), Kuru (2014, 2019), and Rodinson (2007) argue that Islam is compatible with capitalism, markets, and development.
5. The mean for Muslim countries is 1.7 percent per year, while that for non-Muslim countries is 2.3 percent per year and an equality of means tests does not reject ($t = 1.3, p = 0.18$) the hypothesis of equality of means.
6. The six are Albania, Indonesia, Kosovo, Lebanon, Senegal, and Sierra Leone (Marshall et al., 2017)
7. The fourteen are Bangladesh, Comoros, Gambia, Burkina Faso, Iraq, Kyrgyz Republic, Malaysia, Mali, Niger, Pakistan, Somalia, Sudan, Tunisia, and Turkey (Marshall et al., 2017).
8. Saudi Arabia, Oman, Qatar, Bahrain, Kuwait, United Arab Republics, Turkmenistan and Uzbekistan.
9. The five are Indonesia, Iraq, Malaysia, Oman, and Turkmenistan (World Bank, 2019).
10. The statistical appendix at the end of the chapter augments the existing econometric literature reviewed in Section 2 by providing rigorous empirical tests using five different measures of democracy, demonstrating that Islam has little impact on either democracy or development.
11. Tables 14A.5 and 14A.6 report variable definitions and descriptive statistics.
12. For example, the coefficients on the log of income are positive and statistically significant in two out of five equations, while the educational attainment gap variable has the correct sign and is statistically significant in three out of five equations.
13. The t value for this test = 10.95, $p = 0$, decisively rejecting the equality of means. This finding holds for the *POLITY2* variable where the mean value for the Arab Muslim countries is -5.38 , while that for the non-Arab Muslim countries is -1.69 , yielding $t = 2.99$ and $p = 0$, decisively rejecting the hypothesis of equality of means.
14. Although this difference is not statistically significant ($t = 0.68$ and $p = 0.49$).
15. This difference in means is statistically significant ($t = 1.83, p = 0.06$).
16. A consensually united elite is one whose members and factions are disposed to mutually deferential and restrained political behavior (Higley and Burton, 2006, p. 3). Such an elite is in relative agreement about norms of political behavior, is interlocked in dense networks, and recognizes the right of the opposition to exist and be heard (ibid., pp. 9–11).
17. Mietzner (2014, p. 444) expresses this sentiment a bit differently when he says that the most controversial issue facing Muslim countries is the role of Islam in the state and constitution.
18. Egypt's *POLITY2* indicator score was an average of zero, while the growth rate of real GDP per capita between 1913 and 1952 was a negative 0.3 percent per year (Bolt et al., 2018).
19. For a short time in 1953, even the radical Islamist, Sayyid Qutb, was secretary general of the Liberation Rally and close to Nasser before he split with them in 1954.
20. Although the bitter struggle between the MB and the Free Officers was the primary struggle for control of the state, it was not the only elite struggle. A bitter struggle developed among the Free Officers over whether they would turn over the government to elected civilians or lead the Revolution (Gerges, 2018, pp. 78–81). The Free Officers also feared old regime loyalists and their political parties and they set out to disempower the former and dismantle the latter (ibid., pp. 82, 87–8).
21. Between 1960 and 1970, government consumption expenditures as a percentage of GDP equaled 23.2 percent (World Bank, 2019).
22. By 1965, the public sector accounted for 40 percent of GDP, 45 percent of domestic savings, and 90 percent of gross capital formation (Waterbury, 1983, p. 85).
23. While Sadat's *infitah* (lit. opening) did lead to a revival of the private sector, the private sector was a parasitic one dependent on protection and government rents (Sadowski, 1991, pp. 105–19).
24. While Sadat's *infitah* policy opened the opportunity for private enterprise, it did not lead to any substantial change in development strategy (Hansen, 1991, p. 126; Ikram, 2006, p. 33; Roccu, 2013, Chapters 2, 3, and 4).
25. The waiting period between graduation from university and obtaining a job in the public sector increased from three years for those who graduated in 1979 to ten years for those who graduated in 1985 (Wickham, 2002, p. 42).

26. Unemployment for university graduates in 2012 was 34 percent (Ghafar, 2016, p. 1).
27. That said, the secular nationalists had a Muslim-Egyptian-Arab vision of identity that enabled them to use Islam for political purposes.
28. Traditionalists in Nahdlatul Ulama and modernists in Muhammadiyah were locked in bitter doctrinal disputes (Al-Banna Choiruzaad and Nugroho, 2013, p. 959; Bush, 2009, p. 31).
29. Much of the dispute focused on the status of the Jakarta Charter in the 1945 constitution and the 1955 Constituent Assembly charged with revising the constitution. The Charter stated that the Indonesian state is ‘founded on the belief in God, with the obligation for adherents of the Muslim faith to abide by Islamic laws’ (Madinier, 2015, p. 67). It was initially agreed that the Charter, along with Article 29, which stipulated that Islam is the state religion (Elson, 2009, pp. 115–18), would be included as a preamble to the 1945 constitution. Following objections from Indonesia’s minority religious communities, the Charter and Article 29 were dropped, to the chagrin of the Islamists (Madinier, 2015, pp. 69–70). During the debate over revising the 1945 constitution in 1955, representatives from Nahdlatul Ulama proposed including the Charter as a preamble to the constitution (Bush, 2009, p. 55). A motion to do so was defeated and the Constituent Assembly ended in deadlock (ibid.).
30. Because the constitution embodied a centralized authoritarian state with a strong executive privileged over the legislature with limited judicial powers, no bill of rights, or provisions for freedom of expression, those concerned with the autocratic thrust of the constitution proposed the creation of a multi-party system (Elson, 2008, pp. 110, 114).
31. *PNI* captured the largest share of the vote (22.3 percent) followed by *Masjumi* (20.9 percent), *Nahdlatul Ulama* (18.4 percent) and the *PKI* (16.4 percent) (Feith, 1962, p. 434).
32. Real GDP per capita declined by 0.5 percent per year over this period (Maddison Project Database, 2018) while the average *POLITY2* democracy score was –2 (Marshall et al., 2017) between 1941 and 1965.
33. This compares to an average growth rate of real GDP per capita of 0.01 percent per year between 1949 and 1966 (Bolt et al., 2018).
34. The seven words are ‘*dengan kewajiban menjalankan syari’at at Islam bagi pemeluknya*’ translated as a stipulation that all Muslims were obliged to carry out Islamic Law (Elson, 2008, p. 108).
35. Real GDP declined by 4 percent in 2012 and 16.9 percent in 2013 (World Bank, 2019).

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STATISTICAL APPENDIX

A Democracy and Islam

The univariate relationships between income and democracy presented in Figures 14.1 and 14.2 for a range of Muslim countries is suggestive of an Arab, but not a Muslim, democracy gap. That said, Figures 14.1 and 14.2 beg an important question. Is there robust empirical support for an Arab, rather than a Muslim, democracy gap in a multivariate statistical framework? We tested this hypothesis by building on Barro (1991, p. S163) who estimated the following panel regression:

$$DEMOC_{it} = a_{0t} + a_1 DEMOC_{i,t-T} + a_2 DEMOC_{i,t-2T} - a_3 \mathbf{Z}_{i,t-T} + u_{it}$$

where i refers to country, t refers to year and T is a time lag of five years. Unlike Barro, who focuses on the Freedom House measures of democracy, $DEMOC$ in our framework is one of five different indicators of democracy drawn from the Varieties of Democracy dataset ($VDEM$), the Polity IV dataset ($POLITY2$) and the Freedom House dataset, which measures both political rights (PR) and civil liberties (CL). In all, there are five distinct measures of $DEMOC$: $VDEM$, $POLITY2$, PR , CL , and FH , which is the sum of PR and CL . $\mathbf{Z}_{i,t-T}$ is a vector of variables that includes real GDP per capita as a control variable¹ and the shares of eight major religions² ($BUDDHIST$, $CONFUCIAN$, $HINDU$, $JEWISH$, $MISCELLANEOUS$, $MUSLIM$, $NONRELIGIOUS PROTESTANT$) alongside two variables that capture Muslim Arab countries. The first is the Muslim religious fraction for Muslim countries, $MUSLIM$. The second is a dummy variable, $ARAB$, which equals one for the Arab Muslim countries and zero otherwise. Each of these variables are measured 11 times for each country: 1960, 1965, 1970, 1975, 1980, 1985, 1990, 1995, 2000, 2005, and 2010. The dependent $DEMOC$ variables are measured contemporaneously, while all the independent variables are measured with five-year lags to control for endogeneity. In addition, $DEMOC$ is lagged five and ten years to capture persistence and correct for serial correlation. Panel estimation for the Muslim religious fraction in Muslim countries ($MUSLIM$) is with fixed effects, panel-corrected standard errors, and a first-order autoregressive term to correct for serial correlation. Because $ARAB$ is a dummy variable, estimation with this variable, which appears in Table 14A.2 is by ordinary least squares. In addition to estimation results in Tables 14A.1 and 14A.2, variable definitions and sources appear in Table 14A.5, while Table 14A.6 reports descriptive statistics.

So, what did we find? Several results deserve mention. We find strong robust empirical support for the Arab, but not a Muslim, democracy gap hypothesis. The Arab Muslim religious fraction variable ($ARAB$)³ always has the correct sign (minus for $VDEM$ and $POLITY2$ and plus for PR , CL , and FH)⁴ and it is always statistically significant. In addition, the Muslim religious dummy variable ($MUSLIM$) always exerts a positive influence on democracy, and it is statistically significant at the 0.01 or 0.05 level in three out of the five equations, possibly suggesting that the non-Arab Muslim countries tend to be more democratic than their Arab counterparts. This finding is consistent with a simple equality of means test, which rejects the hypothesis that the mean value of democracy ($VDEM$) in the non-Arab Muslim ($VDEM = 0.36$) countries is no different than it is in the Arab Muslim countries ($VDEM = 0.13$).⁵ In addition, the regression coefficients on the lagged democracy variables are always statistically significant and the sum of them is significantly less than one, suggesting that democracy moves quite sluggishly over time. Finally, except for the Protestant religious fraction, the Buddhist religious fraction and the nonreligious fraction, the rest of the religious fraction variables are not statistically significant in most instances.

Table 14A.1 Fixed effects panel regressions of Muslim religious fraction on democracy with panel-corrected standard errors (no degrees of freedom correction)

Independent Variables	Equation				
	1	2	3	4	5
Constant	-0.16	-10.18	1.53	3.71	4.57
<i>VDEM</i> (-1)	0.90 (17.00)***				
<i>VDEM</i> (-2)	-0.29 (-5.47)***				
<i>POLITY2</i> (-1)		0.73 (15.50)***			
<i>POLITY2</i> (-2)		-0.19 (-4.32)***			
<i>PR</i> (-1)			0.60 (11.43)***		
<i>PR</i> (-2)			-0.13 (-2.81)***		
<i>CL</i> (-1)				0.58 (11.33)***	
<i>CL</i> (-2)				-0.07 (-1.57)	
<i>FH</i> (-1)					0.63 (11.92)***
<i>FH</i> (-2)					-0.10 (-2.22)**
Log(<i>INCOME</i> (-1))	0.03 (3.11)***	0.088 (2.70)***	0.11 (0.92)	-0.11 (-1.20)	0.03 (0.16)
<i>OIL DUMMY</i> (-1)	-0.01 (-1.11)	-0.61 (-1.40)	0.01 (0.09)	0.08 (0.80)	0.11 (0.51)
<i>GAP</i> (-1)	-0.01 (-3.95)***	-0.62 (-3.66)***	0.07 (1.14)	0.08 (2.26)**	0.14 (1.50)
<i>BUDDHIST</i>	-0.36 (-1.62)	5.13 (0.66)	-5.51 (-2.21)**	-5.53 (-2.72)***	-11.18 (-2.64)***
<i>CONFUCIAN</i>	-0.09 (-0.06)	39.53 (0.89)	4.13 (0.15)	21.87 (0.79)	27.59 (0.55)
<i>HINDU</i>	-0.05 (-0.14)	1.95 (0.14)	1.09 (0.29)	-0.22 (-0.10)	1.10 (0.19)
<i>JEWISH</i>	-5.74 (-1.51)	-176.20 (-1.87)*	13.09 (0.65)	1.30 (0.07)	15.60 (0.43)
<i>MISCELLANEOUS</i>	0.05 (0.22)	-0.51 (-0.07)	-0.80 (-0.51)	0.34 (0.26)	-0.49 (-0.18)
<i>NONRELIGIOUS</i>	0.33 (3.69)***	4.43 (1.69)*	-0.90 (-1.16)	-0.91 (-1.40)	-1.71 (-1.28)
<i>PROTESTANT</i>	0.30 (3.57)***	14.08 (5.70)***	-2.06 (-2.39)**	-1.75 (-2.63)***	-3.48 (-2.42)***
<i>MUSLIM</i>	0.27 (2.13)**	16.11 (3.14)***	-1.63 (-0.84)	-3.67 (-2.34)**	-4.67 (-1.40)
Adjusted R ²	0.90	0.84	0.85	0.89	0.89
Equation F statistic	73.45***	40.51***	35.68***	52.47***	48.41

	Equation				
# Cross-sections	98	88	100	100	100
N	792	707	650	650	650

Notes: *** indicates statistical significance at the 0.01 level; ** indicates statistical significance at the 0.05 level; * indicates statistical significance at the 0.10 level. *FH* is the sum of *PR* and *CL*. *PR*, *CL*, and *FH* are scaled so that high values mean less democracy.

Table 14A.2 *OLS regressions of Muslim religious fraction on democracy with Arab Muslim dummy variable*

	Equation				
Independent Variables	1	2	3	4	5
Constant	-0.06	-2.62	1.91	1.41	2.95
<i>VDEM</i> (-1)	1.03 (31.52)***				
<i>VDEM</i> (-2)	-0.21 (-6.66)***				
<i>POLITY2</i> (-1)		0.90 (26.19)***			
<i>POLITY2</i> (-2)		-0.15 (-4.49)***			
<i>PR</i> (-1)			0.85 (22.45)***		
<i>PR</i> (-2)			-0.08 (-2.35)**		
<i>CL</i> (-1)				0.84 (23.17)***	
<i>CL</i> (-2)				-0.04 (-1.19)	
<i>FH</i> (-1)					0.88 (23.66)***
<i>FH</i> (-2)					-0.07 (-2.12)**
Log(<i>INCOME</i> (-1))	0.02 (5.60)***	0.46 (4.04)***	-0.15 (-4.29)***	-0.11 (-3.95)***	-0.24 (-3.93)***
<i>OIL DUMMY</i> (-1)	0.001 (0.10)	0.45 (1.24)	-0.001 (-0.01)	0.03 (0.51)	0.06 (0.37)
<i>GAP</i> (-1)	-0.004 (-1.40)	-0.30 (-3.11)***	-0.003 (-0.07)	0.01 (0.41)	0.002 (0.03)
<i>BUDDHIST</i>	-0.01 (-0.76)	0.09 (0.12)	0.34 (1.51)	0.18 (1.06)	0.52 (1.41)
<i>CONFUCIAN</i>	-0.38 (-0.13)	-56.95 (-0.58)	12.80 (0.34)	32.63 (1.18)	41.25 (0.68)
<i>HINDU</i>	0.03 (1.31)	2.37 (2.65)***	-0.37 (-1.29)	-0.13 (-0.64)	-0.39 (-0.85)
<i>JEWISH</i>	0.07 (0.08)	-9.83 (-0.33)	-6.31 (-0.62)	-8.91 (-1.18)	-14.73 (-0.90)
<i>MISCELLANEOUS</i>	-0.14 (-1.05)	-3.70 (-0.79)	-1.95 (-1.37)	-0.08 (-0.76)	-2.64 (-1.14)

	Equation				
<i>NONRELIGIOUS</i>	-0.005 (-0.14)	-0.12 (-0.09)	0.28 (0.66)	-0.10 (-0.31)	0.18 (0.26)
<i>PROTESTANT</i>	0.05 (1.05)	0.36 (0.72)	0.02 (0.19)	-0.05 (-0.49)	-0.001 (-0.06)
<i>MUSLIM</i>	0.002 (0.22)	0.57 (1.27)	0.08 (0.59)	0.09 (0.93)	0.18 (0.81)
<i>ARAB</i>	-0.04 (-2.84)***	-2.15 (-3.98)***	0.57 (3.46)***	0.33 (2.75)***	0.82 (3.10)***
Adjusted R ²	0.90	0.83	0.84	0.87	0.87
Equation F statistic	529.43	249.06***	229.27***	335.16***	314.16***
# Cross-sections	9	9	7	7	7
N	792	707	650	650	650

Notes: *** indicates statistical significance at the 0.01 level; ** indicates statistical significance at the 0.05 level; * indicates statistical significance at the 0.10 level. *FH* is the sum of *PR* and *CL*. *PR*, *CL*, and *FH* are scaled so that high values mean less democracy.

B Growth and Islam

The existing empirical literature on the impact of Islam on economic growth finds a mixed impact.⁶ This led us to estimate the following fixed effects panel regression:

$$YNG_{it} = a_0 + a_1 MUSLIM_{it} + a_2 Z_{it} + u_{it}$$

where *i* refers to country and *t* refers to year. *YNG* is the rate of growth real GDP per capita, in country *i* in year *t*, *MUSLIM* is the fraction of the population in country *i* in year *t* that practices Islam, *ARAB* is a dummy variable equal to one for the Arab counties, *Z_{it}* is a set of control variables most commonly thought to affect growth, and *u_{it}* is the error term.

Z_{it} includes a long list of control variables. Standard economic variables include: relative income (*RELYNUS_{it}*);⁷ investment as a share of GDP (*IY_{it}*); the population growth rate (*POPG_{it}*); the male–female gap in primary school attainment (*GAP_{it}*); oil exports as a share of total exports (*OXTX_{it}*); government consumption as a share of GDP (*GCY_{it}*); openness to trade as a share of GDP (*TRDY_{it}*); and the inflation rate (*INFLATE_{it}*). Other control variables include the shares of seven major religions⁸ (*BUDDHIST_{it}*, *CONFUCIAN_{it}*, *HINDU_{it}*, *JEWISH_{it}*, *MISCELLANEOUS_{it}*, *NONRELIGIOUS_{it}*, and *PROTESTANT_{it}*).⁹ All the economic variables are five-year averages between 1960 and 2010, while all of the religious fraction variables are measured 11 times once each in 1960, 1965, 1970, 1975, 1980, 1985, 1990, 1995, 2000, 2005, and 2010. Tables 14A.3 and 14A.4 report regression results, Table 14A.7 provides variable definitions and sources for each variable, while Table 14A.8 provides descriptive statistics. The only conclusion one can draw from tables 14A.5 and 14A.6 is that neither the Muslim religious fraction nor the Arab dummy variable has any impact on the growth rate.

Table 14A.3 *Fixed effects panel regressions on growth with panel corrected standard errors*

Independent variables	Equation			
	1	2	3	4
Constant	1.29	-2.15	3.17	2.69
MUSLIM	3.18	4.52	3.70	4.68
	(0.96)	(0.94)	(0.83)	(1.00)
RELYNUS		-4.66	-6.01	-5.08
		(-2.58)***	(-2.93)***	(-2.25)***
IY		0.19	0.17	0.17
		(9.40)***	(8.76)***	(8.30)***
POPG		-0.64	-0.55	-0.51
		(-3.44)***	(-3.05)***	(-2.76)***
GAP		0.19	0.22	0.22
		(1.52)	(1.57)	(1.59)
OIL DUMMY			0.43	0.29
			(1.03)	(0.69)
GCY			-0.14	-0.15
			(-4.58)***	(-4.74)***
TRDY			0.001	0.005
			(0.27)	(0.83)
Log(INFLATE)			-0.94	-0.90
			(-5.35)***	(-5.13)***
BUDDHIST				6.63
				(0.90)
CONFUCIAN				13.59
				(0.20)
JEWISH				-60.69
				(-1.04)
HINDU				-4.49
				(-0.60)
MISCELLANEOUS				-4.36
				(-0.94)
NONRELIGIOUS				-4.59
				(-1.95)**
PROTESTANT				2.37
				(1.26)
Adjusted R ²	0.16	0.28	0.33	0.33
Equation F statistic	2.39**	3.93***	4.62***	4.41***
# Cross-sections	180	100	99	98
N	1278	787	777	765

Notes: *** indicates statistical significance at the 0.01 level; ** indicates statistical significance at the 0.05 level; * indicates statistical significance at the 0.10 level.

Table 14A.4 OLS regressions on growth

Independent Variables	Equation			
	1	2	3	4
Constant	2.17	-0.47	4.50	4.53
MUSLIM	-0.16 (-0.32)	0.17 (0.41)	-0.19 (-0.46)	-0.27 (-0.63)
ARAB	-0.85 (-1.53)	-0.20 (-0.37)	0.37 (0.74)	0.48 (0.94)
RELYNUS		-3.54 (-3.46)***	-3.00 (-2.88)***	-3.21 (-2.87)***
IY		0.15 (9.94)***	0.14 (9.55)***	0.13 (8.84)***
POPG		-0.44 (-3.96)***	-0.53 (-4.86)***	-0.54 (-4.59)***
GAP		-0.03 (-0.31)	-0.04 (-0.42)	-0.03 (-0.29)
OIL DUMMY			-0.18 (-0.55)	-0.19 (-0.58)
GCY			-0.12 (-5.85)***	-0.12 (-5.56)***
TRDY			0.003 (1.55)	0.004 (1.65)*
Log(INFLATE)			-0.81 (-4.73)***	-0.79 (-4.51)***
BUDDHIST				0.86 (1.22)
CONFUCIAN				-17.04 (-0.12)
JEWISH				14.48 (0.51)
HINDU				-0.74 (-0.86)
MISCELLANEOUS				-4.26 (-1.17)
NONRELIGIOUS				0.12 (0.09)
PROTESTANT				-0.01 (-0.03)
Adjusted R ²	0.06	0.21	0.26	0.26
Equation F statistic	31.27***	31.71***	26.03***	15.71***
#Cross-sections	180	100	99	98
N	1278	787	777	765

Notes: *** indicates statistical significance at the 0.01 level; ** indicates statistical significance at the 0.05 level; * indicates statistical significance at the 0.10 level.

Table 14.A5 *Variable names, definitions, and sources for democracy regressions*

Variable Name	Definition	Source
<i>VDEM</i>	<i>VDEM</i> is a liberal democracy index that emphasizes protecting individual and minority rights as measured by constitutionally protected civil liberties, strong rule of law, an independent judiciary, and effective checks and balances that limit the exercise of executive power. The index also takes the level of electoral democracy into account	Coppedge et al.(2017)
<i>POLITY2</i>	<i>POLITY2</i> measures the degree to which chief executives are chosen by competitive elections, face substantial constraints on their authority, where citizen preferences are based on political groups that compete for national political influence	Marshall et al. (2017)
<i>PR</i>	<i>PR</i> measures political rights, including free and fair elections. Candidates who are elected actually rule, political parties are competitive, the opposition plays an important role and enjoys real power, and the interests of minority groups are well represented in politics and government	Freedom House (2018)
<i>CL</i>	<i>CL</i> measures civil liberties, including freedoms of expression, assembly, association, education, religion. They have an established and generally fair legal system that ensures the rule of law (including an independent judiciary), allows free economic activity, and tends to strive for equality of opportunity for everyone, including women and minority groups	Freedom House (2018)
<i>FH</i>	The sum of <i>PR</i> and <i>CL</i>	Freedom House (2018)
<i>YN</i>	Real GDP per capita	World Bank (2018)
<i>OIL</i>	Oil dummy variable, <i>OIL</i> = 1 if oil exporter, <i>OIL</i> = 0 otherwise	World Bank (2018)
<i>GAP</i>	The male–female educational gap measured as the ratio of average years of primary educational attainment of males to females	Barro and Lee (2013)
<i>BUDDHIST</i>	Percentage of a country’s population that is practicing Buddhism	Maoz and Henderson(n.d.)
<i>CONFUCIAN</i>	Percentage of a country’s population that is practicing Confucianism	Maoz and Henderson(n.d.)
<i>HINDU</i>	Percentage of a country’s population that is practicing Hinduism	Maoz and Henderson(n.d.)
<i>JEWISH</i>	Percentage of a country’s population that is practicing Judaism	Maoz and Henderson(n.d.)

Variable Name	Definition	Source
<i>MISCELLANEOUS</i>	Percentage of a country's population that is practicing miscellaneous religions not elsewhere covered	Maoz and Henderson(n.d.)
<i>NONRELIGIOUS</i>	Percentage of a country's population that is not practicing and religion	Maoz and Henderson(n.d.)
<i>MUSLIM</i>	Percentage of a country's population that is practicing Islam	Maoz and Henderson(n.d.)
<i>ARABD</i>	<i>ARAB</i> dummy where <i>ARABD</i> = 1 if country is a Muslim Arab country and <i>ARABD</i> = 0 otherwise	Stepan and Robertson (2003, p. 34)

Table 14A.6 Descriptive statistics for democracy regressions

Variable	Mean	Standard Deviation	Minimum	Maximum
<i>VDEM</i>	0.32	0.27	0.005	0.89
<i>POLITY2</i>	0.92	7.30	-10	10
<i>PR</i>	3.72	2.17	1	7
<i>CL</i>	3.67	1.89	1	7
<i>FH</i>	7.40	4.01	2	14
<i>LOG(YN)</i>	8.22	1.53	5.01	11.87
<i>OIL</i>	0.58	0.49	0	1
<i>GAP</i>	1.76	1.71	0.67	22.20
<i>BUDDHIST</i>	0.04	0.16	0	0.96
<i>CONFUCIAN</i>	0.0004	0.005	0	0.14
<i>HINDU</i>	0.02	0.10	0	0.81
<i>JEWISH</i>	0.006	0.06	0	0.88
<i>MISCELLANEOUS</i>	0.01	0.03	0	0.26
<i>MUSLIM</i>	0.24	0.36	0	1
<i>NONRELIGIOUS</i>	0.05	0.10	0	0.75
<i>PROTESTANT</i>	0.18	0.25	0	0.97
<i>ARAB</i>	0.10	0.30	0	1

Table 14A.7 Economic data: variable names, definitions and sources for growth regressions

Variable Name	Definition	Source
<i>RELYNUS</i>	Real GDP per capita relative to the US	World Bank (2018)
<i>IY</i>	Gross domestic investment as a percentage of GDP	World Bank (2018)
<i>POPG</i>	Population growth rate	World Bank (2018)
<i>GAP</i>	Male-female gap in average years of primary educational attainment	Barro and Lee (2013)
<i>OIL</i>	<i>OIL</i> = 1 if country is an oil exporter and <i>OIL</i> = 0 otherwise.	World Bank (2018)
<i>GCY</i>	Government consumption expenditures as a percentage of GDP	World Bank (2018)

Variable Name	Definition	Source
<i>TRDY</i>	(Exports + Imports)/GDP	World Bank (2018)
<i>INFLATE</i>	GDP deflator	World Bank (2018)

Note: Religious fraction variable names, definitions, and sources appear above in Table 14A.3.

Table 14A.8 *Descriptive statistics for growth regressions*

Variable	Mean	Standard Deviation	Minimum	Maximum
<i>YNG</i>	2.06	4.23	-42.62	50.80
<i>RELYNUS</i>	0.07	0.11	0	1
<i>IY</i>	23.01	9.82	0	179.86
<i>POPG</i>	1.84	1.58	-3.67	22.20
<i>GAP</i>	1.76	1.71	0.67	12.50
<i>OIL</i>	0.58	0.49	0	1
<i>GCY</i>	16.24	8.02	0	129.63
<i>TRDY</i>	78.66	51.92	0.21	594.76
Log(<i>INFLATE</i>)	3.33	0.60	-0.34	8.85
<i>BUDDHIST</i>	0.04	0.16	0	0.96
<i>CONFUCIAN</i>	0	0	0	0.003
<i>HINDU</i>	0.02	0.10	0	0.81
<i>JEWISH</i>	0.006	0.06	0	0.88
<i>MISCELLANEOUS</i>	0.01	0.03	0	0.26
<i>MUSLIM</i>	0.24	0.36	0	0.1
<i>ARAB</i>	0.10	0.30	0	1
<i>NONRELIGIOUS</i>	0.04	0.09	0	0.75
<i>PROTESTANT</i>	0.18	0.25	0	0.97

APPENDIX NOTES

1. In addition to real GDP per capita, Barro (1991, p. S165) includes years of primary schooling, the gap in primary schooling between males and females, the urbanization rate, population, and an oil dummy as control variables in his base regression. Most of these variables are highly correlated with income, while the justification for the population variable is not obvious (*ibid.*, p. S166). In addition, the oil dummy is highly correlated with our ARAB variables. Teorell (2010) responds to Barro's multicollinearity problem by resorting to factor analysis, but as is well known, it is difficult to identify factors. Given these problems, we estimated a stripped down model of DEMOC on the log of real GDP per capita, the religion fractions and our Arab variables.
2. Like Barro (1991, p. S169), the omitted religion is CATHOLIC.
3. Following Stepan and Robertson (2003, p. 34) we use an Arab Muslim variable to test for an Arab democracy gap.
4. Since the *PR* and *CL* variables from Freedom House are scaled such that higher values indicate less political rights and fewer civil liberties, positive values for these regression coefficients indicate less political rights and less civil liberties.
5. The *t* value for this test = 10.95, $p = 0$, decisively rejecting the equality of means. This finding holds for the *POLITY2* variable where the mean value for the Arab Muslim countries is -7.25, while that for the non-Arab Muslim countries is 1.57, yielding $t = 10.25$ and $p = 0$, decisively rejecting the hypothesis of equality of means.
6. Noland (2005) finds no relationship between the share of the population that is Muslim and economic growth, Sala-i-Martin et al. (2004) find a positive relationship, while Barro and McCleary (2003) and LaPorta et al. (1997) find a negative relationship.

7. Income is measured relative to the US to capture convergence.
8. Like Barro (1991, p. S169), the omitted religion is *CATHOLIC*.
9. Protestant is the sum of the shares of Anglicans, Orthodox Christians, and Protestants.

PART IV

INTERNATIONAL INSTITUTIONS AND AID POLICY

15. Corruption, democracy and development: the role of the European Union

Ina Kubbe and Liljana Cvetanoska

1 INTRODUCTION

The academic discourse on the links between corruption and democracy suggests that democracies tend to be less corrupt than other forms of governance (Fjelde and Hegre, 2014; Kalenborn and Lessmann, 2013; Kolstad and Wiig, 2016; Kubbe, 2018; Montinola and Jackman, 2002; Treisman, 2000, 2007; Warren, 2004, 2013). The European Union (EU) has made efforts to consolidate the new democracies of Central and Eastern European (CEE) countries by extensively focusing on anti-corruption reform. In the Copenhagen criteria (see Sections 1.2 and 4), democracy, the rule of law and the fight against corruption have been put in the same basket, and are considered as the minimum requirements that a candidate needs to fulfil to be able to join the Union. Nevertheless, after joining the EU, some of the new members have noted a decline in the fight against corruption in particular (Innes, 2014) and their respect for democracy and the rule of law overall.

This chapter examines some of the tools at the disposal of the EU for tackling corruption among its member states. We focus on the CEE Member States and examine what tools the EU has at its disposal and whether they are able to protect the EU's financial interests. We also critically consider the role of the newly founded European Public Prosecutor's Office (EPPO) and how the EU's ability to tackling corruption may change after this institution is operationalized. Based on documentary analysis, our study illustrates that the EU has mechanisms for influencing corruption control, but that these are both restricted and not used to their fullest potential. This suggests that the EU may have a limited role to play in promoting democracy, the rule of law and corruption control among its Member States. We focus particularly on Bulgaria and Hungary where serious suspicions regarding the misuse of EU funds have been raised.

In what follows, we discuss the links between democracy, corruption and the EU and the role of the EU as an international actor for controlling corruption. Second, we consider the role of the European Anti-Fraud Office (OLAF) and the newly introduced EPPO in protecting the EU's financial interests. Third, challenges with corruption control in CEE and the role of the EU conditionality are examined before shifting the focus to Hungary and Bulgaria as case studies. Finally, the chapter offers concluding remarks and suggestions for ways forward as they relate in particular to the democratic development of both countries and the EU's attempts in this sphere.

1.1 Links Between Democracy and Corruption

Corruption and democracy are interconnected issues and it is argued that corruption impacts the functioning of democratic institutions (Warren, 2013). Previous research has indicated

that well-established democracies show lower levels of corruption than authoritarian regimes or young democracies (Fjelde and Hegre, 2014; Kalenborn and Lessmann, 2013; Kolstad and Wiig, 2016; Kubbe, 2018; Montinola and Jackman, 2002; Warren, 2004). However, the academic discourse on the role of democracy in controlling corruption is divided and indicates that democracy does not necessarily guarantee clean and transparent governance overall, since democratic systems are still battling against corruption (Seldadyo and De Haan, 2011; Uslaner and Rothstein, 2016). Yet, Treisman (2000, 2007) argues that democracy contributes to corruption control only when it has been established for a prolonged period of time (over 40 years or more). Whether a country is democratic at present does not matter; what matters is for a country to have had a tradition of democracy (*ibid.*). For Rock (2009), whether a country is democratic at present is not that important and that the turning point for corruption control in new democracies happens within 10–12 years of a country becoming democratic. Zaloznaya (2014) contradicts such findings and argues that authoritarianism may even reduce bureaucratic corruption. For instance, increasing the accountability of public officials has been a tool used for reducing bureaucratic corruption as it limits the chances of petty bribery, but this does not mean that high-level political corruption will be reduced as well. Therefore, the debate on the role of democracy in controlling corruption is far from over.

This discussion is important for the present study for two reasons. First, the literature suggests that corruption is detrimental for democracy, but to improve corruption control it is not sufficient for a country to proclaim itself democratic. A tradition of democracy is necessary to ensure inclusive processes unburdened by corruption (Kubbe, 2018; Treisman, 2000). The second reason, linked with the first, is that a country's context and conditions matter. The specific context where corruption occurs has an impact on the quality of democracy in a country as well as its institutions and citizens.

CEE post-communist countries were in a unique situation in terms of their multiple and simultaneous transitions during the 1990s. These countries experienced radical, interdependent changes that had to run in three parallel transformation processes: drastic political (from dictatorship to democracy), economic (from a command to a market economy) and governmental transformation (establishment or establishment of nation-states). This 'dilemma of simultaneity' (Elster, 1990; Offe, 1991) challenged questions of national statehood and sovereignty and led to a fundamental and comprehensive restructuring of the political, economic and societal system at all levels. The processes of privatization in particular were unprecedented in terms of speed and volume and fostered corrupt actions in the private as well as public sector. They happened almost overnight immediately after the collapse of the communist system when new democratic institutions were very weak or did not even exist. Thus, major corruption scandals were mainly connected with privatization processes enabling opportunities for corruption, the financing of political parties and political patronage. Still, scandals from the early and mid-1990s could not be always labelled as corruption because many jurisdictions were missing adequate legal regulations for sanctioning corruption-related crimes arising from privatization (Kotkin and Sajo, 2002). However, this had serious long-term consequences for the development and consolidation of democracy in these countries because major institutions that are central to the functioning of liberal democratic order such as an independent judiciary or prosecutor's offices were weakened.

Considering the unique situation in CEE in the early 1990s, it was crucial for the EU accession process to improve corruption control in these countries as part of an overall attempt to consolidate democracy and the rule of law (see Mungiu-Pippidi, 2005). Therefore, the EU's

attempts to control corruption in its CEE candidates and Member States matters when analysing the Union's democratic efforts in the region, as well as when analysing corruption control.

1.2 Why the Focus on the EU and Its Funds?

Through its conditionality¹ mechanism, the EU has specifically attempted to influence domestic corruption control in CEE Member States from the time they express an interest to join the EU. However, most of the countries in CEE still suffer from high levels of corruption that also affect democracy consolidation. For instance, Pridham (2005) argues that the effects of the EU accession process on the CEE countries' democratization have been limited, uneven across different CEE candidates and dependent on domestic factors. When examining the role of the EU in preparing CEE candidates for membership, Vachudova (2005) makes a distinction between the so-called 'liberal' and 'illiberal' patterns in candidates' democratization. She argues that the role of the EU in democratization depends on which of the two patterns is present in a country. Such studies suggest that the role of the EU in the democratization of CEE countries may be limited.

CEE candidates and Member States are relatively new democracies, many of which adopted democratic forms of governance following the fall of the Berlin Wall in 1989. Founded on 'the principles of liberty, democracy, respect for human rights, fundamental freedoms and the rule of law', the EU is one of the strongest advocates of democratic practices in the world. In particular, the commitment to democracy as a principle underpins its external action and is reflected in several policies of the European Commission (EC) such as the 'Action Plan on Human Rights and Democracy (2015–2019)' or the 'European Consensus on Development' as well in the 'Copenhagen criteria' (EC, 2019a). The Copenhagen criteria play a significant role especially related to the fight against corruption and define the rules as to whether a state is eligible to join the Union. These criteria were mainly defined at the European Council in Copenhagen in 1993 and require that a state has stable institutions to preserve democratic governance and human rights and respect for and protection of minorities; that it has a functioning market economy and capacity to cope with competition and market forces in the EU; as well as an ability to take on and implement the obligations of membership, including adherence to the goals of political, economic and monetary union. Therefore, CEE Member States are relevant cases for examining both the impact of democracy on corruption control and the role of the EU in the process.

2 THE EU AS AN INTERNATIONAL ACTOR IN THE FIGHT AGAINST CORRUPTION

The role of international actors in the fight against corruption has been examined by a number of scholars (Geddes, 1994; Hough, 2017; Moroff and Schmidt-Pfister, 2010; Rose-Ackerman and Carrington, 2013; Rose-Ackerman and Palifka, 2016). Yet, academic discourse on corruption has thus far paid limited attention to the role of the European Union. Rose-Ackerman and Carrington (2013) examine the role of several international organizations in the fight against corruption, but the role of the EU has not been considered in detail, with only passing references to the EU funding programmes. However, the Europeanization literature (Batory, 2010; Dimitrova and Buzogany, 2014; Grabbe, 2014; Mendelski, 2016) has considered the role of

the EU in tackling corruption in its Member States and candidate states for accession as part of the EU conditionality discourse.

The research in this area consists of studies that look at the domestic transformation of CEE countries as a result of the prospect of EU membership (Batory, 2012; Dimitrova, 2010; Elbasani, 2018; Holmes, 2003, 2017; Mendelski, 2016; Szarek-Mason, 2010; Vachudova, 2005, 2009). The main tone of these publications has shifted from arguing that the EU has been a successful actor in tackling corruption (Vachudova, 2005) to arguing that the EU has had a limited power in helping countries to introduce and maintain successful anti-corruption reforms after accession (Borzal and Risse, 2007; Gateva, 2013; Mendelski, 2016; Mungiu-Pippidi, 2010; Vachudova, 2009).

The key argument is that in many CEE countries the ability to tackle corruption deteriorated after accession – that is, some countries, such as Romania, Hungary and Poland, not only ‘slid back’ into old practices after they acquired EU membership but also encountered new forms of corruption in the form of vote buying or clientelism, among others. This implies that control of corruption, with some exceptions, such as Estonia (see Pedersen and Johannsen, 2013), has deteriorated over time despite democratization efforts. Such studies suggest that after accession, new members do not have the incentive of membership to comply with EU anti-corruption requirements, which puts the Union in a weak position when demanding anti-corruption reforms. Misuse of EU funds due to corruption is somewhat of an exception because the Union has an interest in protecting its own financial interests. Yet, as illustrated in this study, focusing on Bulgaria and Hungary, the Union is somewhat reluctant to freeze funds in cases of misuses.

3 EU ANTI-CORRUPTION CONTROL WITHIN ITS BORDERS

The ability of the EU to regulate in the sphere of anti-corruption in its Member States is limited by its treaties. The Treaty of the European Union (TEU) establishes a division of competences between the EU and its Member States into three groups: EU exclusive competences, shared competences and supporting competences. In areas where the EU holds exclusive competences, such as the customs union or its monetary policy, regulation takes place at the EU level and Member States are bound to implement EU laws, which is usually passed in the form of regulations or directives with little space for manoeuvre. When it comes to shared competences, in areas such as the internal market, or freedom, security and justice, both the EU and the Member States have the right to regulate. However, regulation at the EU level in regard to shared competences is bound by the principles of subsidiarity and proportionality. According to the principle of subsidiarity, the EU can only regulate if a measure can be better achieved at the EU level and not at the national level of Member States (Treaty of the European Union, Article 5(3)). The principle of proportionality limits the EU’s scope to regulate only to the extent that is necessary for achieving a certain goal (Treaty of the European Union, Article 5(4)). Finally, in areas where Member States have exclusive competences, the EU has very little say and the power to regulate lies in the hands of Member States. Competences in the area of anti-corruption are under the area of freedom, security and justice (Treaty on the Functioning of the EU, Article 2(j)), and are therefore divided between Member States and the EU. Moreover, the EU is limited when regulating in this policy area by the principles of subsidiarity and proportionality. This is because Member States are very reluctant to give up

control in the sphere of anti-corruption and there is a tension between Member States and EU about who should regulate.

3.1 Protecting the EU's Financial Interests: The Role of European Anti-Fraud Office (OLAF)

The EU can regulate in the sphere of anti-corruption to protect its financial interests, but this competence does not extend to the fight against corruption with no impact on the EU budget. In this dimension, the EU intervenes in the fight against corruption in the Member States to protect EU funds. EU funds allocated to Member States are under the scrutiny of the OLAF, which can initiate investigations for suspected misuse of funds. The EU has the option of restricting EU funds for Member States that have misused them.

OLAF is the main EU body that protects the EU's financial interests. Established in 1999 with an independent investigative mandate, OLAF has been tasked with carrying out independent investigations into fraud and corruption involving EU funds. This institution has been given the mandate to investigate matters relating to corruption, fraud and other relevant offences that affect the financial interests of the EU. OLAF has the power to conduct both external and internal investigations. However, the decision to open an investigation is at the discretion of the Director-General of OLAF, which is an illustration of the limits of this institution.

Moreover, OLAF does not have the power to prosecute after investigations are conducted. According to Article 11 (Regulation No. 883/2013), if facts that raise suspicions of criminal actions are detected, the relevant information will be passed to the appropriate judicial authorities of the Member States concerned. Nevertheless, the ultimate power to prosecute such suspicions is in the hands of Member States, which further illustrates the limits of OLAF and the EU anti-corruption efforts more generally.

Despite being unable to demand criminal liability based on OLAF's investigations, the EU has the power to limit access to EU funds to those Member States that have not taken appropriate measures to prevent and/or prosecute relevant wrongdoings. Even though the EU has historically been reluctant to revoke its funds from Member States, there are examples where it has done just that (see Section 5.1.1 on Bulgaria). In this regard, the EU has the option to name and shame and use threats and punishments as part of its conditionality mechanism. While naming and shaming has been used by the EU – for example, by providing country-specific recommendations for Member States through the European Semester² and the EU Anti-Corruption Report (2014) – freezing of EU funds as an option has been used selectively and to a lesser extent.

Such examples suggest that the EU has tools and mechanisms to influence the fight against corruption to protect its budget, but it is often reluctant to activate these measures and mainly does so when there are no alternatives. Why this is the case is beyond the scope of this chapter, but arguments have been put forward that this is a result of the way the EU is constructed as a legal and political order, especially because of the struggle for power between EU institutions and the Member States (Kiiver, 2011).

3.2 European Public Prosecutor's Office (EPPO)

On 12 October 2017, the Council of the European Union established the EPPO to investigate and prosecute criminal offences related to the financial interests of the EU (Council of the European Union, 2017). Prior to this, prosecution of criminal offences that hampered the EU's financial interests was left to national jurisdictions of Member States. While this is an important step, it is too early to comment on its effectiveness. This is because the office is currently being set up and aims to become operational by the end of 2020 (EC, 2020). With the notable exception of Hungary and Poland, all CEE EU Member States have agreed to take part in EPPO. However, Hungary and Poland are facing serious problems with corruption and particularly with public procurement corruption that is connected to the misuse of EU funds (see Section 5.1.2 on Hungary for more). Their lack of interest to participate in the EPPO suggests that the EU will continue to have its hands tied when it comes to protecting its financial interests in some Member States that have a history of misusing the Union's funds.

Nevertheless, other countries that have been investigated by OLAF relating to the misuse of EU funds (e.g., Bulgaria, Romania and the Czech Republic) have agreed to take part in EPPO. Even though this is a step forward for the fight against corruption and misuse of EU funds, the levels of selectivity in the application of the regulation may cause further problems when it comes to actual prosecutions. Still, it is too soon to make assumptions as the office has not been set up yet. What can be said is that EPPO will have the mandate to do what OLAF could not, and if set up, and functioning properly, will be at least able to prosecute certain corrupt offences in the 22 Member States that have agreed to introduce this new mechanism into their national jurisdictions.

4 CORRUPTION IN CENTRAL AND EASTERN EUROPE AND THE ROLE OF THE EU

Considering the problems with corruption that many CEE countries were facing in the 1990s, the EU developed a set of criteria to be used to assist the democratic and economic transition of CEE candidates. Moreover, considering the limited ability of the EU to influence corruption control in its Member States, it was crucial to ensure that these new members will be well equipped to tackle the problem of corruption prior to accession. The main accession criteria called the Copenhagen criteria were established in 1993 and are broadly divided into political and economic criteria as well as legal requirements for accession. The fight against corruption was addressed within the political and legal criteria. The Regular Reports (renamed Progress Reports for the enlargement of the Western Balkans) were the main instruments for assessing the candidate's efforts to fulfil the Copenhagen criteria, including the progress in the fight against corruption. The expectation was that the Copenhagen criteria should be sufficiently fulfilled before a country opens negotiations with the EU. In 2004, eight CEE countries joined the EU (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia). However, the fight against corruption was not a crucial element of the accession process. A chapter on judiciary and fundamental rights did not exist at that time and corruption concerns did not slow down the accession process. Moreover, the timeframe between obtaining candidate status and opening negotiations for the 2004 candidates was too short. As a conse-

quence, some of the issues with corruption were not resolved prior to opening negotiations and kept resurfacing during negotiations between the EU and the candidate countries.

Yet, this changed for the Western Balkan enlargement. Within the *acquis*, corruption was tackled mostly through the newly introduced Chapter 24 on cooperation in the field of justice and home affairs. Also, in 2012, the EU introduced the so-called ‘new approach’, which required putting issues relating to corruption and the rule of law at the forefront of the accession processes. In other words, a candidate should not join the EU unless all concerns regarding corruption have been addressed. This new approach is already being implemented for the negotiations of Serbia and Montenegro. What this means in practice is that negotiation chapters related to corruption and rule of law are among the first ones to be discussed in the negotiations process, and unless all negotiations on these topics are closed off, a country is not supposed to be able to accede to the Union. Such an approach has been adopted to ensure that the Western Balkans candidates are going to be able to absorb and utilize EU funds to a large extent once they become members.

Despite these efforts, the EU anti-corruption enlargement requirements have mainly focused on the harmonization of legislation in former CEE candidate countries. This has led to a focus on the creation of ‘EU conform’ laws and institutional structures for external consumption, with little or no impact on the actual control of corruption. Consequently, the incentive of membership as an anti-corruption tool was either not used to its fullest potential, or it was not, in itself, sufficient to enforce the application of anti-corruption laws prior to accession. Issues with law enforcement also impact the independence and functioning of institutions important for corruption control. As the Union’s regulatory frameworks introduced during accession existed more on paper than in practice (Vachudova, 2005, 2009), many CEE countries continued to face serious difficulties in controlling corruption after accession and struggled with implementing anti-corruption measures in practice.

5 THE MISUSE OF EU FUNDS

Corruption remains a problem across Europe but varies widely in its occurrence and forms. Corrupt practices in Europe entail a wide variety of techniques such as supplying false information, exploitation of legal loopholes, lobbying, bribery or fraud (EU Anti-Corruption Report, 2014; European Court of Auditors, 2019). These techniques can overlap and are sometimes difficult to differentiate. In particular, corruption and fraud can be very interlinked. While EU fraud is often a convenient way of paying bribes, corruption is a significant tool of obtaining the collusion that makes some frauds possible.

There are major areas of fraud in the EU that can often be profitably combined (Nelken, 2003). One of them relates to the exploitation of structural funds – due to the way the funding is managed and directed and because effective development would often threaten local power elites. These grants can end up merely creating overcapacity, unused and unusable industrial installations – called ‘cathedrals in the desert’ – or roads going nowhere (Nelken, 2003, p. 222). Another area of EU fraud is that against so-called ‘own resources’, which refers to revenues that are collected by customs and indirect tax payments by the EU and the Member States.

In particular, the EU structural funds are utilized for the modernization of infrastructure and the creation of new employment opportunities and constitute around a third of the EU budget.

Over half of the EU funding is channelled through five European structural and investment funds such as the European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). They are jointly managed by the EC and the EU countries (EU Funding Opportunities, 2019).

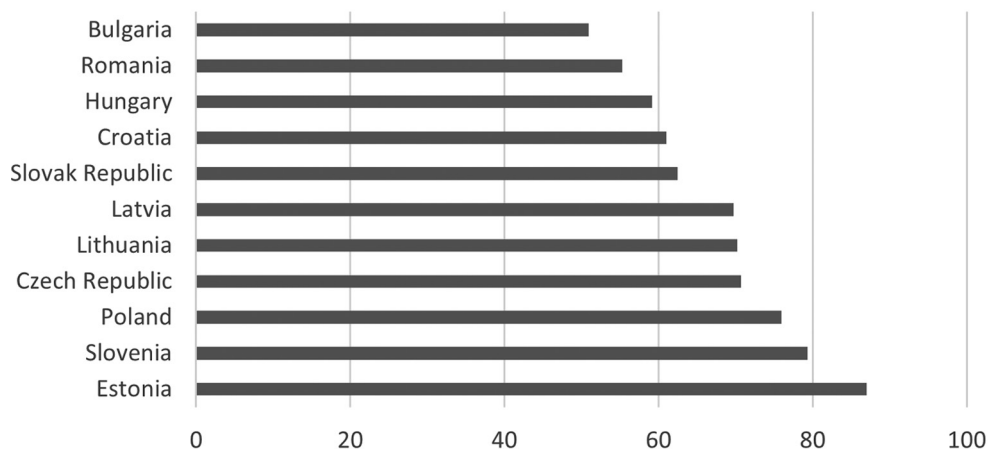
Yet, the misuse of EU funds has significantly affected the Union's budget. The EU loses approximately more than 500 million euros annually to corruption (Jelínek, 2018, p. 87). According to a special report of the European Court of Auditors (2019) the EU lost around US\$10 billion to fraud between 2002 and 2017, while only US\$42.6 billion were recovered following OLAF's investigations. Out of 541 cases that OLAF recommended to go to court, only 308 went, and 171 were dismissed because of 'insufficient evidence'. Only 137 were indicted. In general, the number and scale of fraud is under-reported, and the actual figures are much higher than the revealed ones. This is also related to the fact that there is a lack of information sharing between Member States. Between 2007 and 2013, only ten EU Member States reported less than ten cases of suspected fraud and among those who reported the fewest were some of the EU states with the highest risk of corruption, including Hungary and Bulgaria. Similarly, Fazekas and King (2018) show that EU funds increased high-level corruption in Hungary and in the Czech Republic in 2009–12. They analysed data from over 100 000 public procurement contracts to develop objective corruption risk indicators and link them to agency-level data in the public sector. The study reveals that EU funds increase corruption risks by up to 34 per cent. The authors attribute these negative effects to the fact that overly formalistic compliance and EU funds that override domestic accountability mechanisms in public organizations entirely dependent on external funds. Based on these findings, they recommend that governments should reduce barriers to market entry by lowering red tape and preventing excessive concentration of funds.

5.1 The Cases of Bulgaria and Hungary

In this section, we focus on two CEE EU Member States, namely Bulgaria and Hungary, for a more detailed examination. As illustrated in Figure 15.1, these countries are among the lowest in terms of controlling corruption in the CEE region, which made them interesting cases for further examination. Both countries have also been heavily criticized by the EU regarding potential misuse of EU funds. However, these countries have one significant difference. While Bulgaria agreed to be scrutinized by the new EPPO, Hungary did not. In the next sections, issues with corruption and misuse of EU funds in the two cases of interest are examined.

5.1.1 Bulgaria's misuse of EU funds

Corruption remained a serious concern when Bulgaria joined the EU in 2007. Vachudova (2009) classified the country as an 'illiberal democracy', characterized by superficial rule of law and anti-corruption reforms around the time of accession and was prematurely admitted to the EU. As a result, the EU insisted on introducing an additional mechanism to keep monitoring progress on judicial reforms, corruption, and organized crime and set up the Cooperation and Verification Mechanism (CVM) to assess progress and areas for improvement (EC, 2017). Yet, Bulgaria is ranked among the most corrupt countries in Europe. According to the World Bank Control of Corruption indicator, Bulgaria had the lowest ability to control corruption out



Source: World Bank (2017).

Figure 15.1 World Bank Control of Corruption indicator 2017 percentile rank

of all CEE EU Member States, with just a score of 50.96 (out of 100 where 0 is totally corrupt and 100 is totally clean) in 2017 (Figure 15.1).

Misuse of EU funds is among the areas for concern. A year after Bulgaria joined the Union, the EC suspended around 220 million euros of funds from the PHARE Programme³ (Brunsden, 2008). Prior to this, in July 2008, 500 million euros in road and farm aid were frozen amid corruption concerns (BBC News, 2008; Organized Crime and Corruption Reporting Project [OCCRP], 2008). OLAF's main investigations in 2008 for potential fraud were related to agriculture (23 investigations were opened for Bulgaria). By the end of 2009, out of 156 active cases of investigations in Member States, 41 active investigation cases were on Bulgaria (OLAF, 2011). This number decreased to 11 for 2016 (OLAF, 2017), yet media outlets kept flagging up allegations about the misuse of EU funds in the country. In 2017, OLAF reported irregularities in transit operations in Bulgaria (OLAF, 2018). In 2018, a Bulgarian journalist investigating alleged misuse of EU funds was found murdered shortly after discussing suspected embezzlement of EU funds with two reporters (Financial Times, 2018). Yet, prosecutions, and particularly convictions concerning cases of misuse of EU funds, are few (Guarascio, 2019).

This raises concerns about the effectiveness of both the CVM monitoring mechanism in preventing, and of OLAF in sanctioning, misuse of EU funds. The main aim of the CVM for Bulgaria is to monitor judicial and anti-corruption reforms and progress in tackling organized crime. Under the CVM, the EU cannot do much more. The CVM is used as a tool for political pressure and flagging up irregularities in Bulgaria, but it will cease to exist once Bulgaria fulfils all the remaining 17 recommendations from the CVM monitoring (EC, 2018). As explained in Section 3.1, OLAF cannot do much more than suggest the opening of investigations, as it is up to national authorities to decide whether to prosecute and, if so, whether to convict and sanction.

The EC suggested that the benchmark on judicial independence in Bulgaria can be provisionally closed (EC, 2018b). However, in its 2018 CVM, the Commission raised concerns about the lack of accountability procedures for the most serious positions in the magistracy, including the Prosecutor-General (EC, 2018b, p. 5). This suggests that even though the judiciary in Bulgaria has the capacity and political will to prosecute, its ability to do so may be hampered by the lack of accountability of this institution (Popova, 2014, p. 46). According to Popova (2014), the high level of independence in the Bulgarian judiciary has created a situation where magistrates are insulated from undue influences but are also not prosecuting corruption cases effectively, which results in a small number of convictions.

Because of the lack of accountability (Vachudova, 2011), Bulgarian judges and prosecutors are not likely to be investigated and disciplined for abuse of powers in corruption-related cases (Popova, 2014) and are not likely to pursue OLAF's recommendations for investigations regarding the misuse of EU funds. Absence of sanctions for the misuse of EU funds are even more likely considering the illiberal democratic tendencies in the country and the lack of enforcement mechanisms on the EU side.

The new EPPO offers a solution as it will have the power to prosecute misuse of EU funds in the Member States that have institutionalized it. Having European public prosecutors processing misuse of EU funds cases in Member States is likely to increase the number of prosecutions (even though not necessarily convictions, which is still adjudicated by domestic courts). This is because such prosecutors will be held accountable by the EPPO and not domestic institutions. Still, EPPO's powers will be limited to prosecution and it will be in the hands of national courts to decide whether wrongdoing has actually occurred. This suggests that in Member States where the balance between judicial independence and accountability still needs to be achieved, the number of prosecutions may increase, but not necessarily the number of sanctions. A more substantive analysis can only be conducted after the EPPO starts functioning in 2021.

5.1.2 Corruption and misuse of EU funds in Hungary

Based on the World Bank data on corruption control, Hungary also ranks among the most corrupt countries in the EU. Out of 11 CEE Member States, Hungary is ranked ninth on its ability to control corruption. Only Romania and Bulgaria show lower scores than Hungary (see Figure 15.1). According to Transparency International's Corruption Perception Index (CPI), Hungary dropped nine points over the last seven years. Along with Malta, this is the sharpest decline in Europe (Transparency International, 2018). Thus, the recent deterioration is a huge drop.

While the start of the Fidesz government in 2010 with Viktor Orbán as prime minister has usually been described as the beginning of systematic corruption in the country, severe forms of corruption did exist in Hungary before his inauguration. Orbán took power after various successive governments had benefited from widespread corruption. In 2008, Transparency International noted the increasingly 'institutionalized' nature of corruption in Hungary (Transparency International, 2008 in Civitas Institute, 2018, p. 7). However, in 2011, only one year after Orbán assumed the office of prime minister, several observers noted a situation in Hungary they described as state capture by elites surrounding Orbán and his party (Mong and Jancsics, 2016). Jancsics (2017a) argues that the country is captured by particular interests, especially by government-related cliques that are able to manage market capture, monopolizing major market segments based on the regulatory power of the state. Furthermore, he claims that compared to previous governments, the governmental network is nowadays much more

centralized and dominated by a dense corrupt cluster of a small, very powerful governing elite. Yet, typical anti-corruption measures are useless in this case of state capture because legal mechanisms can be only effective after a systematic network of corruption has been dismantled.

Like other CEE Member States, Hungary has had access to external development resources from the EU in the first two budgetary cycles of its membership on a scale unprecedented in its economic history. It is one of the biggest net recipients of EU money and largely benefits from cohesion funds. For the period 2014–20, the EU dedicated €25 billion worth of European Structural and Investment Funds to the country – that is, an average of €2532 per Hungarian over the seven-year period. At an annual level this constitutes 3–4 per cent of the Hungarian gross domestic product (GDP) on average (however, in 2016 and 2017 it was approximately 6–7 per cent) (EC, 2019b).

EU funds are the foundations of development, economic growth and public investments in Hungary such as in infrastructure, protecting the environment and subsidizing researchers. In principle, the purpose of EU funds is to contribute to the achievement of the economic, social and environmental goals of the country set forth in various EU and national documents. Between 2007 and 2020, the country was scheduled to receive more than 3.5 per cent of its annual GDP for development purposes from the European Union's budget (Kállay, 2015, p. 14). The EU co-finances up to 60 per cent of all public procurements in Hungary. For example, in 2017, the EU total spending in Hungary was €4.049 billion, implying that the total EU spending as a share of the country's gross national income (GNI) was 3.43 per cent (European Union, 2017). 'Without this, there would be no growth and no public investments in Hungary', says József Péter Martin, executive director of Transparency International Hungary (2015a). However, according to several reports, the distribution of EU funds is not efficient. For example, Hungary had one of the highest percentages in the EU of financial recommendations from OLAF regarding the Structural Funds and in the Agriculture sector for the period 2013–17. Also, the public procurement reporting system that monitors documents and information uploaded to public procurement databases, indicates suspicious cases of corruption. EC inspectors found widespread irregularities in projects financed by the EU, raising the risk that the EU could withhold development funds of \$1.8 billion (Reuters, 2018). They discovered in particular several shortcomings in the way a public procurement bureau under Prime Minister Viktor Orbán's office oversaw projects in the period 2015–17. Additionally, they detected serious irregularities in 25 out of 29 projects examined (OLAF, 2017; Reuters, 2018).

In some areas of public procurement, significantly more funds than ever before are available, which – the government specifically urges – should be spent completely. Nagy, the head of Transparency International's public funds programme, argues that the 'abundance of funds and the pressure for the country to use these to the greatest extent possible may in itself generate corruption, as those managing these funds plan the amounts intended for applications too high, and determine the eligible costs rather generously... It is not in the interest of the authorities to tightly control the spending, so overpricing is practically hard-wired into the system. It is not rare to see goods purchased for five times the market price out of EU grants' (Transparency International Hungary, 2015a).

Furthermore, large amounts of EU funds have been misused under the Ignác Darányi Plan in Hungary (Hungarian Spectrum, 2018). This programme is largely funded by the EU and was designed to support economic development in rural areas and provide funding for individuals to run small, family-run hotels in order to facilitate tourism. Yet, as these hotels can

be declared private homes after five years, many of these ‘hotels’ have never been used for tourism. This implies that the funds were de facto used to improve family homes – in particular, by individuals who are close to the ruling elites (European Parliament, 2014–19).

At the end of 2017, OLAF concluded an investigation into possible irregularities related to 35 lighting projects implemented under the Hungarian Environment and Energy Operational Programme and co-financed by the European Cohesion Funds. OLAF’s investigation revealed not only serious irregularities in most of the projects but also evidence of conflict of interest.

In general, there is little or no evidence that the vast amount of EU money received by Hungary during the previous period (2007–13) improved the general situation of the country in any of these fields. On the contrary, the competitiveness of the economy has been reduced, the educational system has greatly deteriorated, the healthcare system is in ruins, innovation has been stifled, environmental problems have worsened in many aspects, social inequalities have substantially increased, and democracy has been undermined (Netherlands Helsinki Committee, 2018). Several economists have warned about the distorting effects of the EU funds in Hungary: ‘We use EU funds with very low efficiency... EU money is not valued, and not only in the public sphere: entrepreneurs often buy machines for which they have no or little need, and when we ask why they purchased them, that answer that it was for free’ (Attila Chikán during the first Orbán government in 1989–99, Netherlands Helsinki Committee, 2018, p. 9).

Moreover, according to Transparency International Hungary (2015): ‘the abundance of resources creates a risk of corruption in and of itself since each government in power after the accession of Hungary to the European Union has had the primary goal of spending all of the funds it had available as fast as completely as possible’. Transparency International Hungary added that related to the pressure of spending the resources, the planning, the utility, substantiation of the funded projects as well as the auditing have not been a priority. Since it seems that the Hungarian government intends to spend the amount of money as soon as possible, it is common that individual projects are overfinanced – that is, much higher sums are authorized than would be necessary; this is further compounded by insufficient control. These two factors have contributed to the overpricing of EU projects becoming a general phenomenon; according to TI Hungary (2015b), overpricing may affect over 90 per cent of the projects, with an average rate of overpricing of 25 per cent. This suggests that EU funds may even be catalysts for corruption, due to the pressure to spend and the lack of mechanisms for punishing wrongdoers that misuse such funds.

These issues add to Orbán’s problems with the EU which has already threatened to impose sanctions on Hungary, accusing it of breaching rules on democracy, civil rights and corruption. The European Parliament with 448 votes in favour (de la Baume and Bayer, 2018) already triggered the Article 7 procedure of the Treaty of Lisbon designed to deter Member States from actions that threaten democracy.

Furthermore, following the notion of ‘illiberal democracy’ (see Vachudova, 2005), Hungary, similar to Romania, saw a curtailing of judicial independence, media freedom and the rights of non-governmental organizations, all vital institutions for a functioning democracy. This removed the regulating effect that democracy, in some cases, can have on corruption and stabilizes Orbán’s hold on Hungary. As a case of state capture, several observers noted that EU financial support fuelled corruption in Hungary after 2010 (Fazekas and King, 2018). Overall, this led some scholars to classify Hungary as a kleptocracy or even a ‘mafia state’ (Jancsics, 2017b; Magyar, 2016; Tóth and Hajdu, 2018). The slow dismantling of democratic institutions

is a key part of the Orbán and Fidesz (Hungarian Civic Alliance) agenda that serve to secure their power and also facilitates corruption, as safeguards and watchdogs are removed, and the state can be remodelled to serve the interests of a narrow elite (Bozóki and Hegedűs, 2018). Yet, the Fidesz Party remains popular and managed to retain its majority at the most recent Hungarian elections.

Hungary's backsliding in democracy is one of the main concerns of the European Union. The decrease in the quality of democracy is primarily related to the functioning of the constitutional and electoral system, the independence of the judiciary and other institutions and the rights of judges, privacy and data protection, freedom of expression, academic freedom, freedom of religion, freedom of association, the right to equal treatment, the rights of persons belonging to minorities, including Roma and Jews, and protection against hateful statements against such minorities, the fundamental rights of migrants, asylum seekers and refugees, and economic and social rights and corruption and conflict of interest (European Parliament, 2014–19). Furthermore, it is described in the Proposal for Article 7(1) of the Treaty on European Union by the European Parliament that the government effectiveness in Hungary has diminished since 1996 and that the country is one of the European Union Member States with the least effective governments. It is stated that: 'All Hungarian regions are well below the Union average in terms of quality of government. According to the EU Anti-corruption Report published by the Commission in 2014, corruption is perceived as widespread (89%) in Hungary. According to the Global Competitiveness Report 2017-2018, the high level of corruption was also one of the most problematic factors for doing business in Hungary' (European Parliament, 2014–19, p. 9).

6 DISCUSSION AND CONCLUSION

This study unpacks the role of the EU in controlling corruption in CEE Member States as one of the most vulnerable regions of corruption in the Western world. In particular, Hungary and Bulgaria are among the least developed Member States and struggle on their way to become consolidated democracies. To support these countries, the EU provides, for example, funding for development. However, due to corruption concerns there are risks of such funding being misused. This in turn, may have a negative impact on the consolidation of democracy in CEE Member States as well as to social, political and economic development overall.

The findings show that the success of the European Union in protecting its financial interests – namely, its funds – has been patchy at best, despite the availability of a number of anti-corruption tools both at the European and at the national level. Such tools include naming and shaming poor performers, investigations by OLAF, as well as the freezing of EU funds. This study argues that the main limitation of OLAF is the inability to initiate prosecutions when it suspects misuses of EU funds. This issue is being remedied through the introduction of the EPPO. Yet, as this study argues, the EPPO also has its limitations. In particular, membership is not binding, enabling some countries, specifically Hungary and Poland, to opt out of the EPPO. Should the EU fail to pressure these countries to join the EPPO, suspected wrongdoers will not be prosecuted for misuse of EU funds. This poses additional limitations to the EU's fight against corruption and further jeopardizes its financial interests. Even though the EU does not have the legal power to coerce its Member States to take part in the EPPO due to limited competences in this area, it still has the option to impose soft tools, such as threats

of limiting EU funds, to pressure its Member States to join this newly founded institution. Whether it will do so is yet to be seen, but if past experiences are an indication, it is not likely that the EU will take this road, partly due to fear of being criticized for interfering with the sovereignty of Member States.

Moreover, as the Bulgarian case illustrates, even if a Member States agrees to take part in the EPPO, domestic problems with corruption may hamper the effectiveness of this institution. This is because cases will be tried in front of national courts in each participating Member States, and if national judiciaries are facing problems with corruption, prosecutions are not likely to bring about convictions and sanctions. Therefore, one of the main challenges for the EU is to promote domestic anti-corruption reforms to enhance the effectiveness of the EPPO. However, as the Europeanization literature argues, many CEE countries slid back regarding democracy and anti-corruption reforms after joining the EU. Our examination of Bulgaria and Hungary supports these arguments.

Bulgaria's judiciary took a step too far with regard to judicial independence, which resulted in a lack of accountability and opportunities for corruption among members of the judiciary (Popova, 2014). In Hungary, democratic backsliding has been an issue, especially after Orbán's party took power. Looked at from a rational choice perspective, the incentives for following EU anti-corruption requirements significantly decline after a country obtains membership, and the costs of not fulfilling EU requirements are low, because the main incentive – that is, becoming an EU member – has already been achieved. The EU has less to offer as a reward after a country becomes a Member State and has limited options for punishment in cases of non-compliance. In addition, the EU's reluctance to use punishments – that is, freezing funds – further weakens its position as an anti-corruption actor, which causes additional problems for protecting the Union's financial interests. Such issues combined with concerns that EU projects are regularly overpriced in a centralized manner provide fertile grounds for the misuse of EU funds (Transparency International Hungary, 2015b).

However, identifying areas for concern is only one part of the puzzle and questions should be raised about what the EU can actually do to help its Member States improve corruption control. Several studies propose the strengthening of the civil society (Mungiu-Pippidi, 2015) and increasing its financial support to combat corruption, fraud and mismanagement and ensuring the rule of law and judicial reforms, and so on (Holmes, 2003; Transparency International Hungary, 2015b). One step in this direction is the fact that already more than 500 000 Hungarian citizens have signed a petition demanding that the country will join the EPPO. Furthermore, a survey by the Hungarian Publicus Institute showed that more than 70 per cent of Hungarian citizens believe that the country should join the EPPO, with even 62 per cent of Fidesz voters agreeing (Istrate, 2019).

Overall, it seems that longer exposure to democracy may have a positive impact on corruption control. However, the case of Hungary somewhat undermines such scholarly arguments. Namely, after Orbán took power in the country, as illustrated in this chapter, rule of law and democracy in the country have been deemed to deteriorate. The EU even tried to invoke Article 7 on Hungary, but the process is pending due to the complex political process tied up to this procedure. Therefore, the case of Hungary makes it difficult to suggest that longer exposure to democracy reduces corruption and suggests that other, context-specific factors matter for corruption control.

In is undeniable that the EU has made efforts to help CEE countries strengthen their newly formed democracies, and it should be acknowledged that there is only so much that external

actors can do for domestic corruption control. The importance of context and introducing targeted measures for reducing specific forms of corruption is crucial. Nevertheless, as illustrated in the cases examined in this chapter, the EU could have made additional efforts to push anti-corruption reform in Bulgaria and Hungary, with the ultimate aim of improving the democratic processes in the two Member States.

Therefore, the maximum use of opportunities under current EU legislation and regulations should be stimulated to enforce compliance with EU standards as a condition for internal development funding from the EU budget. To do so, the EU may have to:

- pursue the inclusion of a strengthened requirement for rule of law conditionality in the new EU budget period as proposed by the EC, with public reporting about assessments made of Member States' rule of law situation;
- pursue reform of EU internal development funding mechanisms that allow local, democratically owned priorities to take precedence, in line with analysis and recommendations by academics and civil society in the countries concerned.

Yet, this is never going to be enough if the EU does not demonstrate a strong grip on corruption. Our two cases show that by awarding EU funds to corrupt countries the EU even enhances corruption. Therefore, the EU should freeze funds for corrupt countries and use this tool to control corruption and protect its financial interests. It needs a tougher attitude to properly implement existing EU law combating 'illegal activities affecting the financial interests of the Union' (Article 325, Treaty on the Functioning of the European Union).

In fact, the EC already has the competence to withhold funds that do not meet the conditions laid down by EU legislation. Thus, the proposals made by the Commission for the next EU budget cycle (2021–27) can cut funding in case of 'generalized deficiencies' as regards the rule of law in Member States. Such sanctions could only be overturned by a qualified majority in the EU Council. The European Court of Auditors recommended in July 2018, that 'the Commission should clearly specify its sources of guidance, and the criteria, procedure and extent of the measures should be more precise'. Finally, it is worth noting that the EU should not be overlooked when analysing the role of international actors in the fight against corruption, despite all the issues with its anti-corruption conditionality. The Union does make serious attempts to improve corruption control within its Member States (and candidate countries) and unlike other international or regional organizations, the possibility to impose conditions gives the EU a serious leverage over national anti-corruption policies. It is true that its conditionality weakens after a country becomes a full-fledged member, but there are still carrots and sticks that can be used to push Member States to improve corruption control. Therefore, future studies that compare the role that the EU has in controlling corruption with regard to other international actors should be examined, even if only to criticize the limited application of the Union's anti-corruption conditionality.

NOTES

1. For the purpose of this study, conditionality is defined as ‘the strategic use of the incentive of membership in order to induce or preserve specific policy changes in non-member states’ (Sedelmeier, 2010, p. 421).
2. The 2018 European Semester issued corruption-related recommendations for the Czech Republic, Spain, Hungary, Romania, Slovenia and Slovakia regarding public procurement, and Croatia, Cyprus, Italy, Portugal and Slovakia have been asked to work on the effectiveness of their justice systems (EC, 2018d, p. 12).
3. PHARE stands for Poland and Hungary Assistance for the Restructuring of the Economy; however, it was expanded to provide pre-accession assistance to other candidate countries. Some of the PHARE money remained unspent by the time Bulgaria joined the EU, and it was initially agreed that Bulgaria can spend these funds, but the EC later on withdrew the funds because of potential fraud concerns (Brunsden, 2008).

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16. Human rights and development: civic engagement, approaches and outcomes

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1 INTRODUCTION

A Conceptual Note

This chapter discusses the application of human rights norms in development. Development is a fluid concept, with ‘sustainability’ being the most recent addition to the parlance. It is used with different meanings and ideological undercurrents and entails different dimensions of social reality. Before addressing the main subject, I therefore begin with a brief conceptual discussion of development.

Over the last decades, the notion of development has evolved and new dimensions have been added to the analysis. Most importantly, development is no longer earmarked as a theory of economic growth or ‘modernization’ (from traditional to so-called modern society), as articulated most typically in the 1960s by Rostow’s stages of growth theory (Rostow, 1960). It is notable in a discussion of human rights-based development that while development entails a notion of evolution, expansion and enlargement (growth), it is also related to an idea of ‘unfolding’ something new in processes of change.¹ What is unfolding are potentials that a society wants to see realized. This makes the notion of development, the unfolding of potentials, inherently *normative* – that is, potentials and relations we desire and change we prefer. In modernization theory, economic growth was the vehicle for preferred change: social transformation from traditional-agrarian to ‘modern-industrial’ societies, and modernization through economic growth was a basic model of development in development discourse.

Linking human rights and development also engages with normativity – that is, preferred change. But while economic growth and social and economic differentiation may be instrumental in realizing conditions for human rights, the purpose (or vision) of change is different. Its normative rationale is to realize rights embodied in the whole system of international human rights law. Human rights-based *development*, then, describes the social, cultural, economic and political conditions, and mechanisms, that make this realization possible. A particular caveat of human rights normativity is that it is transformed into legal norms as human rights law, and human rights-based development is contingent on the protection and realization of these rights in national contexts and in international relations. Key variables in human rights development are therefore human rights legal standards and institutions that secure these legal norms. In this chapter I shall try to explicate what this entails by addressing human rights-based development as processes for realizing human rights.

Legal Sources and Principles of Human Rights Realization

Associating human rights and development goes back to the UN Charter of May 1945, and has subsequently been a component of human rights law.² A standard human rights treaty reference to development is Article 1(1) of the UN Covenants on Economic, Social and Cultural Rights (1966) and on Civil and Political Rights (1966), respectively, stating that: ‘All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.’ The UN Declaration on the Right to Development (a soft law instrument of 1986), proclaims the right to development as ‘an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized’. Accordingly, as noted, international human rights law states that the fulfillment of rights is a fundamental purpose of development. Yet, this should not imply that human rights are only what development is about: human rights are normative underpinnings of development, and other approaches are essential to facilitate economic, social, cultural and political development. Human rights are evaluative norms for assessing outcomes and processes of production, distribution and exchange, and complementary to other approaches – for example, economic approaches of investment, institutions for political inclusion, policies for cultural diversity, and so on.

Combined concern for outcome and process is a key principle of a human rights approach to development. Human rights law refers to this concern as state *obligation of result* and *obligation of conduct*. These are general principles of state accountability for development that cuts across all economic and social change. The new framework of sustainable development has emphasized the complementary principle of inclusiveness, which is also reflected in human rights’ focus on vulnerability, non-discrimination and concern for victims of violations of basic subsistence and security rights. In other words, the principle of inclusiveness, fundamental to the UN 2030 Agenda, links the notion of sustainable development with a human rights demand for inclusion and voice – including vulnerable people, culturally (and religiously) marginalized people, and those left behind – the socially and economically excluded citizen. A civic engagement for human rights has an undercurrent of inclusiveness, and this is a human rights normative premise of this analysis.

Beyond Law – the Civic Space

Civic engagement is an important part of contemporary human rights functioning and often works through civic mobilization by non-governmental humanitarian and development organizations (NGOs) and professional associations. In democracy terms, these organizations represent the corporate channel of influence and voice, as complementary to the numerical election channel. Human rights organizations grew rapidly immediately before and after the end of the Cold War, and in hindsight, the 1990s can even be seen as the golden age, or the ‘honeymoon’ of modern human rights. This period of rapid increase in non-governmental human rights organizations, and a concomitant interest in human rights among development non-governmental organizations, amounted to what Risse et al. observed as a ‘cascade’ of human rights advocacy (Risse, Ropp and Sikkink, 1999). Others referred to the period as the ‘second human rights revolution’ (Gready and Ensor, 2005, p. 5).³ This expression of civic

voice was interrelated with patterns of globalization that emerged shortly before and in the decade after the end of the Cold War: through a wave of political liberalization across the world, new spaces were opened up for non-governmental human rights activism demanding political, legal and social change in former authoritarian states.

Hence, even if the formation of human rights organizations dates back at least to the early 1960s, it took years before major development organizations became interested in human rights, especially social and economic rights. The end of the Cold War was a critical juncture in this respect, with a new interest in human rights among non-governmental organizations emerging in the 1990s, along with the development of approaches and models for implementation.⁴ This new trend of adopting human rights standards and principles by non-governmental development organizations was international; it took place in Northern (mainly international) as well as Southern (mainly local) organizations. International development organizations such as CARE, Save the Children, Oxfam and faith-based organizations used their partnership with local organizations to develop and advocate new rights-framed approaches. Several multilateral and bilateral donors followed suit and provided funding incentives for civil society organizations, and demanded that local and international organizations reflected human rights in their work.

The new human rights orientation manifested itself in attempts to advance human rights in development projects and programs, addressing particular target groups such as women, children, persons living with disability, landless people, or victims of repression and violent conflict. Project implementation strategies and procedures of reporting were supposed to reflect human rights principles and norms in programming and project design. In hindsight, there is little doubt that international development institutions and international partners (including bilateral and multilateral donors) were ‘pushing’ this human rights agenda, using project funding as ‘carrots’ for human right engagement. The United Nations Development Programme (UNDP) was particularly central in framing this agenda in the 1990s. From the early 2000s, the search among international development actors for human rights baselines, indicators and impact assessment that would help to ‘assess’ and ‘measure’ human rights compliance reflects this reorientation in programming and project design. Seen as necessary for implementation and reporting, this inspired a technocratic framing of human rights development programming that assumed that human rights impact was readily quantifiable, with reflection about the time frame of human rights implementation and ‘change’, or what this change in fact entailed.

The remainder of this chapter is in three main sections. First, it provides a brief discussion of how human rights and development have been linked over the past decades, and asks if there is a trend of convergence of human rights with the Sustainable Development Goals. Second, it makes a critical appraisal of the evolution of human rights-based approaches to development, with a particular emphasis on the concepts of human development and Amartya Sen’s capability approach and its conceptual interlinkages with human rights – how is respect for human rights helping to empower people for the self-provision of human rights goods? Then, the section widens the scope of self-provision to other strategies of human rights based approaches and asks if human rights approaches work in practice. Third, the chapter analyses how human rights may be adopted in development project projects and programming, and discusses achievements and weaknesses of human rights programming. What are the practical

consequences of adopting a human rights approach to development? Finally, the chapter provides a brief summary conclusion.

2 TRENDS OF CONVERGENCE? HUMAN RIGHTS AND GLOBAL DEVELOPMENT GOALS

From Ships Passing in the Night to a Joint Journey?

As noted, it is mainly in the last two decades that the links between poverty and denials of people's human rights have been widely recognized, even if the relationship has been referred to in the literature from the early 1980s (Shue, 1980). In the mid-1990s, Amartya Sen's work on the capability approach and the publication of his seminal *Development as Freedom* (1998) reflected an emerging conceptual change in the understanding of development, with his conceptualization of poverty as deprivation of certain freedoms that prevent people's choices; this approach suggested that development is inherently and instrumentally linked to freedoms and rights. Nevertheless, when the international community adopted the Millennium Development Goals (MDGs) in 2002 (based on the UN Millennium Declaration of 2000), human rights standards and indicators were conspicuously absent, in spite of the fact that the goals by and large reflected key human right norms. Philip Alston (2005) referred to this failure of integrating the development and human rights discourses as 'ships passing in the night', and Nelson (2007, p. 2041) asserted that the MDGs and human rights in development had 'fundamental differences' in their conceptual approaches to poverty reduction.

Yet, since the late 1990s, United Nations agencies (UNDP, UNICEF), important bilateral donors (e.g. Denmark's development cooperation, DANIDA and the UK Department for International Development), international governmental organizations (CARE, Action Aid, Oxfam) and local non-governmental organizations began adopting human rights principles in their strategies and developed operational guidelines for bringing human rights into development programs. The Office for the UN High Commissioner of Human Rights (OHCHR) made an important conceptual contribution with the *Draft Guidelines: A Human Rights Approach to Poverty Reduction Strategies* (OHCHR, 2002), and these guidelines inspired the formulation of human rights programming models by non-governmental organizations operating in the field. I return to human rights programming in Section 4 below.⁵

The UN Millennium Declaration made some overall references to human rights but did not in any way translate these into the eight operational MDGs. According to Winkler and Williams, the MDGs were developed at a 'technocratic level extracted from previous commitments, and the human rights community was a late-comer in to the discussion' (Winkler and Williams, 2017, p. 1023). In 2015, the MDG framework was replaced by *Transforming Our World: The 2030 Agenda for Sustainable Development*, adopted by the UN General Assembly on 25 September. Compared with the MDGs, human rights were substantially better reflected in several of the 17 Sustainable Development Goals (SDGs) and the Agenda's 167 targets; on scrutiny, there is a high degree of *convergence* between human rights and the SDGs. One review indicates that as much as up to 90 percent of the SDG targets correspond with human rights treaty standards (Danish Institute of Human Rights, 2017), although explicit reference to human rights in the goals are relatively few. Nonetheless, this stronger linkage has made it possible for human rights treaty bodies to assess – and increasingly guide – the implemen-

tation of SDG targets as operationalization of human rights commitments, converting the implementation of a number of SDG targets to indicators of state human rights commitment and accountability. This helps to strengthen the comparatively weak accountability framework of the 2030 Agenda. The emerging efforts by human rights treaty bodies and other human rights mechanisms to monitor the SDGs closely related to economic, social and cultural rights, provide evidence of how these two frameworks are potentially converging (Golay, 2018).

Widening the Scope of Human Rights in Civic Action

A search for integrating human rights and development grew out of a Cold War dichotomy between civil and political rights on the one hand and economic, social and cultural rights on the other. During the Cold War, human rights NGOs – mostly located in Western countries – were mainly addressing civil and political rights. For a long time, the most renowned and internationally recognized human rights organization, Amnesty International (founded in 1961), epitomized this bias. Other Western human rights organizations reflected the same bias – for example, the International Human Rights Law Group, Article 19, and Human Rights Watch established in 1978. However, changes in the international system with the ending of the Cold War forced traditional organizations to rethink their mandates and new organizations were seeking broader platforms. The wave of democratization in the 1990s in Africa, Asia, Eastern Europe and Latin America implied wider spaces for civil society; it also gradually introduced new areas of human rights engagement and operation. Responding to the new opportunities of political liberalization and democratization, focus was mainly on demands for democratic rights and legal and constitutional reforms by a sector of the NGO community that addressed governance and democracy. The development NGO community paid surprisingly little attention to economic, social and cultural rights until the early 2000s when links between poverty eradication and social and economic rights were put on the agenda. This divide between human rights and development communities reflected their different contextual positions to social change and to the state: while the human rights community was largely adversarial to the state, criticizing governments for human rights denials of violations, the development NGO sector was to a larger extent relying on collaborative relationships to governments (and donors), and accordingly more cautious about strategies and policies that could obstruct their partnership with authorities.

Yet, post-Cold War, many civic organizations shifted their position and adopted human rights approaches to development as their ideological platform of action, and these approaches required methods for converting human rights principles into practical development work. In the mid-1990s, the response to this demand was framed by the term ‘human rights-based approach to programming’, as a new concept in the development discourse.

3 HUMAN RIGHTS-BASED APPROACHES – A CRITICAL APPRAISAL

Human Development, Capabilities and Human Rights

In 1990, UNDP published the first Human Development Report (UNDP, 1990). This report introduced the human development concept of development, representing an important shift in

the framing of development – development should go beyond economic measures and include social indicators and data on well-being. The report also introduced the Human Development Index. This index complemented the notion of gross national product (GNP) as a measurement of welfare. The human development index was *human-centered*, assuming that growth is not a goal in itself, but an instrumental mechanism for enhancing welfare. In operational terms, the index proposed measuring a country's education, health and life expectancy in a composite index of development. The 1990 *Human Development Report* (HDR) defined human development as a way of enlarging people's choices, and enhancing their capacities and capabilities to lead a long and healthy life, acquire knowledge that help people function in their societies and acquire resources to achieve a reasonable standard of living (ibid., p. 10). But the notion of human development went further, suggesting that '(a)dditional choices, highly valued by many people, range from political, economic and social freedom to opportunities for being creative and productive, and enjoying personal self-respect and guaranteed human rights' (ibid.). In other words, to improve human development, adequate weight should be given 'to a society's human freedom in pursuit of material and social goals' (ibid., p. 16).

While the connection between human freedom and human rights might seem straightforward, the HDR did not elaborate in any detail how development and human rights are interconnected: human rights were still a 'sensitive issue', surrounded by contention and ambiguity. The cross-country contention surfaced when the 1990 HDR suggested a 'human rights index' to support the importance of human rights for development, and, surprisingly, to the human rights community, built on the controversial World Human Rights Index, which ranked countries according to their civil and political rights with no mention of economic, social and cultural rights, apart from referring to trade unions, child labor and participation in cultural life (UNDP, 1990).⁶

One of the architects of the notion of human development, Amartya Sen, refined the theoretical perspective of human development in the capability approach, most systematically presented in his *Development as Freedom* (Sen, 1998). Other important contributions in establishing explicit links between development and human rights were the Vienna Declaration of the World Conference on Human Rights in 1993, and the General Secretary of the UN Kofi Annan's call for a 'human rights mainstreaming' in all UN activities based on his report from 1997, *Renewing the United Nations: A Programme for Reform* (UN, 1997). Ten years after UNDP's original report, the thematic focus of the 2000 HDR was human rights and development (UNDP, 2000). The 2000 report demonstrated conceptual developments and observed that 'human development is seen as essential for human rights, and human rights are essential for human development' (UNDP, 2000, p. 2). The report stated that human development could not ignore the centrality of political liberties and democratic rights. Reflecting the new debate about human rights-based approaches, the report claimed that this approach represented a complementary approach to human development by stressing that a rights-based approach entails duties and legal accountability of the state to fulfill human rights entitlements. A human rights approach offers a 'powerful tool in seeking remedy' – a perspective that the human development framework could 'profit from' (ibid., p. 21).

The HDR 2000 identified a number of issues that became central in the ensuing conceptual and practical development of human rights in development contexts. Key among them were the role of governance institutions, rights empowerment of the poor, civic action and the need for defining indicators for human rights advocacy. It captured a trend evolving from the mid-1990s of developing 'frameworks' or 'approaches' to address human rights as a critical

dimension of social and economic development, and not least, to address people living in poverty as a human rights issue. Poverty in its extreme forms was defined as a human rights violation.

Accordingly, the human rights-based approach emerged through many, yet loosely coordinated initiatives from the mid-1990s. It is therefore more appropriate to talk about approaches in the plural, reflecting diverse attempts at integrating human rights into the work of development organizations and institutions. These institutions were in mutual contact and ideas and conceptual developments were exchanged and diffused through networks, conferences and publications by think tanks and the work of human rights academics. They share attempts to put human rights norms into practical use, and to reframe development as advocacy for human rights.

This orientation towards human rights had many impulses and sources of inspiration, and provided overall a critique of neo-liberal ideologies and practice that had emerged in the 1980s, favoring the privatization of public services and liberalization of markets. Rather than ‘rolling back’ the state as inherent in the neo-liberal framework, human rights accountability demanded *state accountability* to comply with human rights treaty obligations. Getting ‘politics right’, and ensuring ‘good governance’ echoed these concerns in the search for new approaches to practical development work and development institutions.

Varieties of Strategic Organizational Models and the Centrality of Awareness Raising

According to Nelson and Dorsey (2008), the NGO embrace of human rights approaches followed from a combination of the organizations’ nature as political actors and their internal institutional needs. As they rightly point out, NGOs reacted to changes in their economic and political environment and responded to ‘pressure from funders and perceived competitors and to trends in the field as manifested in the work of leading agencies and influential thinkers and writers’ (p. 92). Hence, in the latter part of the 1990s and the early 2000s, NGOs responded to the trend of democratization, and critiqued neo-liberal development models. Social and economic rights perspectives represented alternative visions for pro-poor mobilization, and from the early 2000s economic and social rights became an essential part of the formulation of human rights approaches. Applying law to achieve goals of social justice became a new mechanism for countering market economic development, and reflected tensions between neo-liberal policies and political transformations towards popular engagement and social justice (Hickey and Mitlin, 2009, p. 6f).

Human rights NGOs operated in highly competitive organizational landscapes and competed for resources and public attention and influence. When seeking support and partnership, local NGOs adopted new ideological and rhetorical perspectives and new models of operation. Some argued that adaptation was a matter of protecting and securing access to resources and taking advantage of the ‘promiscuity of rights talk’ (Miller, 2010, p. 924). It is reasonable to assume that NGOs had mixed motives for adopting human rights as guiding norms and principles. Some integrated human rights as means and goals of development, reflecting new trends in development thinking, while others adopted human rights as a means of framing their activities as a form of institutional adaptation to demands and expectations by external partners and funders. Human rights provided entry points for different ideological conceptions of development and offered a collateral for neo-liberal concern for securing poor people’s

property rights and access to (micro) credit, as well as radical ideas about social justice and distributive justice.

The integration of human rights in development was developed through various institutional approaches, even if they shared main objectives, standards and methods (Nelson and Dorsey, 2008, p. 92). In spite of diversity in applied approaches, rights-based approaches had some common features. First, institutional processes were making human rights fulfillment an objective of development, and hence, the organization's work. Second, while generally sympathetic to human rights, priority on rights varied according to the particular foci of the respective organizations. The focus on human rights represented frameworks of development with local varieties in terms of values and priorities. It is important, though, that human rights were defined not just as legal norms, but also as moral norms, and as ethical foundations for human and social behavior. Reframing development issues in human rights terms gave argumentative power, which also reflected the fact that organizations are competing for attention and resources, and human rights was a helpful framework in this effort. It should be acknowledged, moreover, that human rights represented a broad conception of social justice and non-discrimination, but for most development organizations this was a moral commitment rather than a system of legal norms that would invoke legal remedy and judicial claims.

Human rights approaches refer to reference documents (declarations and treaties) and the international system of normative legal operationalization, supervision and monitoring of rights, primarily by the treaty bodies. This helped to enhance clarity and precision in the human rights-based discourse. Human rights have certain meanings that are interpreted and examined by competent human rights courts and monitoring bodies. Decisions of treaty bodies (formulated as General Comments and Concluding Observations) offer interpretations of substantive rights to be respected, protected and fulfilled in national policies, and by international collaboration and assistance. An illustration of the practical value and growing influence of rights in development is the formulation of a number of SDG targets in human rights language, as referred to in Section 2.

Human rights-based approaches tie these experiences together in methodological principles on practical development work. While some rights have a material substance (right to food, education, health, etc.), others are procedural and help to ensure that key human rights principles of non-discrimination, equality, transparency and accountability are recognized. Hence, a human rights approach to development was defined as addressing the substantive outcome as well as the *process* of arriving at that development outcome. Typical procedural rights are the right to access to and to share information, the right to participate in political and cultural processes, freedom of expression, and the right to organize.

Approaching development from a human rights perspective in development means that policies, programs and projects are designed and implemented in ways that, according to the UN Declaration on the Right to Development (Article 2), address people as the 'active participants and beneficiaries' of development. Development is by and for people. A human rights approach also builds on the dual rights/duty dichotomy: a human right belongs to a rights-holder, and, on the flip-side, has a correlative duty-holder. A key characteristic of a human rights approach, therefore, is to make people more informed about their rights (informed rights-holders); hence, the strong focus on awareness raising of rights-holders in order to empower them to claim their rights. On the other hand, human rights approaches require that those in whom power and resources are vested – for example, the state and international development agencies – have corresponding duties to promote and fulfill rights in development work. As inherent in the

demand for state human rights compliance with treaty obligations, this implies promoting the capacity of rights-holder to demand their rights and duty-holders (first and foremost state agents) to meet them (Kirkemann Hansen and Sano, 2010; Nelson and Dorsey, 2008). This is a reflexive rights demand: the state holds a responsibility to respect and protect human rights, and at the same time to ensure people's capabilities to critique state power.

Empowering for Self-provision of Rights

The focus on the accountability of duty-holders, and particularly civil servants, in fulfilling rights has gradually and partially shifted attention from primarily needs-based 'delivery' of development to a complementary perspective of respecting rights in development. Human rights realization – and, notably, realization of economic and social human rights – goes beyond state delivery of rights goods – for instance, the right to clean water, or to elementary schooling. Human rights fulfillment entails obligations of the state to facilitate the realization of rights – that is, to facilitate conditions for the protection and respect for rights by enabling people to provide for their own needs. It also requires that economic policies in different fields of public policy should be evaluated from a human rights angle (Balakrishnan, Heintz and Elston, 2016). As Amartya Sen argues, human rights are ethical standards for evaluating economic outcomes (Sen, 2004, 2009). Economic policy choices and legislation should help facilitate self-provision of human rights – for instance, the right to adequate food by regulating a country's food regime, or by ensuring that food policy and land legislation facilitate poor rural people's access to land for food production and income generation. These human rights goods are matters of state accountability, and human rights approaches by non-governmental organizations is increasingly defined as either supporting people in claiming these goods as their rights, or assisting state organs to develop their capacity (by education, training, development of guidelines etc.) to meet the interests of people claiming rights. From a rights perspective, development and human rights organizations attempt to influence rule-making and policy formulation and implementation. Northern rights-based organizations additionally engage in putting pressure on aid-granting governments to comply with human rights standards.

This advocacy role of non-governmental organizations is essential to a human rights approach and represents a shift in their operation from delivering goods and services to a focus on empowerment to demand respect, protection and fulfillment of rights. But applying a human rights approach is also facing significant challenges. When Oxfam worked to strengthen the voice of local partners through 'multi-level advocacy and media work' to raise awareness and put pressure on governments to be accountable, it faced risks when the power of state authorities were challenged. Indeed, according to Brouwer, in some instances. 'Oxfam refrains from pressuring governments about specific violations, for fear of risking legitimacy or of creating future risks to staff and programmes' (Brouwer et al., 2005, p. 75). While the human rights approach has introduced a new normative orientation and practice of development based on internationally recognized standards and demanded political accountability for these standards, at times it must balance a principled confrontation with pragmatic engagement. The Treatment Action Campaign in South Africa, which successfully forced the government of Thabo Mbeki to make antiretroviral drugs available to all South Africans, was an illustration of a combination of these two strategies, and demonstrated how non-governmental agencies were able to change the state's policy against victims of HIV/AIDS by social mobilization that included litigation.⁷

Strategies of Human Rights-based Approaches

As the above observation suggests, there is no single strategy for human rights advocacy, and there is disagreement about the methods of human rights activism that can best support different types of rights. In a debate on approaches to economic and social human rights advocacy in *Human Rights Quarterly*, Roth (2004) argued, with reference to the work of Human Rights Watch, that human rights advocacy is best exercised as a ‘shaming and blaming’, and the generation of public pressure on governments. This, however, requires that there is a clear violation, violator and remedy for the abuses addressed. While he admits that national and international NGOs should do more to protect economic, social and cultural rights, he asserts that their efforts are usually ‘reduce[d] to little more than sloganeering’ (Roth, 2004, p. 65). The difficulty of effective human rights activism for economic, social and cultural (ESC) human rights is the trouble of identifying the violation, violator and remedy, unless, he claimed, when it is possible to ‘identify arbitrary and discriminatory governmental conduct’ that causes ESC rights violations. Human rights organizations, he argues, should not get involved in broader issues of resources allocation and distributive justice, but rather stick to the key methodological approach of investigating, exposing and shaming (*ibid.*, p. 67). In his view, emphasis should be on shaping public opinion to see (and react to) ESC rights issues in terms of arbitrary and discriminatory conduct.

In a rejoinder to Roth, Rubenstein argues that human rights organizations involved in development and ESC rights advocacy can and should employ a variety of other strategies and approaches. He suggested three strategies: first, to engage in analysis and lobbying to influence the design and systems of services to fulfill ESC rights; second, to lobby for resources and prioritize fulfillment of these rights; and third, engage in monitoring of state obligations that states have accepted through ratification of human rights treaties, and not just, as Roth suggested, to focus on arbitrary and discriminatory practices. While the latter is important, human rights obligations go much further than just addressing an abuse. They entail affirmative strategies ‘to protect human rights by building institutions, systems, international agreements and structures that may either prevent violations or hold perpetrators to account’ (Rubenstein, 2004, p. 850). Human rights advocacy does not just aim to stop violations, but also to contribute to preventing and fulfilling rights by numerous strategies and measures. For instance, rather than embarrassing governments, ‘institutions-building strategies seek to win them over’ (*ibid.*, p. 851), by persuasion, lobbying and public discourse. While Rubenstein argues that international NGOs do not have a legitimate role in advancing social justice issues in a foreign country, Roth sees these organizations as important and legitimate partners to national NGOs, bilateral donors and international institutions. They can build alliances (for lobbying and persuasion), contribute expertise and analytical skills and support in designing, planning and implementing programs of ESC rights development (*ibid.*, p. 856).

The types of strategies discussed by Rubenstein and Roth are being employed by various international organizations. There are certainly serious challenges and risks of legitimate and effective international human rights advocacy that need to be taken into account. A statement by the South African grassroots movement, Unemployed People, where they refused to participate in a so-called ‘People’s Space’ at the BRICs meeting in Durban in March 2013, is telling. The movement refused to attend this space because they were not given any role in the planning process in the planning of the meeting, and rather than being an active and engaged partner, they envisaged that the organizers of the ‘space’ used organizations like themselves

to mobilize people and ‘fill buses’ to what they perceived as ‘NGO and academic spaces’ with no genuine role for grassroots movements; rather, local participants were ‘to be bussed in to listen to experts in exchange for a few crumbs for the movement leaders’ (UPM Media, 2013).

This experience draws attention to the social context of power and domination in human rights advocacy – that is, the interrelationship between struggles for human rights and different manifestations and dynamics of power. Nelson and Dorsey argue that human rights are often invoked as a source of power and a way of gaining moral, legal and political leverage (Nelson and Dorsey, 2008, p. 169). The legal empowerment literature focuses on the potential of human rights in bringing about social change by litigation or quasi-judicial forms of remedy through local arbitration (Andreassen, 2013). In the late 1990s, Risse and his colleagues studied how human rights as international norms have power to contribute significantly to domestic political and legal changes (Risse et al., 1999). A comparative study on how local and national struggles for human rights by non-governmental actors are being constrained by different types of power and structural inequalities, also addressed the extent to which civic action may be able to challenge and transform such power structures at local and national levels (Andreassen and Crawford, 2013). This project adopted a multidimensional model of power to explore how non-governmental organizations adopt strategies of mobilization and ‘civic agency’ to cope with power as constraint – more specifically, visible, hidden and invisible or internalized power. Through comparative studies of countries and organizations the project examined how NGOs are subject to these forms of constraining power, and at the same time how they develop strategies to open up spaces of dominant power to advocate for human rights by prising open closed spaces of power, engaging in interaction in invited spaces of power, creating and claiming their own spaces for mobilization and development of countervailing power, and hence, broadening the scope for human rights demands.

The study illuminates that human rights organizations rarely reflect on their work as constrained by power, although they often use strategies that are capable of coping with dominant power. Typical strategies are networking and building of alliances, and other collective measures for resisting repression and claiming access to arenas of influence and impact. For instance, human rights organizations have successfully campaigned to be included in constitution-making processes (Kenya, Zimbabwe, South Africa) in order to influence future norms and institutions of governance. The study also detailed the importance of local participation, making rights-holders’ voices heard, reflecting rights-holders’ attempts to build positive power (ibid.), and argued, contrary to Roth, that human rights organizations and approaches need to actively interact with political institutions of resource distribution: ‘If there remains a lack of recognition of the malevolent role of coercive power by rights-promoting organizations, or a lack of conviction to counter it, human rights-based approaches are likely to be “tamed” and “depoliticized”...and thus doomed to failure’ (ibid., p. 253). Making rights respected is a political rather than a technical endeavor because enforcing rights implies confronting institutional and social inequities that negate and deny rights.

Since they emerged in the late 1990s, human rights-based approaches have been contested and critiqued. Some have argued that human rights-based approaches are subject to overreach in terms of moral and political ambition as well as in operational skills and capacity. Rieff (2002) asked whether human rights-based approaches aim to cover too much, and suggested developing a ‘holistic’ approach by emphasizing complementarity and coordination pay-offs with development, peace-building and humanitarian work. According to Rieff, this ambition stemmed from humanitarian work and its frustration with dealing with short-term needs

rather than long-term solutions based on altering systemic, root causes (Gready and Ensor, 2005, p. 29). The problem of *overreach* is partly a result of a failure to consider human rights approaches as *complementary* to other approaches of development – for example, approaches of economic growth, and governance approaches to decision making and management of social conflicts and cleavages. Still, summarizing the volume edited by Gready and Ensor, Ball concludes that there are complementarities between the methods and the goals of human rights-based approaches and development and humanitarian approaches. For instance, ‘long-term solutions are more likely where a “rights culture” is fostered, the rights violations at the root of poverty, crisis and conflict are identified, and the most marginalized people are empowered to claim their rights’ (Ball, 2005, p. 279). She argues that there are positive pay-offs by coordinating humanitarian organizations’ work with public institutions, yet coordination also runs the risk of substituting, and hence diminishing, state responsibility. And it runs the risk of compromising the organization’s independence by co-option, due to unequal power relations between NGOs and government institutions. On the positive side, engagement with the government may make it accept and then comply with its human rights obligations.

Do Human Rights-based Approaches Work?

Critics of a human rights-based approach to development argue that it has been more effective as rhetoric than in bringing about actual results and real change: the approach is promising more than it can deliver; it is raising false hopes. Banik (2012) claims that politicians and development practitioners use human rights-based approaches rhetorically in order to gain support and legitimacy, but there is little evidence of the approaches’ practical impact. Hence, we need more understanding of why and when governments and development institutions apply human rights as development goals and indicators on the ground. Miller (2010) argues that the human rights-based approaches to development represent a strategic repackaging of conventional output-guided work by non-governmental organizations that helps them secure funding and donor support. Human rights become a frame of reference in order to motivate and mobilize collective actions, legitimate action, advance the organizations’ own belief and aspirations, demobilize antagonists, transform the terms and nature of debate, and fit with favorable institutional venues (Miller, 2010, p. 293). Miller sees this as a way of using a human rights language to frame issues to get support due to the novelty of this language and normative system, and not for the sake of advancing human rights.

There is still need for more understanding and knowledge about the structure, functioning and effectiveness of development strategies that employ human rights-based thinking as guidance for human rights realization and social change. In a review of the impact of rights-based thinking on NGOs policies, Kindornay et al. conclude that ‘the jury is still out on whether the rights-based approach represents a fundamental paradigm shift for the global development sector’ (Kindornay, Ron and Carpenter, 2012, p. 500). In helping ‘the jury’ to make up its mind, they call for research on four operational hypothesis that may help determine whether the rights-based approaches have a future or rather represent yet another fading development perspective and practice. First, they expect NGOs to continue adapting to rights-based paradigms because this will remain a requirement for external (donor) funding. Second, they expect continued transition from delivery (of goods and services) to advocacy work, and that the application of rights thinking in local contexts tends to make it more culturally pragmatic with context-specific interpretations. Third, they argue that this may spill over to more flexible

international human rights discourses. And fourth, and most importantly, they expect local human rights advocacy to hold international (donors and NGOs) development actors accountable for human rights, although the power of these actors will probably produce modest upstream accountability in the end. These expectations require more empirical research to mitigate against the danger that rights-based approaches will be swept away as ‘new paradigms and fads’ (ibid., p. 497).

These critical assessments of the human rights and development nexus are important, and emphasize the political and contingent nature of rights-based approaches. According to Mander (2005, pp. 242–5), the process of identifying interests and rights must, more than in the past, include beneficiaries of development endeavors, and not be left to external actors such as donor institutions and international partner NGOs. This being the case, numerous studies demonstrate how rights-based approaches provide successes in terms of making people aware of their rights and capable of demanding rights (Gready and Ensor, 2005), and in terms of producing countervailing power to those dominant power-holders that restrict or violate rights in the first instance (Andreassen and Crawford, 2013; Hickey and Mitlin, 2009).

4 RIGHTS-BASED APPROACHES – IMPLICATIONS FOR NGO PROGRAMMING

The discussion above suggests that there is no single coherent approach to human rights approaches, and their practical application through development programming. Rather, there is a diversity of approaches that reflects a commitment to enhance human rights compliance in civic engagement. These commitments need to be negotiated and implemented in diverse local environments. Organizations must adapt and adjust to local contexts. The analysis also suggests that the durability of rights-based approaches in development thinking and practice is a returning issue. Nelson and Dorsey point out that fashion plays a significant role in development thinking, and at other times ‘it would be entirely possible for NGOs and donors to quietly slide the right based approach onto the shelf that holds other slogans and principles for display and interested publics: sustainability, human development, gender empowerment, etc.’ (Nelson and Dorsey, 2008, p. 122). This challenge may require a rethinking of how human rights fits into a more comprehensive development model and, as has been argued above, how the complementarity between human rights and other approaches to social, economic and political change should be understood. A more comprehensive development model would build on and integrate key development dimensions and variables, and seek better understandings of how sectors of human rights vary among countries with different histories, contexts and conditions.

Nevertheless, there are some common components of the many ways human rights are being approached in development contexts that augur for these approaches to continue to play a central role in development discourse. From a normative perspective, the various approaches imply a commitment to meaningful local participation, accountability of public institutions, and an emphasis on non-discrimination and equality in the public domain. Methodologically, human rights approaches urge attention to causal analysis of human rights violations, and this includes violations related to, and often causing, poverty. Human rights approaches also emphasize awareness raising of people’s rights by solidarity campaigns (it is necessary for people to know about their rights in order to be able to claim rights), or by judicial procedures.

Human rights-based development emphasizes inclusion, participation and empowerment of people affected by development policies and programs. Human rights approaches also aim at promoting human rights as goals of development, and hard and soft international human rights law guides these approaches in a normative quest for enhancing accountability and state compliance with human rights obligations.

In May 2003, the UNDP organized an Inter-Agency Workshop on Implementing a Human Rights Approach to Development in the Context of UN Reform at Stamford University in the USA to give practical meaning to an overarching notion of human rights-based approaches on development *programming*. The Stamford meeting adopted a ‘Common Understanding’ of a human rights-based approach to programming, primarily addressing NGOs and international development institutions, and this ‘understanding’ reflected the principles pinpointed above. The Common Understanding has three ‘components’:

1. All programs of development cooperation, policies and technical assistance should further the realization of human rights as laid down in the Universal Declaration of Human Rights and other international human rights instruments.
2. Human rights standards contained in, and principles derived from, the Universal Declaration of Human Rights and other international human rights instruments guide all development cooperation and programming in all sectors and in all phases of the programming process.
3. Programs of development cooperation contribute to the development of the capacities of duty-bearers to meet their obligations and of ‘rights-holders’ to claim their rights.

To implement these components, the Common Understanding pointed out four key guidelines for human rights programming. First, programming should be based on a thorough assessment and analysis of ‘immediate, underlying and structural causes’ of the development issue to be addressed. The rights dimensions of the development problem should be identified, and the obligations of the state in which the program or project is implemented should be spelt out. Second, a human rights approach requires that the capability of citizens to claim their rights, and the capacity of state organs (ruling political elites and civil servants) to fulfill state obligations must be identified. This is not only a matter of claim-making through jurisprudence. Rights claims are often voiced and advanced *on behalf of* rights-holders, by civic actors: free media, NGOs, and so on. But taking the principle of inclusion seriously (an underlying principle of the SDG agenda), advancement of capacity of rights-holders to claim their rights, and duty-bearers to fulfill their obligations should be main objectives in development programming. Third, human rights programming requires that the processes and results of development programs are monitored and evaluated, guided by human rights standards and principles. And fourth, such evaluations should be guided by comments, recommendations and concluding observations of international human rights treaty bodies and reports and findings by special rapporteurs and independent experts appointed by the United Nations. Additionally, in recent years this body of human rights data from official reports is increasingly systematized in publicly available indexes and other knowledge produced by non-governmental and inter-governmental organizations.

The Stamford meeting statement became an important reference for human rights programming among development organizations. However, the meeting did not develop one generic approach of how to apply and advance human rights in programming. Approaches seem to be as many as there are organizations, which implies that approaches used in human rights programming must be tailor-made to the local context of any development organization.

Jonsson (2005) pointed out that human rights programming involves five steps of practical and operational work: (1) analysis of the *underlying structures and causes* of a problem; (2) identification of the *rights holders and the duty bearers* concerned and the relationship between them, referred to as ‘pattern analysis’; (3) *capacity gap analysis* – that is, analysis of whether the rights holders are able to claim their rights and the duty-bearers to uphold their duties; (4) *mapping of different possible modes* of action to redress a situation and condition; (5) and last, the *design of programs* that are disaggregated into projects and activities (Jonsson, 2005, pp. 53–7).

A critical factor of this and other programming models is that a rights-based approach sees development as a process where people are actively engaged and are not simply beneficiaries of ‘representative’ development carried out by civic organizations. While the state should comply with its obligations by providing infrastructure facilitate conditions for people to actively engage on fulfilling their rights, people should be recognized as the agents of their own development rather than being passive beneficiaries of deliveries and services. This is a basic principle of the UN Declaration on the Right to Development (1986) and the concept of inclusive development of the SDGs.

Putting these noble frameworks into practice is indeed challenging. A UNICEF report on human rights-based approaches to programming (HRBAP) concluded:

At the country level, there was variation in terms of the application of the various HRBAP principles by UNICEF. In particular, normativity was the best-applied principle, while the application of the principle of participation was more mixed due to a lack of explicit references to how programs are affected by the participation of rights holders, the lack of a common understanding of the principle within UNICEF, and external political and cultural constraints. The application of non-discrimination was found to range from satisfactory to weak, with a lack of strong, disaggregated data, thereby making it difficult to identify and thus target the most vulnerable. (UNICEF, 2012, at p. v)

UNICEF covered the period between 2006 and 2013 and found that the HRBAP was well applied and integrated at the preparatory planning stage of programming, although lack of sufficient data made it hard to identify and target vulnerable people in practice. This made the implementation of the HRBAP weaker in the implementation of programs ‘despite some good practices’ (ibid.).

5 CONCLUSION

The interrelationship between human rights and development is today well established in principle, and increasingly in practice. However, critical voices still assume a practical deficit, claiming that there is too little evidence of a positive impact of human rights in development work, and too much rhetoric about the advantages of merging human rights and development. Some argue that the entry of human rights approaches to development some 20 years ago has not brought significant change in development NGOs’ practices and that their added value has not been verified: rights-based approaches are rather better understood as *rights-framed* approaches – that is, approaches using rights language when it is strategically convenient, but not as genuinely new platforms for local, national and international development efforts.

However, human rights-based approaches have gained widespread support in development work and has increasingly influenced development reports, programming, project evaluations and academic studies. It is likely that rights-based thinking and practice will continue to deepen and expand in years to come (Kindornay et al., 2012). Yet, rights-based approaches and their application by non-governmental organizations should not be seen in isolation from other approaches – for example, economic growth models – but as complementary value-based evaluative models giving guidance to development programming and practice by using human rights standards and principles as goals and indicators for assessing development. In this sense, human rights approaches represent a broadening of the value foundation of development by expressing human rights accountability expectations to states and international institutions.

NOTES

1. In German, the term for development is ‘*Entwicklung*’, literally to ‘unfold’ something. In Scandinavian languages we find a similar etymological meaning in the terms ‘*utvikling*’ (Norwegian), ‘*utveckling*’ (Swedish) and ‘*udvikling*’ (Danish).
2. Cf. the UN Charter, Articles 1 and 55.
3. The ‘first human rights revolution’ was heralded by the Enlightenment, while the ‘the second revolution’ is part of the current era of globalization, and the 1990s is an important decade in terms of expanded human rights advocacy. See Gready and Ensor (2005), pp. 2–14.
4. Human rights organizations, in fact, date much further back in history – cf. the Anti-Slavery Society established in 1823 to fight for the abolition of slavery in the British Empire – and there were others. Here, however, I refer to those organizations concerned with human rights in the rather recent public discourse on human rights and development from the late 1980s.
5. The *Draft Guidelines* were commissioned by the OHCHR and authored by Paul Hunt, Manfred Nowak and Siddiqur Osmani. They were finally adopted as a document of the OHCHR in 2006 as HR/PUB/06/12 *Principles and Guidelines for a Human Rights Approach to Poverty Reduction Strategies*.
6. This was a futile exercise and from the second issue of the HDR in 1991, it was abolished.
7. Cf. <http://www.populareducation.co.za/content/treatment-action-campaign-tac>.

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PART V

DEMOCRACY AND CONFLICT TRANSFORMATION

17. Consociational democracy: compromise or collapse?

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INTRODUCTION

Democratic governance in divided societies is often beset by brinkmanship. Lebanon struggles to fill its top executive posts, including the presidency, which sat vacant for two years as parties failed to reach agreement on a candidate. In Bosnia and Herzegovina, where strident nationalists continue to top the polls more than 20 years on from ethnic war, there are regular drawn-out processes for post-election coalition formation and regular stalemates in government as parties struggle to reach consensus. A range of developments in Burundi, from the evasion of presidential term limits to the erosion of minority protections, has raised fears of another bout of serious ethnic violence. In Northern Ireland, ongoing divisions between the communities over how to interpret the past have produced protracted deadlock, including the periodic suspension of devolved government for the region. These polities are not only all deeply divided societies, but also share a similar style of governance: consociational democracy. To what extent does their shared institutional configuration exacerbate or alleviate the serious divisions they face?

A divided society is one marked by ethnic diversity, where that diversity is politically salient, and where ethnic groups are organized into more or less ‘cohesive political sections’ (Rabushka and Shepsle, 1972, p. 21). Ethnicity plays a critical role in determining who belongs, who does not, as well as who is included or excluded from decision-making processes and structures. Election outcomes often mirror census results, the political party system is structured almost exclusively in ethnic terms, and politics is subject to ‘seepage’ whereby political issues ostensibly unrelated to ethnicity – such as development plans, trade union affairs, land or tax policies – nonetheless take on an ethnic hue (Horowitz, 2000, p. 8). If we add to this Adrian Guelke’s (2012) understanding, where the absence of political legitimacy and a lack of consensus on how political decisions should be made are the essential features of a divided society, it is no wonder that governing can be tumultuous. When state legitimacy is called into question, where legacies of past conflict continue to intrude on the present, and where some parties are but reluctant partners to the enterprise of co-governance, governance problems are bound to occur.

These problems, however, are not insurmountable, with many scholars turning to political institutions as a possible solution. Ben Reilly argues that ‘divisive, zero-sum outcomes are not an inevitable characteristic of politics in divided societies, but often a reaction to the institutional “rules of the game”’ (Reilly, 2001, p. 2). He advocates designing political institutions that make ethnic parties reciprocally dependent on one another. This, he suggests, can support political outcomes that favor ethnic moderation instead of ‘divisive, zero-sum’ scenarios. Arend Lijphart (2008) also argues that institutional design can have a powerful effect on political outcomes, though his preference is for institutions that let minorities directly rep-

resent themselves. While Reilly (2001) and Lijphart (2008) ultimately end up with different institutional recommendations for how to facilitate democracy in divided societies, they both begin with a healthy dose of institutionalism – that is, the belief that ‘institutions are not just constraints on the feasible choice set or reifications of existing power relationships; they are also often solutions to important societal problems’ (Grofman, 2000, p. 46). How institutions are designed can incentivize positive behaviors, such as inducing inter-ethnic moderation, cooperation, and reconciliation. Institutions can also constrain undesirable behaviors, such as ethnic outbidding and violence. This chapter is concerned with how and whether one specific institutional design – consociation – can act as the solution to such ‘important societal problems’ – in this case, the pursuit of democracy amid deep ethnic divisions.

In this chapter, I demonstrate that consociation has a mixed record on this front. I explain why this is the case, and also discuss what can be done about it. First, I provide an overview of the origins of consociation, its evolution over five decades of theory and practice, and the variable nature of its institutional design. In the second section, I explain that consociation’s mixed record stems from the fact that it contains two sets of countervailing incentives, one that encourages compromise and cooperation and one that encourages intransigence and outbidding. In assessing these contrasting outcomes under consociational rules, I highlight four factors that can account for its variability: how consociations come into being, the fit between institutions and context, the inclusiveness of consociational rules, and their flexibility over time. I follow this up with a consideration of centripetalism, an institutional model designed to propel ethnic moderates to power and which is often presented as a viable alternative to consociation. I conclude by explaining why, despite a mixed track record, consociation remains an important avenue for establishing and maintaining democracy in divided societies.

CONSOCIATION: ORIGINS AND INSTITUTIONS

Consociation, as a form of democratic governance for divided societies, is committed to the inclusion of all major ethno-political actors, including ethnic majorities and minorities, in key political decision-making positions. Where conflict has turned violent, it is also used to distribute decision-making power between former combatants. Consociations share a common institutional framework, including rules on executive power-sharing, proportionality, veto rights, and group autonomy (Lijphart, 1977). The central claim is that sharing power between majority and minority groups through these four intersecting institutions provides groups with the security and self-sufficiency to jointly address contentious issues and encourages them to govern with a ‘spirit of accommodation’ (Lijphart, 1968).

Consociationalism has been the subject of much robust research during the last five decades. However, this concept remains ineluctably associated with the work of Arend Lijphart, who first articulated the consociational approach in the late 1960s and who has served as its tireless defender ever since. Lijphart’s starting point was the puzzle of the stability of Dutch democracy throughout the early to mid-twentieth century. His basic argument regarding the Netherlands – ‘cooperation at the elite level could overcome the conflict potential inherent in such deep cleavages’ (Lijphart, 2018, p. 2) – was later extended to other countries, including three other Western European states – Belgium, Austria, and Switzerland – as well as some newly independent and developing states, such as Cyprus, Lebanon, Malaysia, the Netherlands Antilles, and Suriname (Lijphart, 1977). He later advocated consociationalism as the vehicle

for South Africa's transition out of apartheid, and pushed for 'consociation as policy recommendation' across all divided societies (Lijphart, 1985, 2008, 2018).

Lijphart's contention has always been that the institutional choice facing divided societies is stark: they can have 'consociational democracy or no democracy at all' (Lijphart, 1985, p. 13). Starting from the position that democracy may be 'difficult but not impossible' in divided societies (Lijphart, 1977, p. 1), the rationale in support of consociation is as follows:

1. Majoritarian democracy is ill-suited to divided societies because it is liable to become 'majority dictatorship,' leaving minorities in a permanent state of exclusion (Lijphart, 1985, p. 102).
2. Political institutions that encourage consensus are preferable to those that encourage adversarial politics; given the high stakes of politics in divided societies, 'it is advisable not to conduct politics as if it were a game' (Lijphart, 1977, p. 27).
3. Political institutions that allow minorities to directly represent themselves and to self-determine the extent of their participation are preferable to those that do not (Lijphart, 2008).

The four consociational institutions (executive power-sharing, proportionality, veto rights, and group autonomy) can each be designed in myriad ways. Executive power-sharing can be achieved through parliamentary cross-party coalition governments or collegial presidential or semi-presidential arrangements. Proportionality rules for the legislature can be achieved through the adoption of a party list-proportional representation electoral system or reserved seats. It is also implemented through ethnic quotas or affirmative action programs in the civil service and security sector and serves as a principle for resource allocation and other budgetary decisions. Veto rights can be triggered by a minority group caucus opposing the motion, by qualified majority voting rules that require the mutual consent of all groups, or through quorum stipulations. Autonomy can take the form of cultural protections for minority groups (e.g., the right to education in a minority language) or through the territorial division of power, as in federations, federacies, or cross-border linkages with neighboring kin.

Recent scholarship has turned its focus towards this variation in institutional designs, with two main discussions. First, there has been an effort to increase the level of precision used to identify the ways by which power is shared in consociations. Brendan O'Leary explores the nature of consociational coalitions, explaining that they can be complete (all major segments are included), concurrent (majority support from each segment), or weak (at least one segment has only plurality support) (2005, pp. 12–13). John McGarry (2013) outlines how presidential arrangements can be designed in keeping with consociational principles, including through collective presidencies, presidential systems with both a president and an independent and powerful vice-president, or through semi-presidentialism with ethnic cohabitation.

Together, McGarry and O'Leary specify the different methods used for executive appointments, including 'agreements reached in inter-party negotiations; the assignment of portfolios by the party leader with most legislative support; proposals by an executive president, a symbolic head of state, a formateur or a third party' (McGarry and O'Leary, 2017, p. 64). They argue that coalition formation via sequential portfolio allocation rules, whereby the party with the largest legislative seat share wins first choice of portfolio, the party with the second largest seat share wins second choice and so on until all executive posts are filled, has a number of important advantages for consociational functionality over other methods of coalition formation (McGarry and O'Leary, 2017). Joanne McEvoy (2013) advances knowl-

edge on the design of veto rights, proposing an analytical framework for assessing veto rights, focusing on the role of veto players, issues and points. She argues that when it comes to vetoes, ‘less is more’: the number of veto points should be limited to one legislative chamber as too many veto points may ‘cripple the system’ and the number of issues/areas to which vetoes apply should be limited (she specifically mentions budget, culture, language, and symbols). Neophytos Loizides and Thibaud Bodson (2017) articulate a rationale in support of ‘protective dis-proportional representation’ where small minorities receive over-representation in executive and legislative arenas as a method of stabilization, functionality and pacification. This scholarship is an important corrective to the assumption that consociation represents a ‘one-size-fits-all’ template (Horowitz, 2002, p. 25) and emphasizes that variation in design affects variation in outcomes.

Second, there has been a greater focus on the different logics informing how power is shared and the political incentives contained therein. Here the emphasis has been on the distinction between corporate and liberal versions: a consociation can either predetermine which groups will share power (corporate) or let groups self-determine the terms of their participation (liberal) (Lijphart, 2008). Corporate consociation ‘accommodates groups according to ascriptive criteria, such as ethnicity or religion’ (McGarry and O’Leary, 2007, p. 675). By naming those groups entitled to a share of power, it privileges certain identities over others and represents a rigid form of power-sharing, often difficult to modify. Corporate rules include the requirement that Bosnia’s three-person presidency contains one representative from each of the three constituent groups (Bosniaks, Bosnian Croats, Bosnian Serbs), the reservation of specific executive posts for specific communities in Lebanon such that the president is always a Maronite Christian, the prime minister a Sunni Muslim, and the speaker a Shia Muslim, and the use of legislative ethnic quotas such as the 6:4 ratio between Hutu and Tutsi in Burundi.

Liberal consociation ‘rewards whatever salient political identities emerge in democratic elections, whether these are based on ethnic or religious groups, or on subgroup or transgroup identities’ (ibid., p. 675). Under liberal rules, group members are not constrained into rigid identity categories and are instead able to self-determine the terms of their participation. Contingent on voter support levels, multi-ethnic and non-ethnic parties stand a reasonable prospect of garnering executive and legislative power (ibid.). Liberal rules include Northern Ireland’s use of sequential portfolio allocation for cabinet formation, South Africa’s and Fiji’s now-defunct rules that parties above a certain seat or vote threshold can enter cabinet, Macedonia’s use of veto rights for communities not in the majority in the population, as well as its provisions on forming institutions of local self-government where numbers warrant. In Iraq, liberal consociational rules are evident in the constitutional provisions on asymmetrical devolution whereby governorates can opt to amalgamate into federal regions, to transfer power to the centre or to modify how federal legislation is implemented in their region (ibid., 687).

It can be intuited that corporate rules risk sustaining divisive identity structures, thereby encouraging the tendency toward ethnic outbidding, whereas liberal rules may be more prone to tempering divisions and opening up political space for inter-ethnic compromise. Stefan Wolff (2011, p. 1783) argues that the development of liberal consociation is an ‘important modification to consociational theory that addresses one of its more profound, and empirically more valid, criticisms, namely that (corporate) consociations further entrench and institutionalise pre-existing, and often conflict-hardened, ethnic identities, thus decreasing the incentives for elites to moderate.’ How this translates into practice is subject to ongoing inquiry. In a large-N study, Andreas Juon (2020) demonstrates that liberal rules tend to offer weaker

protections for a wider range of groups whereas corporate rules are able to ensure strong guarantees for a small number of groups, but possibly do so by promoting some groups at the expense of others. John Nagle (2016b) notes how the liberal–corporate distinction has important implications for non-ethnic groups in need of rights protections, arguing that while liberal rules provide opportunities for sexual minorities to mobilize for rights protections, corporate rules not only reinforce sectarian cleavages, they also legitimize homophobia. Indeed, there is a growing research trend toward assessing how consociations treat those groups not party to the original settlement, including women, sexual minorities, micro-minorities, and those who do not subscribe to ethno-political identities at all (Agarin, McCulloch and Murtagh, 2018; Stojanović, 2018). The liberal–corporate distinction thus tells us something not only about the functionality of different sets of consociational rules but also about who is represented and how in a consociation.

COMPROMISE OR COLLAPSE?

Despite its long pedigree, consociation remains a contested form of governance, with a long-standing – often-heated – debate as to whether it enhances democracy, peace and stability in divided societies. This debate has gone back and forth, as Lijphart (2018) notes, for nearly ‘half a century.’ Blanket statements in support or in opposition to consociation are not constructive. Rather, we should start by recognizing that consociation has a mixed track record and the focus should consequently be on specifying the conditions under which it can lead to democracy, peace and stability as well as the conditions under which it fails to live up to such expectations (McGarry, 2017).

Both defenders and detractors of consociation can offer persuasive evidence of their respective positions. The consociation that ushered in Cyprus’s independence in 1960 collapsed only three years later in the face of political gridlock. Despite numerous attempts to reunify the Greek and Turkish constituent parts of the island through power-sharing, a comprehensive settlement remains elusive. Similarly, the consociation that facilitated Lebanese independence in 1943 fell victim to a complex configuration of internal and regional pressures and gave way to a protracted civil war in 1975. That civil war, in which more than 150 000 perished, only ended with the signing of a new consociational pact in 1989. Since then, however, consociation has helped to facilitate 30 years of peace in Lebanon. It has also helped to deliver 25 years of peace in Bosnia-Herzegovina following a destructive war in which over 100 000 died; 20 years of peace in Northern Ireland following a 30-year period of conflict; and more than 15 years of peace in Burundi following a decade of war in which 300 000 were killed (McCulloch, 2014; McGarry, 2020). Power-sharing has also been used as a transitional device at the end of apartheid in South Africa and as a preventive device in North Macedonia, in both cases helping to avert large-scale violence. Temporary executive power-sharing pacts have also ended violence and mediated electoral crises in Kenya, Zimbabwe, Angola, Afghanistan, and Democratic Republic of Congo, among other places (Cheeseman, 2011). Indeed, consociation has been shown to have a reasonably strong record at ending violence, in part due to its fear-reducing capabilities. That is, power-sharing provisions help to reduce the fear and uncertainty felt by belligerents because they impose ‘constraints on opponents’ ability to renege on the deal’ (Mattes and Savun, 2009, p. 738).

Nonetheless, other scholars argue that consociation cannot deliver democracy, peace, and stability. First, consociation is said to incentivize ethnic outbidding and reward violence (Jarstad, 2008). By pushing parties to be the ‘most robust defender of the cause’ (Mitchell, Evans and O’Leary, 2009, p. 403), consociation may risk igniting a game of brinkmanship in which parties attempt to extract concessions from each other (Roeder and Rothchild, 2005, p. 9). While a new consociation may be able to sustain outbidding in the short term, eventually parties reach the brink, at which point either one side must back down or risk system collapse. According to Sisk and Stefes (2005, p. 297), ‘when power-sharing arrangements lead to such political *immobilism* (i.e., the inability to make or implement policy due to protracted disagreement), frustrations emerge, and one or more parties defect from the accord’ (original emphasis). Concession has consequences: by conceding too much, a party may be seen as selling out the group, losing voter support in the process. Defection is even more dangerous, with ethnic violence a real risk if the system collapses (Sisk and Stefes, 2005).

Second, there is the ‘immobilism problem’ (Horowitz, 2014). Decision-making processes in a consociation can be drawn-out affairs. Coalitions between former adversaries can be difficult to form and parties, in the absence of trust, may rely too heavily on their veto power, curtailing the legislative agenda. Moreover, consociations are thought to be difficult to modify – that is, consociations ‘tend to rigidify conflicts and do not lend themselves to renegotiation’ (ibid., p. 12). Either parties are not willing to change rules under which they currently benefit or, because they have so little in common in terms of how they imagine the role of the state, parties cannot agree on new institutional arrangements. When faced with persistent deadlock, parties start to imagine that they can do better under a different arrangement and look for an exit, or parties believe they can circumvent deadlocked decision making through extra-constitutional means, including violence.

While this line of argumentation is not wrong, it is incomplete. Alongside these tendencies for brinkmanship, consociation also contains incentives for cooperation and compromise in support of democracy, peace and stability. First, there is the ‘triage’ argument: in the face of ethnic violence and profound mistrust between parties, little else other than a share of power can stop bloodshed (O’Leary, 2005). The fear-reducing nature of power-sharing, whereby parties are reassured that ‘they will not be taken advantage of once they have demobilized,’ provides a powerful incentive for groups to accept and follow such provisions (Mattes and Savun, 2009, p. 742). The fact that consociation provides previously marginalized communities, especially ethnic minorities, with a stake in the system and an institutional means for protecting their vital interests should not be underestimated.

Second, the power-seeking nature of political parties should not be discounted. Consociation can induce parties that may have once occupied the position of spoiler to put down their weapons and take up political posts. Signing up to a power-sharing deal signals a credible commitment on the part of all parties to peace; it functions as a confidence-building measure between distrusting parties, reassuring combatants of their place in the new distribution of power (Martin, 2013, p. 333). Third, it also contains incentives to remain in those posts: defection not only entails a reduction in their share of power and their ability to protect group interests, it may also engender an increase in the power held by others, including rival parties representing the same community, as government posts are reassigned upon their exit (McGarry and O’Leary, 2006, p. 61). These incentives are available to both majorities and minorities. While minorities are generally more inclined to support consociation than majorities, majorities may come to support consociation, both because of ‘consociational

generosity' (O'Leary, 2005, p. 21) and their own self-interest. Majorities may agree to share power in demographically asymmetrical situations, where minorities occupy an economically advantageous position with regard to the majority, where minorities have co-nationals in neighboring states, or where the minority is small and isolated. They may also agree to share power as a way to police the share of power held by others or because the shadow of the future looms large in situations where the demographic balance of power looks likely to tip in a new direction (McCulloch, 2014; O'Leary, 2005).

Finally, consociation can induce cooperation for a less obvious reason. Recent trends in conflict management suggest a convergence on power-sharing as a preferred approach to a negotiated settlement. From an institutional perspective, it functions as a 'moral or cognitive template' (Hall and Taylor, 1996) through which conflict management options are filtered. Power-sharing has been central to any proposed settlement to the Northern Ireland conflict since at least the 1970s; all proposed strategies for ending the Bosnian war included some form of consociation; it has been the baseline for governance in Lebanon since independence; it continues to be the default position for an eventual reunification of Cyprus. Likewise, international actors, such as the United Nations, European Union, and African Union, have all strongly supported power-sharing in other divided societies, whether as temporary pacts in response to electoral crises or as more permanent strategies for ethnic conflict management. Parties, especially those faced with a mutually harmful stalemate, are incentivized to cooperate because there are few other viable options available.

PREDICTING CONSOCIATIONAL STABILITY

If consociations contain these two very different sets of incentives – one that points in the direction of immobilism and one that leans towards cooperation – how do we know which configuration is likely to succeed in maintaining political stability? How do we predict consociational stability? To mediate between compromise and collapse, four factors seem especially pertinent: how the consociational arrangement is adopted, the fit between institutions and their context, the inclusivity of the consociational rules, and their flexibility.

Adoption

First, how consociations come into being is important. Alfred Stepan (2001) makes the distinction between coming-together, holding-together, and putting-together federations, noting that the motivations and purpose of a multinational federation bears on its outcomes. The terms are relevant to consociations as well. A consociation designed by domestic political elites who, in recognizing the deterioration of intergroup relations, pre-emptively and mutually agree to share power as a way to ward off a more violent fate for all or even one where conflict actors, facing a mutually harmful stalemate, agree to channel their differences through institutional, rather than violent, means is very different from a consociation imposed on reluctant power-sharing partners by external actors. Many contemporary cases follow the latter route, embodying what Adis Merdzanovic (2017) calls 'imposed consociationalism.' This, he suggests, creates a vicious cycle: international intervention is justified because 'consociationalism produces deadlocks while being structurally incapable of autonomously overcoming them' but that intervention then creates a form of domestic dependency whereby elites are

dis-incentivized from taking difficult decisions, knowing that external actors will step in to break the deadlock. Merdzanovic specifically points to Bosnia and Herzegovina but Northern Ireland and Lebanon have also experienced coercive power-sharing implementation (Kerr, 2005) and external actors have played key roles in the adoption of power-sharing agreements in Iraq, Afghanistan, Kosovo, North Macedonia, and Burundi (McEvoy, 2014).

This is not to suggest that there cannot be a role for external actors in the adoption and maintenance of consociational arrangements. While recognizing that externally induced settlements are often ‘less ideal and less secure’ than internally agreed arrangements, McGarry and O’Leary (2006, p. 53) suggest that there is ‘the possibility of a positive *post*-agreement role for outsiders, i.e. one that involves them both in the *implementation* and in the active *operation* of power-sharing settlements’ (original emphasis). External actors may choose to support power-sharing implementation by invoking a ‘light touch,’ whereas others employ a ‘heavy hand’ (McCulloch and McEvoy, 2019). Light touch strategies include facilitating or mediating resolutions to power-sharing stalemates, convening or chairing inter-party talks, providing technical expertise, conducting shuttle diplomacy or even helping to draft the text of agreements. External actors act with a heavy hand when they issue directive strategies, such as moving to suspending a regional power-sharing assembly, making political decisions that supersede domestic elites, imposing new electoral or other institutional rules, or pulling funding or other forms of aid. External actors are not always systematic in their responses, sometimes deploying a light touch and other times imposing decisions. In Bosnia & Herzegovina, the High Representative – an internationally appointed diplomat with wide discretionary powers over Bosnian domestic affairs – has variously removed elected politicians from office and imposed decisions of a highly symbolic nature, such as the design of the national flag, passports, and currency. At other times, the High Representative has been more passive; in 2016, when the Republika Srpska, one of Bosnia’s two autonomous entities, held a contentious referendum on celebrating a national statehood day, the High Representative acknowledged that the referendum was ‘a direct violation’ of the Dayton Peace Accords but ultimately did not move to intervene (Office of the High Representative, 2015). The point here is that whether consociational arrangements are arrived at through an internal self-negating prophecy or whether outsiders impose them will influence functionality, as will the variation in external responses during the implementation or maintenance phase.

Institutional Fit

Second, there is the matter of fit between institutions and context. Not all consociations are created equally, and as Lijphart notes, the options available are ‘not equally advantageous... and do not work equally well in practice’ (2006, p. 45). There are two issues here. First, demography matters for adoptability and functionality. The size, number, geographical distribution, and any cross-border linkages between co-nationals will factor into the kind of institutions required. Divided societies with a large majority and a smaller but significant minority may require protective dis-proportional representation or other forms of corporate representation. Divided societies where groups live in intermixed communities will find that territorial autonomy is ill-suited to their needs. Instead, forms of cultural autonomy, such as language or education rights on a non-territorial basis, may be more appropriate in such contexts. In some places, they may find that autonomy provisions of either variant are less important than rules on over-representation and executive power-sharing. These demographic

contingencies will also bear on the liberal–corporate distinction. Liberal rules, for example, are difficult to implement where there is a large discrepancy in the size of the groups in need of accommodation, as smaller minorities may require corporate provisions on over-representation in order to feel secure. Meanwhile, divided societies with a large number of groups may find that consociational rules do not fit at all.

These demographic considerations informed the consociational design adopted in Burundi, where the groups are of uneven size and none are territorially concentrated. The Hutu are estimated to comprise 85 percent of the population, but the Tutsi, much smaller in size at 14 percent, were historically dominant and thus had a significant degree of bargaining power during the negotiations that led to the Arusha Accords in 2000. The Twa, a historically and demographically disadvantaged group, are estimated to make up the final 1 percent and have little leverage. The power-sharing arrangement, as enshrined in the 2005 constitution, allows for Tutsi over-representation through corporate legislative quotas on a 60:40 basis of Hutu to Tutsi in the assembly and parity representation in the Senate. Veto rights are guaranteed through qualified majority voting rules with legislation requiring the consent of a two-thirds majority vote of those present and voting in both chambers in order to pass. Notably absent, however, are autonomy provisions; segmental autonomy is ‘not present (and hardly relevant)’ given that the groups are neither territorially separated nor do they have major linguistic, cultural or religious differences (Vandeginste, 2009, p. 74). The provisions on Tutsi over-representation were critical to reaching agreement on the power-sharing arrangement itself but have over time proven contentious for Hutu parties who feel minority over-representation slights the majority group (Rufyikiri, 2017).

The second ‘fit’ issue relates to the specific nature of the rules themselves. Consider the different ways by which executives are formed in consociations. Executive power-sharing rules that leave coalition formation to post-electoral bargaining between parties, as in Belgium and Lebanon, may find there is a significant lag between the election and the formation of a coalition, particularly if this exists alongside corporate quotas for the executive. In Belgium, it took a record-breaking 541 days after the 2010 election to form a coalition in line with the election results but which also conformed to corporate provisions for parity between French- and Dutch-speaking parties in cabinet. Executive power-sharing rules that leave cabinet placement to the leader of the party with the largest seat share, as was the case with the power-sharing deal in Zimbabwe following the contested 2009 election, may find that the largest party retains all the prime portfolios, whereas their power-sharing partners are relegated to marginal or junior posts (Cheeseman and Tendi, 2010). Executive power-sharing rules that follow sequential portfolio allocation, as in Northern Ireland, may find that while these rules are automatically and fairly allocated, ministries risk being run with limited cross-departmental cooperation (Grey and Birrell, 2011, p. 11). As Martin (2013) notes, it can be hard to govern jointly with those you consider to be murderers. Power in this scenario is not so much shared as carved up. Ultimately fit can be difficult to ensure. What is adoptable is not always functional; what is functional is not always adoptable (McGarry, 2017).

Rule Inclusivity

A third issue concerns rule inclusivity. The rules must be inclusive enough to provide decision-making access for both majorities and minorities, and they have to be inclusive enough to capture any potential spoilers, thereby likely needing to include moderate and

hardline parties. An early and short-lived attempt at power-sharing in Northern Ireland highlights the question of spoilers. Under the terms of the 1973 Sunningdale Agreement, a grand coalition of the two moderate ethnic parties (one British unionist and one Irish nationalist) and a small binational party was formed. It struggled, however, to consolidate stability in the face of growing inter-ethnic violence and under pressure from more radical parties, both unionist and nationalist in origin, outside the government. These parties were able to depict the coalition as a sell-out of their respective communities. Indeed, the coalition collapsed after only a few months and direct rule of the region by Westminster was imposed in its place. The excluded parties had more incentive to undermine the coalition than to support it and the included parties were simply unable to withstand the pressure the spoilers brought to bear (McGarry and O'Leary, 2017, pp. 71–2).

Rule inclusivity also applies beyond the ethno divide. As a constitutional template for the entire state, a consociation also must be inclusive enough to govern for the whole of society. Yet, consociation has a 'selection bias' (Nagle, 2016a) in favour of well-organized ethnic parties, particularly those who are able to play the role of spoiler and who represent the majority or larger minority groups. While institutional design should take account of the most salient divisions in a divided society, it is also the case that those governing arrangements should represent all relevant identities and interests, not just those that are prepared to use violence or who threaten the overall stability of the system. This has been a challenge in Bosnia & Herzegovina. The European Court of Human Rights has found on three separate occasions the Bosnian constitution and specifically its rules on election to the tripartite presidency and the House of Peoples, which aim to corporately represent the three constituent peoples – Bosniaks, Serbs, and Croats – to limit the ability of anyone not ascribed to one of those categories to seek political office. At stake is whether consociation can effectively represent those who do not subscribe to the dominant ethno divide. Jakob Finci, one of the plaintiffs in the first case before the European Court of Human Rights (ECHR), suggests that the institutional rules are 'a problem of injustice that divides Bosnian people into first and second class citizens' (*Balkanist Magazine*, 2015). Nenad Stojanović (2018, p. 361) echoes this point: 'the consociational approach is *ipso facto* uninterested in the political status of those who do not belong to any of the significant segments.'

This risks overstating the case. In the face of potential exclusion, at least three broad strategies are available to 'Others' – that is, those who do not identify with the ethno divide (Agarin et al., 2018). Depending on their configuration, Others may choose to align with a dominant group. In the case of women's representation, for example, advocacy in support of gender quotas or the creation of women's caucuses within or across ethnic parties may help to address gender disparities on representation. Others may choose to form their own political parties and seek representation on the extant terms of the consociational pact; most consociations have a range of small civic parties that contest elections on platforms of multi- or trans-ethnicity (Murtagh, 2020). In so doing, they can make strategic use of reserved seats or quotas, or they can be called upon to occupy politically sensitive posts in the executive. Others may also 'opt out' of formal politics altogether, instead carving out a non-aligned space in civil society, in 'active resistance' to the ethnicized nature of consociational politics (Nagle, 2016b). While civic constituencies are often small in divided societies, there is also clearly a demand for more varied forms of participation and for a wider conception of who should be included in governing processes. Attention to the inclusiveness of the institutional rules can help to alleviate the

sense of marginalization and exclusion experienced by citizens who do not subscribe to the main represented ethnic identities.

Rule Flexibility

Despite three high-profile court cases at the ECHR, the institutional rules in Bosnia remain unmodified, in large part because the parties are unable to agree on a new set of rules. This recalls a final aspect of consociational design that influences which set of incentives – compromise or collapse – prevails: the flexibility of the extant design. Consociational pacts are generally adopted when inter-ethnic relations are at their most fraught and there is thus a tendency, in the face of mistrust and divisiveness, to want to lock in rigid stipulations on the share on power held by different groups. This can make it difficult to adopt liberal provisions, which, on the face of it, are more adaptive than corporate rules. The balance of power and any attendant ‘existential anxieties’ faced by minorities (McCrudden and O’Leary, 2013) at the moment of adoption, however, do not last forever. There is consequently a need to avoid entrenching temporary power configurations. The stakes are high: groups granted specific rights are unlikely to forsake them, even and especially in the likely event of changes in demographic and/or political power distributions, and parties that believe the other side benefit more than they do, will lose the incentive to stabilize the system.

Rule rigidity, whereby the original power-sharing arrangement cannot accommodate demographic or power distribution changes, risks undermining political stability. Two different periods of power-sharing in Lebanon illustrate the risk. The National Pact allocated power on a 6:5 ratio of Christians to Muslims. At the time of the pact’s adoption in 1943, census data estimated Christians to be in a majority position but at the time of the pact’s collapse in 1975, their share of the population had fallen and the share held by Shia Muslims had risen (Kerr, 2005, pp. 136–7). While the Ta’if Accords adopted in 1989 recalibrated the power-sharing relationship in favor of legislative parity, political practice maintains the distribution of key posts along corporate lines so that a Christian is always president, the prime minister a Sunni Muslim, and the speaker a Shia Muslim. Demographic disparities remain, with Christian sects still over-represented and the Shia community still under-represented. While a liberal corporate arrangement may be better equipped to handle these demographic and power fluctuations, the move to such an arrangement in Lebanon is seen as a ‘non-starter’: ‘Muslim sects will not accept changes that jeopardizes their newfound political economic gains in the postwar power sharing arrangement. Similarly, Christian sects will not accept any tampering with the country’s postwar predetermined quota system’ (Salloukh and Verheij, 2017, p. 151). Salloukh and Verheij (2017) propose a move to a hybrid consociational system that combines corporate and liberal aspects. This raises an important question: how might a consociation be designed to account for the existential anxieties that pull parties towards rigid rules at the moment of adoption and the need to be able to respond to shifting social and political dynamics?

One model for doing so is proposed by Feargal Cochrane (2018) and his co-authors. Their approach, based on a case study of the Brussels Capital Region, introduces a model of ‘living consociationalism.’ Living consociationalism is an evolutionary approach to constitutional reforms whereby “‘minor institutional reforms’” are adopted through “‘less demanding procedures’”; “‘medium institutional reforms’” are adopted procedures with a “‘medium level of stringency’”; [and] “‘major institutional reforms’” are adopted through “‘highly demanding procedures’” (Cochrane, Loizides and Bodson, 2018, p. 66). When set alongside institutional

incentives for cooperation, they suggest, living consociationalism can effectively balance demands from the parties to modify the terms of their agreement while still keeping them committed to sharing power (*ibid.*, p. 73). Importantly, this ‘living’ approach can apply to either liberal or corporate consociational rules. At a minimum, it is a reminder that ‘institutional tinkering’ or making micro-changes to the power-sharing rules over time can keep the spirit of the original deal alive while nonetheless improving institutional functionality and adapting to changing circumstances.

REWARDING MODERATION THROUGH CENTRIPETALISM

What about centripetalism, a theory of democratic accommodation viewed as a rebuttal to some of consociationalism’s core claims? While both consociationalists and centripetalists agree that democracy is feasible amid deep divisions, their institutional prescriptions vary. Where consociation privileges wide inclusion, centripetalism prefers institutions that support moderate politicians. Where consociation supports the direct representation of minorities by minorities, centripetalism contends that, ‘in divided societies, officeholding is decidedly inferior to influence’ (Horowitz, 1997, p. 34). How might this minority influence come about under centripetal rules? Institutions recommended by centripetalists include the use of majoritarian-preferential electoral systems, distribution requirements for presidential elections, the creation of centrist coalitions, and administrative federalism. The logic suggests that the forging of reciprocal relations between groups, whereby politicians must appeal across ethnic lines in order to get elected, will induce the majority to develop moderate policies towards the minority (Reilly, 2001). If election is only possible by appealing for the second and lower-order cross-group preference votes, then politicians will need to present themselves as moderate and cooperative, particularly on ethnically contentious issues.

While the conceptual argumentation for centripetalism is compelling, the empirical evidence often falls short. Not only is there a limited empirical record, but also it has not always performed as anticipated even when adopted. From the experiences of divided societies such as Fiji, Nigeria, Northern Ireland, Kenya, Papua New Guinea, and Sri Lanka, we find that it is often difficult to elect moderates who have sufficient support to form government and that when they are elected, they find it difficult to consolidate stability. In a study of 24 elections in eight divided societies employing centripetal rules, McCulloch (2013) finds that the election of moderates only gave way to stable outcomes in four elections, whereas their election culminated in unstable outcomes in nine elections. In the remaining 11 elections, centripetal rules facilitated the election of more extremist parties, which contributed to further instability. What explains this outcome? First, in situations of very deep divisions, where ethnic violence has occurred in the recent past, it may simply be too much to ask voters to lend their support across group lines. As a result, centripetalism may be more appropriate as a preventive measure to avoid ethnic conflict than as a response to it. Second, there is a built-in advantage for parties that represent the majority given that they ‘have to pool fewer votes to win office than do politicians from smaller groups’ (O’Leary, 2013, p. 36). Minorities, by contrast, may find it difficult to elect their own representatives (even moderate ones) and must hope that their lower-order preference votes induce majority parties to treat them favorably. That majority parties will always do so is far from guaranteed.

While parties that represent the majority are at a greater advantage, this can be somewhat curtailed by having a multi-party system, with each group represented by two or more political parties (Fraenkel and Grofman, 2006), or by designing electoral constituencies in ways that enhance their heterogeneity, such as by turning the whole country into ‘a single heterogeneous constituency’ as with presidential elections (Horowitz, 1990, p. 472), or through constituency-pooling initiatives (Bogaards, 2010). Not all ethnic geography is conducive to this level of heterogeneity, even with creative boundary districting, with bipolar settings in particular posing difficulties. Where no group constitutes a majority, there is more hope that centripetal rules can deliver democracy, peace and stability. As Reilly (2018, p. 207) suggests, where there exists ‘genuine uncertainty of outcomes, an ethnically heterogeneous electorate, and some level of moderate sentiments existing within the voting public,’ there is a greater likelihood that centripetal rules can deliver centripetal outcomes. Where these conditions are not met, however, the prospects are much dimmer. The central take-away is, as mentioned above in relation to consociation, that there ought to exist a fit between institutions and the context in which they are applied.

CONCLUSION

Contentious issues, often with no easy answers, are the hallmark of politics in divided societies. It is thus no surprise that large disagreements and protracted political crises occur. It would require a very strong form of institutionalism, with little room for agency, to expect otherwise. ‘No institutional mechanisms,’ McGarry and O’Leary (2017, p. 80) suggest, ‘guarantee peace or stability.’ Institutions may not be able to always guarantee desirable outcomes but they are also not neutral as to how to resolve ‘important societal problems’ (Grofman 2000, p. 46). Whether or not consociation facilitates democracy, peace and stability in divided societies is contingent on which set of countervailing incentives is activated – those that pull in the direction of cooperation or those that push in the direction of intransigence. Likewise, whether centripetalism delivers on its promise of cross-community moderation is contingent on the environment in which it is applied.

Above all, divided societies require institutional channels that facilitate opportunities for contentious issues to be peacefully, democratically, and jointly addressed. Power-sharing institutions play an important role in providing the incentives for and framework within which political actors can do so. How and when they do so is often contingent on the interplay between how the rules came into being, whether there is a fit between the rules and their context, whether the rules are sufficiently inclusive and whether the rules are flexible enough to respond to shifting dynamics over time.

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18. Post-conflict reconstruction and democracy promotion

Alpaslan Özerdem

INTRODUCTION

The term post-conflict reconstruction is often used interchangeably with peacebuilding to indicate three major realms of post-conflict activity – namely, the rebuilding of the physical infrastructure and essential government functions and services; capacity building to improve the efficiency and effectiveness of existing institutions; and structural reform within the political, economic, social and security sectors. However, when conceptualizing reconstruction, it is important to bear in mind that ‘post-conflict’ is itself a misnomer, as in contemporary contexts it is increasingly difficult to assume that there would be a total cessation of political violence and armed conflict. For the purposes of this chapter, though, the term ‘post-conflict reconstruction’ will be considered as a process initiated by a peace accord, agreement or ceasefire, leading to a wide range of socio-economic, political, security, justice and wider peacebuilding responses (Ferguson, 2010; Özerdem, 2016).

In common with other key terms such as ‘relief’, ‘development’ and ‘peacebuilding’, the definition of post-conflict reconstruction is imprecise and often driven by its source. In fact, the history of the use of post-conflict reconstruction as a major international peace-supporting process is relatively short. During the Cold War period, the UN and the broader international community paid most attention to humanitarian relief, peacemaking and peacekeeping activities. The term ‘post-conflict reconstruction’ rarely appeared in international security debates, except with reference to a few programmes implemented in the post-colonial, post-World War II and post-communism eras such as the Marshall Plan for Western Europe after World War II. It was only at the end of the 1990s that the concept of post-conflict reconstruction emerged as a distinct activity. As the need for a more comprehensive understanding of the peace–rehabilitation–development convergence in post-conflict societies was recognized, this triggered active discussions on the theoretical and practical aspects of post-conflict reconstruction (Özerdem and Lee, 2016). In particular, the World Bank’s publication *Post-Conflict Reconstruction: The Role of the World Bank* (1998) and its launch of the Post-Conflict Fund in 1997 provided significant momentum for the emergence of post-conflict reconstruction as a core aspect of international peacebuilding.

Therefore, the different conceptualizations of post-conflict reconstruction by organizations such as the World Bank and United Nations (UN) will be the starting point for discussions in the first section of this chapter. In the second section, the focus will be on democracy promotion through post-conflict reconstruction and to do this, the chapter will first explore democracy as an overall goal of reconstruction and then elaborate the way reconstruction is used as a means for democracy promotion. For the latter, the chapter will pay particular attention to the binary between process-based and goal-based approaches; the politics of aid and legitimacy; prioritizing and setting objectives according to the needs of conflict-affected societies; and

the importance of enabling a participatory environment. Overall, the analysis of post-conflict reconstruction will be undertaken through a critique of what the liberal peace agenda claims to be its primary values, qualities and principles, and how they are translated into practice.

POST-CONFLICT RECONSTRUCTION

The liberal peace doctrine, with its two main elements of ‘democracy’ and ‘market economy’, has come to define the main contours of reconstruction/peacebuilding work by the international community – regardless of the extent to which ‘post-conflict’ environments around the world differ from each other (MacGinty and Richmond, 2009). With a liberal peace agenda in mind, the overall objectives of post-conflict reconstruction by the World Bank are set as the facilitation of the transition to sustainable peace after hostilities have ceased and to support economic and social development. To achieve these objectives, a successful reconstruction strategy must focus on: investment in key productive sectors, good governance, repairing physical infrastructure, rebuilding key social frameworks and normalizing financial borrowing arrangements (World Bank, 1998, p. 14). The UN, on the other hand, considers post-conflict peacebuilding (reconstruction) to be a process in which the following would form the main undertakings: ‘disarming the previously warring parties and the restoration of order, the custody and possible destruction of weapons, repatriating refugees, advisory and training support for security personnel, monitoring of elections, advancing efforts to protect human rights, reforming or strengthening governmental institutions and promoting formal and informal processes of political participation’ (Boutros-Ghali, 1995, p. 11). This definition is structured around sectors rather than focusing on what reconstruction would mean as an overall goal. It proposes key undertakings in a post-conflict environment as signposts for planning and implementation. It is a manual of what possible areas would need to be covered in order to lay the foundations for sustainable peace. It is also important to note that this definition is redolent of those structures proposed for nation-state building. This is unsurprising, since reconstruction has become the new post-Cold War tool of nation-state building interventions from a liberal peace perspective (Bächler, 2004). For example, the cases of Iraq and Afghanistan have shown that without a secure environment, reconstruction becomes practically impossible. In fact, the US military has learnt a hard lesson that the first phases of an intervention can be relatively straightforward, but the post-conflict stages can turn into a quagmire. As will be explored further in this chapter, there are a number of reasons why the experience of post-conflict reconstruction has resulted in drastic failure for Western powers. However, the most significant of these reasons is the manner in which the liberal peace agenda is enforced externally in a top-down manner on such environments.

Overall, as the preceding definitions show, the World Bank and UN channel their reconstruction efforts through a range of different directions and activities. While the World Bank places emphasis on assisting economic recovery and normalization, the UN emphasizes the importance of political reform. More importantly, what post-conflict reconstruction needs to avoid is a return to the status quo of the pre-war society. It is important to recognize that post-conflict reconstruction encompasses a range of activities in an integrated process designed not only to reactivate economic and social development, but also to create a peaceful environment that will prevent a relapse into violence (Mason and Meernik, 2009). Accordingly, many aspects of post-conflict reconstruction overlap with issues related to conflict resolution and

conflict transformation (Barakat and Zyck, 2009), and post-conflict reconstruction is therefore often referred to as 'post-conflict peacebuilding' too.

The preceding discussion on post-conflict reconstruction and peacebuilding indicates that the processes identified as critical to both endeavours are similar in each case, and it is possible to categorize them around four main areas. First, *security sector reform*, which includes disarmament, demobilization and reintegration of former combatants, dealing with the availability of small arms and light weapons and creating a new police force and army. Second, *governance*, which incorporates undertakings such as the establishment of a transitional government, constitutional reform, organization of elections and respect for democracy, human rights and the rule of law. Third, *socio-economic recovery*, which deals with the challenges of providing relief aid to vulnerable groups, reintegration of displaced populations, rebuilding of infrastructure and services, and economic revitalization. Finally, *justice and reconciliation*, which seek to deal with the distrust and psychological trauma prevalent among communities affected by conflict (Miall, Ramsbotham and Woodhouse, 1999).

DEMOCRACY AS AN END GOAL FOR POST-CONFLICT RECONSTRUCTION

The promotion of democracy is one of the prime concerns in contemporary post-conflict reconstruction and peacebuilding. In assuming that the rational empowered individual can make prudent decisions for themselves and their community, liberal peace theories argue that constitutional democracy is a model that can facilitate and sustain peace in conflict-affected countries. Reflecting this idea, many of the seminal documents issued by international organization and major donor agencies have emphasized the importance of offering 'credible and inclusive processes of political dialogue' as a key goal of post-conflict reconstruction (United Nations Secretary-General [UNSG], 2011, p. 3). In particular, Western forms of 'free and fair' elections are usually pursued as a primary goal of political reconstruction, and transforming the country's political landscape into a competitive but peaceful multiparty system is regarded as a long-term objective (Roberts, 2011). In the field, the measures employed for implementing elections include detecting and deterring fraudulent behaviour, providing training support for election personnel, ensuring security during the election period and ballot verification (Lee and MacGinty, 2012).

There are three important issues to be borne in mind in the electoral assistance process: the timing of elections, socio-political and security conditions for elections, and the electoral system. The timing of elections is significant because this will depend on whether the particular post-conflict environment in question is ready for free and fair elections. The decisions concerning timing ideally should be based on local indicators, but unfortunately it is often the case that they tend to be decided according to the political agendas of external actors. For example, a forthcoming general election in the intervening country is likely to result in rushed elections, in order that the electorate of the intervening country can be provided with a 'success' story. For example, this was the case with the organization of the first post-Dayton elections in Bosnia and Herzegovina, which were determined by elections facing the Clinton administration in the US. Subsequently, the poor timing of the elections meant that nationalist politicians and warlords from the conflict were elected and thereby legitimized as representatives of conflict-affected populations.

In regard to the conditions for elections, there are a number of factors to be considered such as whether the security environment is conducive to the organization of free and fair elections; and whether the process involves the participation of other elements of democratic governance such as political parties based on societal groups and interests, strong civil society, free media and rule of law. It is clear that for many post-conflict environments it would be unrealistically wishful thinking to ensure all these components of democracy in a short span of time, particularly if that country does not have a tradition of democracy, and if democracy has been 'imported' as part of the external intervention 'package'. It is in such environments that 'democratization' programmes take a central role in the governance and constitutional reform process, as if those societies can be democratized as long as they are guided by intervening 'democratic' countries. The so-called 'democratization' programmes seem to view the process as more of a technical than socio-political and cultural one, in which democracy can actually be transferred from country to country – an approach that contradicts all the major lessons learned in a variety of post-conflict environments from Namibia and Nicaragua to Afghanistan, Iraq and South Sudan (Özerdem and Lee, 2016).

Finally, the way that the electoral system is structured would have profound implications for the outcome of elections, as representation would depend on the electoral formula. For example, if political parties can send representatives to parliament based on their small pockets of regional power bases, regardless of their overall representation in the country, then this would not encourage parties to opt for societal groups and interests; instead, political representation would be based on ethnicity or religion. Alternatively, if the system requires an absolute majority to win a seat, then this would lead political parties to form alliances. However, this might in return create a limited representation of minorities in decision making. Although proportional representation can be enabling for broad-based government, it may result in abuses of power-sharing systems among colluding elites.

Beyond the election process itself, longer-term programmes for nurturing civil society and democratic governance are implemented, primarily targeting traditional associations, village leadership, community-based organizations, local non-governmental organizations, trade unions, and women and youth organizations. As part of such promotion of democracy, a notion of 'peace-as-governance' has been another key theme underlying many peacebuilding/reconstruction activities (Richmond, 2005). Governance reform programmes highlight the importance of effective and efficient institutions of governance, with concepts such as accountability, transparency, equity, democracy and integrity considered prerequisites for good governance in conflict-affected societies. Since governance is a broad term, the programmes for promoting good governance cover a wide range of issues. For instance, the reform of state administration tends to include downsizing the bureaucratic system, decentralizing governmental delivery mechanisms, enhancing interdepartmental collaboration and taking steps to promote government accountability. Policies for economic governance aim to facilitate an environment in which a market economy can flourish; common policies include establishing public finance institutions, restoring and developing infrastructure and supporting private entrepreneurs. In terms of social rehabilitation, many reconstruction programmes emphasize capacity building, the rule of law and social transparency.

Liberal peace approaches favour the regulation of society by equitable and established rules rather than by the arbitrary rule of persons. These approaches argue that transparent and equally applicable regulations and institutions are necessary in order to sustain a peaceful and democratic society. Given that this conception of society (that is, one governed by impartial

laws) is central to another key element of the liberal peace – protecting private property rights and markets – it is unsurprising that establishing the rule of law as a post-conflict reconstruction strategy features prominently in a large number of UN documents. In practice, major peacebuilding/reconstruction programmes widely implement measures for (re)forming national constitutions as well as (re)building judicial and legal systems. Two key elements of such projects involve efforts to make judicial decisions independent from political or military influence and to ensure that judicial systems are made available to the less empowered and poorer members of the society. In some cases, transitional justice programmes are implemented in an attempt to address human rights violations committed during the armed conflict (M’bartee Locula, 2011). Where this occurs, various forms of truth and reconciliation commissions and/or criminal courts are established to investigate human rights abuses and to bring war criminals to justice.

In relation to the promotion of democracy, security sector reform (SSR) is generally regarded as one of the most urgent issues to be tackled in the post-conflict reconstruction process too. As security affects various social dimensions such as the economy, governance and societal relations, SSR has a potentially wide-ranging and intersectional impact on the post-conflict society. In practice, therefore, SSR takes various forms that require fundamentally different approaches. For instance, while demilitarization of militia groups is a military-oriented process that often involves rigorous external verification of the weapons collected, efforts to establish local community-based patrol groups require the adoption of a more flexible and culturally sensitive approach. In practice, common SSR programmes include landmine clearance, the staged withdrawal of foreign military forces, the containment and/or dissolution of former armed factions, the building of new judicial systems and the introduction of new measures for the oversight of security forces (Newman, Paris and Richmond, 2009). In particular, disarmament, demobilization and reintegration (DDR) of ex-combatants and reform of the police and military forces have been traditionally considered as some of the most sensitive and impactful post-conflict responses. Overall, the SSR process with its different components aims to improve the democratic environment in the conflict affected context concerned.

RECONSTRUCTION AS A MEANS IN PROMOTING DEMOCRACY

Another aspect of the relationship between post-conflict reconstruction and democracy can be explained in terms of the way that reconstruction activities themselves are undertaken and how this could contribute to the overall democratic decision making practice in all aspects of governance and community relations. This could probably be one of the most effective and efficient ways of promoting democracy in post-conflict contexts, but as will explained in this section, due to the way the liberal peace agenda is implemented in such environments, the objective of democracy promotion faces significant challenges, leading to major failures.

Reconstruction: Goal Based vs Process Based

In the reconstruction process, one of the most critical issues is less to do with ‘what’ reconstruction is able to deliver, and much more about ‘how’ it is able to deliver it and ‘when’. Despite being one of the most important aspects of reconstruction, it is often neglected as the process is structured as a goal-based rather than process-based framework. However,

when reconstruction is considered from a transformation perspective there is an opportunity to address the root causes of the conflict, such that the process itself can be a key factor in the hope, healing and reconciliation of conflict-affected communities (Barakat and Hoffman, 1995). Such a goal-based approach could also be applied in social transformation, as this would need to involve both cross-sectorial understanding and community-level trust building. Comprehensive community engagement in reconstruction programmes is more likely to bring a strong sense of ownership towards peacebuilding.

It is critical that the reconstruction process provides peace dividends as early as possible. A lack of tangible dividends would make it difficult to ensure the continuation of war-torn societies' support for peacebuilding in post-conflict environments. However, this requirement brings with it its own dilemmas, since the rush for peace dividends in a post-conflict environment can also result in ill-advised planning decisions undertaken hastily and the waste of resources. It is essential that the process manages to strike the right balance between the time needed for effective planning and coming up with peace dividends as early as possible. In this way, the process could identify clear democracy promotion objectives as part of reconstruction activities.

This is particularly the case when dealing with the legacy of war economies. It is clear that not all lose out from armed conflicts; indeed some elite groups and communities may frequently profit from the continuation of the conflict. In some cases, the way that a 'war economy' emerges would mean that large segments of society make a living out of the production of crops like poppy seeds or marijuana, or the smuggling of a wide range of goods from oil and weapons to domestic goods. If it is envisaged that the end of the conflict will bring an end to such sources of revenue without replacing them by peace dividends such as employment, then it will prove extremely difficult to convince such communities to support peace (Cramer, 2006; Felbab-Brown, 2009). In other words, although it might not seem to be one of the most obvious avenues of democracy promotion, a strong economic recovery would be likely to provide significant opportunities.

The reconstruction process can also be a means for healing societal wounds caused by armed conflicts. This could be achieved in a variety of ways, by using the reconstruction of key lifelines such as water supply systems, education and health services as opportunities for those conflicting communities to work towards an improved infrastructure or service beneficial to all. It is also essential that there are adequate human and financial resources for such an approach, which is likely to have a high level of resource consumption, and to involve painstaking negotiations and appropriate skills of conflict management. Those involved in the process would also be able to say 'no' to donor funding that would only be sufficient to meet the needs of certain groups in the community, as this would be likely to exacerbate distrust and reignite animosities created by the conflict. Failures in such objectives can undermine security. For example, the inability of the US military to restore critical infrastructure such as water, sanitation and electricity in Iraq after the 2003 invasion fundamentally weakened the security situation, posing serious risks to the democratization of the country.

The Politics of Aid, Political Primacy and Legitimacy

Post-conflict reconstruction is greatly influenced by the attitude of donors and the resources they provide to address the aftermath of conflict. The allocation of resources for recovery interventions can have implications for the balance of power at national, regional and local

levels. Although aid is meant to address inequalities and the legacies of conflict, the distribution of aid can actually cause or exacerbate inequality and improper use can undermine peace and recovery efforts. The allocation of aid is frequently determined by the partial interests of donor agencies, the stance of the media, or rivalry between the donors (Boyce and O'Donnell, 2007). When agencies concentrate development efforts in one region while excluding others this can create imbalances, and if not handled properly can breed resentment and lay the foundations of future conflict (Brown, 2009; Dobbins, 2006). Afghanistan would be a good example for this, where large levels of Western aid were siphoned off through corruption. The inability to deliver better living standards has weakened the role and legitimacy of Western forces. In fact, any of the above-mentioned challenges tends to cause significant damage to the prospects of democracy in war-torn countries like Afghanistan.

Furthermore, as everything done during post-conflict reconstruction is somehow political, as it would involve an engagement with power relations, effective intervention in this area is essential if the performance of the state authority and local government agencies is to improve. At the local level, the politics of local communities and regional municipalities can be a considerable barrier to the implementation of reconstruction programmes. Bearing in mind their potential impact on the political dynamics of conflict, reconstruction programmes need to take such power structures and relationships into consideration and take each step carefully. This is particularly important in post-conflict societies, as reconstruction projects should be conducted not under conditions of enforcement but rather legitimacy (Donini, 2007). A number of strategies to gain legitimacy have been suggested, including a social contract between citizens and the government, transparent planning and implementation, management of expectations and communication and proactive engagement by the international community (Özerdem, 2012). Therefore, cross-sectorial engagement in the peacebuilding process and ensuring that the peace dividends are tangible and substantial means that the negative peace achieved has a chance to become sustainable. In other words, the post-conflict reconstruction efforts need to be guided by an effective socio-political strategy and linkages with the overall democratization objective need to be considered in the planning and implementation of reconstruction programmes.

The Provincial Reconstruction Teams (PRTs) in Afghanistan, which included combat forces, military personnel (up to 95 per cent of 50–300 staff) and civilian expertise for various assessments, relief assistance delivery and reconstruction works were, to some extent, meant to be serving this purpose. However, the key point with PRTs was that they also represented a reversal of the structure of the relationship between the military and civilian actors of the early 1990s. The delivery of assistance through PRTs had the key objective of 'winning the hearts and minds' of local Afghans so that they would not become a threat to the international military presence. PRTs often prioritized the creation of an enabling environment for stabilization and the continuation of military operations as part of the 'war against terrorism'. As a result, the effectiveness and relevance of relief and reconstruction undertakings were often questionable (Adams, 2009). However, it is important to question how such securitization of reconstruction could possibly have a positive contribution towards the democratization of the country. The involvement of the military in relief and reconstruction programmes also blurred the separation between the military and civilian responses in the eyes of local Afghans and spoilers. Subsequently, civilian actors have become a target of attacks from belligerent groups. It was also argued that PRTs created a parallel governance structure, competing against local

and national authorities. In turn, this undermined the local ownership of the reconstruction process, and to some extent, their presence did more harm than good (Eronen, 2008).

Setting and Prioritizing Post-conflict Reconstruction Objectives

It is crucial that the process of post-conflict reconstruction establishes a vision that can be shared by the majority of stakeholders. This can only be achieved by involving as many stakeholders as possible in the process through an action-planning methodology. Post-conflict reconstruction should not be planned remotely from the locale of that conflict-affected environment. Stakeholders need to perceive and experience that their concerns, priorities and objectives are being consulted, considered, negotiated and incorporated in the reconstruction planning as much as possible. Needless to point out that such a direct engagement of local communities in setting up the prioritization of reconstruction objectives would be a great manifestation of how democracy could be promoted effectively. Unfortunately, in too many post-conflict environments, the prioritization and setting of reconstruction objectives is carried out from a largely utilitarian, external and technical perspective (Özerdem, 2016).

There are a number of reasons for this. First, it should be accepted that it is not an easy challenge and it is often impossible to secure the full support of all 'stakeholders'. It is necessary to be realistic as regards to what can be achieved in ensuring comprehensive support for reconstruction. Nevertheless, the handling of this challenge by both international and national actors has been far from exemplary in recent times, as demonstrated in Afghanistan and Iraq. Second, the way this challenge tends to be tackled is often based on a Darwinian approach of the 'survival of the fittest'. Whoever manages to get their voice heard tends to get an upper hand in the building up of this vision. For example, when the international community intervenes and acts as a third party in a post-conflict environment, the local politicians they work with tend to be those who waged the conflict. In the 'peacebuilding marketplace' peace is often 'traded' for political opportunity or economic advantage, or to put it another way, there may be no option but to work with the belligerents of a conflict, but this does not mean that this should be the only way ahead (Miall et al., 1999).

It is also important to build up a range of methodologies so that the reconstruction agenda is not completely dominated by a few internal actors, and so that civil society can contribute to the process on an equal basis. All too often, the way in which the international community tackles this challenge has a significant negative impact. For example, by rushing to organize the first post-conflict elections before the society and socio-political environment are actually ready for it, the result is that those belligerents or politicians involved in the conflict will turn themselves into the legally elected representatives of the people. Not surprisingly, the vision set for reconstruction comes to reflect only the views, opinions and agendas of those involved in waging the conflict (Englebert and Tull, 2008). This phenomenon has been repeated in many environments affected by conflict, from Bosnia and Herzegovina and Kosovo to Afghanistan and Iraq. In return, large vulnerable populations continue to be excluded not only from reconstruction efforts and benefits, but also the ways and means of democracy.

Contemporary practices of reconstruction establish a vision where external actors tend to play a central role. This marginalizes the views of internal actors and how they envisage the reconstruction process. Such a view of reconstruction also tries to set quantifiable goals and objectives for all activities, some of which are largely in the socio-political and cultural realms of life and not easily quantifiable in numbers and statistics. They are also naturally value based,

and therefore those objectives set by the international community would not necessarily reflect the preferences of war-affected communities. Although it is not easy to generalize, the internal and external agendas concerning what constitutes effective reconstruction, how it can be achieved, and the expected outcomes from this process, could be quite different. For example, it is often the case that external actors would like to see a sectorial process, or in other words, a compartmentalization of the process due to funding policies and structures, while internal actors would prefer a process in which inter-linkages between different areas and priorities are well recognized. At the same time, internal actors may be more prepared to make sacrifices in short-term gains in order to establish stronger long-term prospects such as democracy, while the agenda of external actors tends to dictate the contrary since they would often prefer quick, uncomplicated and cheap solutions to long-term involvement with complex structures and mechanisms based on local socio-political and cultural frameworks (Özerdem, 2016).

Enabling a Participatory Environment

To enable a participatory environment in post-conflict reconstruction is a major task. More importantly, it is an area in which the international community frequently fails. However, there are some key entry points in seeking to address this challenge. First, the programming strategies need to include many representatives in decision making, which has the advantages of legitimizing the decisions taken by the local community itself. This is particularly important, as being open and transparent with people affected by conflict in the local community often results in them being more open to cooperation with international actors. It also provides an opportunity for bringing in respected representatives from excluded groups within the society. In establishing an inclusive strategy in decision making, reconstruction strategies also need to build economic interdependence between different ethnic and religious groups, which can help to lessen tension and so enforce peace.

Second, hiring local staff can also help in creating a participatory environment. It is easier to reach local beneficiaries by using the local language and having a good understanding of local culture and traditions. The costs of hiring local staff are also almost always much lower than employing expatriates, and so this may allow the agency to increase the outreach. Providing employment evenly to different groups within the community is critical, however, as this plays a significant role in determining local perceptions around whether international agencies are impartial in their approach.

The way reconstruction programmes are implemented is also significant in creating a participatory and democratic environment. Reconstruction programmes are likely to be much more beneficial if they focus on community-owned assets rather than individually owned assets. For example, the reconstruction of an irrigation system can play a significant role in the reassertion of inter-group relations and interdependence, whereas the reconstruction of individual family housing may cause populations to compete and compare with each other. The rebuilding of community services such as schools and health clinics is likely to transcend divisions among groups and promotes sharing resources, leading to a more participatory environment and peaceful coexistence. The last critical factor in this challenge revolves around whether or not international actors work with local partners in a constructive way.

There are a number of benefits to working with local partners, including enhancing programme sustainability and community participation; providing an accurate understanding of local communities (since indigenous organizations have their roots in these communities);

laying a foundation for transitional and development programming; providing opportunities for working with existing local structures that cross lines among groups; and finally, providing space, through partnering, for local communities to get involved in non-conflict activities such as the provision of community services noted above. Altogether, such efforts are likely to have a positive contribution to make in democratization.

It is through such an approach that the international community can begin to recognize a number of issues. To start with, it is necessary not to regard local authorities as monolithic structures. Even in the most repressive of places it is often possible to find people with different opinions and motivations, and to work with them in the pursuit of their objectives. Trust building between local and international actors is also critical, since local authorities often tend to perceive internationals, particularly military personnel, as suspicious entities working for the interest of foreign governments. In order to enable a participatory environment, it is important to identify such barriers as early as possible and address them through confidence-building measures, transparency and partnership approaches. A joint identification of potential areas of cooperation and the creation of common objectives to serve the local population could be an effective entry point in this quest. Finally, it is invaluable to take every opportunity to strengthen civilian structures and encourage authorities to be more responsive to the public, and overall paving the way for an improvement in democratic governance (Özerdem, 2016).

CONCLUSION

Since the end of the Cold War, experiences in post-conflict reconstruction have shown that the international community presents a mixed performance in its engagement in making such programmes more ‘inclusive’, ‘nuanced’, ‘locally driven’, ‘process-oriented’, ‘community-based’ and ‘legitimate’. The politics of post-conflict reconstruction, particularly the liberal peace agenda that dictates the norms, principles and actions of reconstruction efforts in most peace operations, tends to create difficult paradoxes and challenges. With the increasing numbers and range of actors participating in contemporary post-conflict reconstruction, efforts undertaken based on different priorities of practice and dissimilar moral values present little or no links with each other (Bellamy and Williams, 2009). The recent reconstruction experiences of Afghanistan and Iraq have been marred by the duplication and overlap of project areas, competitiveness of responses and spread of limited resources over many independent areas.

One of the main problems with the liberal peace agenda and its tool of post-conflict reconstruction has been its lack of legitimacy. The legitimacy argument was used to counter-balance the shortcomings of the legality of the international community’s presence in such environments as Kosovo. However, for the post-9/11-context peacebuilding operations like Afghanistan and Iraq, the entire legitimacy of the international community and its post-conflict reconstruction efforts have faced serious questions (Ghani and Lockhart, 2008). The liberal peace project has experienced its most significant crisis, calling into question its assumptions over what peace is, what it should look like in terms of post-conflict governance and economic structures, and how it would and should be achieved (through which approaches and modalities). It has started to face serious scrutiny and criticism. The liberal peace was clearly failing to achieve what it promised to do in terms of security, human development and post-conflict reconstruction in its new areas of operation. Post-conflict reconstruction has been carried out by those who lack the appropriate credentials in the eyes of local populations – one day they

were occupiers, the next day peacekeepers, then becoming the providers of humanitarian aid and reconstruction.

Due to these perceptual limitations of major donor communities, a range of local resources that could have made significant contributions to promoting sustainable peace and democracy, such as indigenous forms of conflict resolution, informal community-driven security systems and religious dimensions of peacebuilding, have been neglected. Moreover, the arrangements for promoting democracy in many post-conflict reconstruction processes have often involved efforts to pursue the simple transplanting of Western forms of ‘free and fair’ elections on to the post-conflict society in the belief that it was the only way for promoting a consolidated peace in the society (Lyons, 2004). Although elections can prove highly useful in helping to bring a war to an end, in establishing and legitimizing new leadership, and in wider conflict management in post-conflict society, a significant number of previous efforts to address armed conflicts through the promotion of democracy have failed to achieve their goals. While some of the issues faced have been the result of practical problems before/during/after the election, such as a failure to set an adequate time frame for the election/democratic transition, insufficient voter support and a lack of voter education (Lee and MacGinty, 2012), others represent more fundamental limitations of the Eurocentric view of democracy (Harris, 2012). More importantly, the current practice of post-conflict reconstruction falls short in utilizing the process itself to build an enabling environment for democracy promotion.

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19. Transitional justice, transformative justice, democracy and development

Matthew Evans

INTRODUCTION

In recent years, scholarship considering the relationship between transitional justice and development has emerged (see, for example, de Greiff and Duthie, 2009; Mani, 2008; Selim and Murithi, 2011). At the same time, critical literatures on both transitional justice and development have come to prominence. In addition to questioning the orthodoxies and mainstream assumptions of these fields, more and more critical literature on transitional justice and development consciously pivots towards interdisciplinarity and the breaking down of boundaries between these (and other) areas of scholarship and practice (see, for example, Bell, 2009; Evans, 2018b; Huggins, 2009). It is in this context that scholarly attention in some quarters has turned to the development, promotion and application of the concept of transformative justice (see, for example, Evans, 2018b; Gready and Robins, 2014). Conceived as building upon and providing an alternative to transitional justice, transformative justice seeks to address at least some of the shortcomings of transitional justice identified in the critical literature (see, for example, Andrieu, 2010; Daly, 2002; Evans, 2018b; Gready and Robins, 2014; Lambourne, 2014; McAuliffe, 2017). In so doing, transformative justice overlaps with the concerns (and tools) of both transitional justice and development.

This chapter first sets out the conceptual and practical overlaps between the concepts with which it is concerned. Following this, divergences are then explored. It is argued that established, narrow approaches to transitional justice are less likely to contribute towards development than broader transformative justice approaches. Moreover, it is argued that narrow approaches to development can work against – or at least fail to contribute towards – some of the (supposed) ends of transitional justice. These sections are subsequently built upon as the chapter addresses the question of whether transitional justice and development can become mutually constitutive. Here it is argued that transformative justice and broader understandings of development are more synergistic than narrow conceptions but that transitional (and transformative) justice cannot fully absorb or be absorbed into development. Finally, the chapter concludes that it is necessary for advocates of transitional justice and development (and transformative justice) to maintain a concern for democracy in order to realise the potential, and avoid the pitfalls, of considering transitional justice and development together.

CONCEPTUAL AND PRACTICAL OVERLAPS

Transitional justice and development overlap in a number of ways. This is especially the case with regard to broad, heterodox and critical approaches to both concepts. Transitional justice tends to be defined with regard to states' (especially) and non-state actors' attempts to facil-

itate a society's recovery from conflict and authoritarianism and promote particular notions such as reconciliation, peace and justice (see, for example, Annan, 2004; de Greiff, 2010, p. 2; International Center for Transitional Justice, n.d.).¹ Whilst definitions do not necessarily list particular mechanisms or means of pursuing these goals, a particular toolkit of mainstream transitional justice has become established, focusing especially on criminal trials and amnesties, truth commissions, reparations programmes and institutional reforms such as vetting of government employees (see, for example, Andrieu, 2010; Annan, 2004; Gready and Robins, 2014; International Center for Transitional Justice, n.d.; Sandoval Villalba, 2011). Narrow, longer-established approaches to transitional justice have tended to focus on the application of these mechanisms to addressing of gross violations of civil and political rights, especially those related to direct interpersonal violence and the violation of bodily integrity (see, for example, Gready and Robins, 2014; Waldorf, 2012).

Development, on the other hand, has been defined largely in regard to measures of poverty reduction, and (in narrow but longer-established conceptions) especially in relation to economic growth as a proxy for this (see, for example, Barder, 2012). In relatively recent years, increased attention has been paid to approaching development from perspectives that take account of, or overlap with, human rights (see, for example, Alston and Robinson, 2005; Marks, 2003; Sen, 1999; Uvin, 2004). The emergence of concepts such as human development as well as various conceptions of human rights-based approaches to development focus attention away from a narrow concern with economic development, especially understood as growth (see, for example, Sen, 1999). Stephen Marks (2003), for instance, considers seven approaches to linking human rights and development. These are 'the holistic approach, the rights (or human rights) based approach, the social justice approach, the capabilities approach, the right to development approach, the responsibilities approach, and the human rights education approach' (Marks, 2003 p. 2; emphasis removed).

The *holistic approach* 'connects all human rights, dispensing with many of the traditional distinctions between categories of rights' (i.e., between civil and political rights and socio-economic rights, or between negative freedoms and positive freedoms) and 'recognizes that both categories require resources, both can involve violations, both require adaptation and often transformation of institutions and practices, and both are essential for human dignity' (Marks, 2003, pp. 3–4). According to Marks, '[i]n the context of development, the holistic approach means that all human rights, not just the right that appears most relevant to the task at hand, must be considered' (Marks, 2003, p. 5). The rights-based approach 'affirm[s] that development should be pursued in a "human rights way"' (Marks, 2003, p. 5). For development, this means 'integrat[ing] concepts that already had currency in development theory—such as accountability and transparency [sic] in the context of good governance—and add[ing] . . . explicit reference to government obligations deriving from international human rights law and procedures' (Marks, 2003, p. 6). The social justice approach 'captures an important feature of the human rights framework for development, namely the emphasis on the moral imperative of eliminating glaring social inequality within societies and structurally-imbedded patterns of international support for those inequalities' (Marks, 2003, p. 8). It emerges in the context of '[h]uman rights frequently becom[ing] a surrogate for social justice, the assumption being that what contributes to social justice in the context of development is also a contribution to human rights' (Marks, 2003, p. 7). Using Oxfam International's approach as an example, Marks argues that the social justice approach does not apply 'human rights in the terminology used in the international human rights texts', instead it makes use of 'interpretations of social justice

that can be justified using those texts' (Marks, 2003, p. 8). The capabilities approach is based largely upon Amartya Sen's work (see, for example, Sen, 1999), as well as that of Martha Nussbaum, arguing that 'development is not the acquisition of more goods and services but the enhanced freedom to choose, to lead the kind of life one values' and that '[t]hese enhanced choices are called capabilities' (Marks, 2003, p. 9). Moreover, as this approach 'links development concerns to freedom' and 'freedom implies the widening of choices in the civil, political, social, economic, and cultural spheres, each of the capabilities . . . may be contemplated as a starting point for a human rights understanding of the development process' (Marks, 2003, p. 12). The right to development approach is 'to consider development itself as a human right' (Marks, 2003, p. 12). It is distinguishable from the rights-based approach because 'the right to development is broader than the human rights-based approach, encompassing a critical examination of the overall development process, including planning, participation, allocation of resources, and priorities in international development cooperation' (Marks 2003, p. 16). Despite what Marks calls the 'compromised language' of the United Nations' Declaration on the Right to Development being 'far removed from mandating an altered international division of labor or terms of trade or aid', the right to development 'is used rhetorically to amplify Third World demands on the industrialized world for a transfer of resources, in the form of foreign aid or debt forgiveness' (Marks, 2003, p. 14). Marks argues that in this approach, the 'challenge from the beginning has been to translate the hopeful but ambiguous language of the Declaration into concepts that are meaningful to economists and useful to the rethinking of the development process' (Marks, 2003, p. 14). He argues, further, that attempts at this have been made and notes 'the effort to move from political rhetoric to development practice is one of the most welcome trends since the Declaration was adopted in 1986' (Marks, 2003, p. 15). The responsibilities approach is focused upon 'obligations in the human rights field' (such as to respect, protect and fulfil human rights) (Marks 2003, p. 22). These obligations 'are primarily those of governments. However, individuals and non-state entities have obligations as well, and governments have a duty to ensure that these non-state actors do not violate human rights in their relations with others' (Marks, 2003, p. 22). Furthermore, a responsibilities approach takes account of the 'legitimate limitations [which] may be placed on rights so that they may be exercised responsibly', whilst noting 'these limitations are not a license to governments to evade their duties' (Marks, 2003, pp. 22–3).

The *human rights education approach* is 'close to the concept of community-based development work or participatory action research' (Marks, 2003, p. 23). It is based on the idea that 'the most effective means of enhancing people's capabilities is to facilitate their own social transformation through participation in the decisions that affect development' (Marks, 2003, p. 23) and contributes to development through 'helping monitor development activities', 'mobilizing support for victims' struggles for rehabilitation, redress, and justice', 'promoting understanding of the rationale for development', 'securing more effective participation in the development process' and 'securing accountability for those responsible for misuse of public resources' (Marks, 2003, p. 24).

Furthermore, recent scholarship has emphasized the ways in which development – especially understood broadly, as in human development – affects and is affected by transitional justice (see, for example, de Greiff and Duthie, 2009; Mani, 2008). Calls have been made for the expansion of the focus of mainstream transitional justice tools and processes such as truth commissions and reparations programmes to take account of socioeconomic conditions rather than focusing only – or predominantly – on addressing instances of direct interpersonal

violence and violations of a narrow range of civil and political rights (see, for example, Schmid and Nolan, 2014; Selim and Murithi, 2011; Skaar, 2011). It has, for instance, been argued that ‘transitional justice should include aspects of development (by incorporating distributive justice measures) to strengthen its contributions to peacebuilding’ (Selim and Murithi, 2011, p. 59). Likewise, the idea that socioeconomic aspects of development ought to be considered in the design and implementation of transitional justice programmes has been put forward as necessary to address root causes of conflict and to prevent a return to violence in post-transitional societies (see, for example, Laplante, 2008; Mani, 2008; Muvingi, 2009).

Rama Mani, however, argues that (whilst necessary) expanding the focus of transitional justice to take account of social injustice and development-related concerns presents a number of dilemmas (Mani, 2008, p. 254). The first dilemma concerns the difficulty inherent in applying the targeted measures associated with transitional justice (truth commissions, trials and institutional reform) to the wide-reaching effects of social injustice. The lack of clearly identifiable individuals as victims and perpetrators does not map easily on to existing models of transitional justice mechanisms (*ibid.*, p. 255; see also Mamdani, 1996). The second dilemma concerns the fact that transitional justice is expensive to implement and, in the absence of addressing social injustice and structural violence, may not be viewed as a priority for resource distribution (Mani, 2008, pp. 256–7). Relatedly, Mani’s third dilemma surrounds the question of how transitional justice processes can address corrupt and exploitative economic conditions during conflicts that, as a result, impact upon the capacity for facilitating development post-conflict (*ibid.*, pp. 257–9). Mani’s final dilemma is concerned with the failure of both transitional justice and development theory and practice to address post-conflict criminal and societal violence – as opposed to ‘political’ violence – despite the link between what is viewed as criminal violence and social injustice or structural violence (Mani, 2008, pp. 259–61; see also, for example, Gready, 2011; von Holdt, 2013).

Recent moves towards transitional justice being used to address socioeconomic inequalities, and the consequent production of dilemmas such as those raised above (see Mani, 2008), have engendered a range of responses. These include allowing further space for the airing of socioeconomic grievances in truth commissions and specifically addressing development-related issues (for instance, societal injustices such as land inequalities) through reparations (Pasipanodya, 2008, pp. 392–5; see also, Bergsmo et al., 2010; Firchow, 2013). Related to this scholarship has been the emergence of literature seeking to define and promote transformative justice either as an approach within or alternative to transitional justice, taking greater account of socioeconomic rights, structural violence, long-term societal change and participation of affected communities (Daly, 2002; Evans, 2016; Gready and Robins, 2014; Lambourne, 2014; see also Sandoval, 2017). The conceptual and practical overlap with development is especially clear with regard to calls for transformative justice to be pursued using a different toolkit to that typically applied in transitional justice. In this sense, it is possible – perhaps even likely – that the same policies and practices that promote development also promote transformative justice (see, for example, Huggins, 2009). As has been argued elsewhere, ‘[w]ith regard to the mechanisms that might be employed to promote transformative justice, there is a case to be made that existing tools designed for combating poverty, inequality, or corruption, for instance, are appropriate’ (Evans, 2016, p. 9). However, such tools would only contribute to transformative justice, as opposed to broader notions of social justice, if they addressed present-day poverty rooted in injustice caused by a past period of conflict or authoritarianism (Evans, 2016, p. 9). Likewise, Clara Sandoval argues that ‘[t]ran-

sitional justice mechanisms have not been designed to achieve social justice, development, democracy, rule of law, or peace in themselves, but they can contribute toward the realization of some of these goals' (Sandoval, 2017, p. 185). Indeed, this points to both the potential overlaps between and the necessary divergence of transitional (and transformative) justice and development. These divergences are explored next.

DIVERGENCE

Despite the above-mentioned overlaps between the concepts and practice of development and transitional justice (and transformative justice), there are nevertheless a number of divergences that it must be recognised. Perhaps most obviously, in their more narrowly defined forms transitional justice and development may have little in common in terms of aims. Given their divergent aims, transitional justice and development might, under some circumstances, work against each other in practice.

If development is narrowly defined as the pursuit of economic growth, for instance, this is unlikely to contribute towards, and might undermine, the pursuit of transitional justice focussed upon trials, truth commissions and reparations programmes. Indeed, with regard to reparations programmes, one frequently cited reason for these not being pursued (or not to the extent recommended) is the economic cost to the state (see, for example, Mani, 2008, pp. 256–7; Waldorf, 2012, pp. 177–9). Similarly, where criminal prosecutions are likely to be costly and time-consuming, the pursuit of economic development (at least in terms of growth) might imply a need to deprioritize pursuing trials (see, for example, Mani, 2008, pp. 256–7). Economic growth and political stability are also often presented as a justification of pursuing wide-reaching amnesty programmes, which transitional justice advocates may consider as entrenching impunity, rather than more accountability-focused transitional justice mechanisms (see, for example, Collins, 2010; de Greiff, 2010, p. 22; see also Sandoval Villalba, 2011, pp. 3–4). Pablo de Greiff notes that, in thinking on development in transitional justice contexts, there is at times a tendency to fall into the trap of accepting the narrative of a dichotomy 'between security and development on the one hand and justice on the other' (de Greiff, 2010, p. 22). If this (false) dichotomy is accepted, and development is prioritized, then the goals of transitional justice are undermined. Likewise, arguing against narrow, technocratic notions of transitional justice, Lundy and McGovern note that 'wider geo-political and economic interests too often shape what tend to be represented as politically and economically neutral post-conflict and transitional justice initiatives' (Lundy and McGovern, 2008, p. 276; see also Andrieu, 2010).

Furthermore, despite the rise to prominence of various kinds of human rights-based approaches to development and indicators such as the Human Development Index (HDI), narrower conceptions of development continue to hold some sway (see, for example, Easterly, 2006). For example, the conception of development promoted by influential figures such as William Easterly is a narrow one. Easterly's approach is very much focused on economic growth. In his book *The White Man's Burden* there is no mention of the HDI at any point (Easterly, 2006). Easterly does demonstrate that despite increasing rhetorical commitment to ensuring participation, big aid agencies continue to fail to ensure genuine local ownership of and participation in development projects (Easterly 2006). However, his own proposed model of development does not necessarily resolve these issues and would not be consistent with

the aims of transformative justice or broadly conceived ‘development-sensitive’ transitional justice (see, for example, Duthie 2008; Evans 2018a).

Easterly’s approach appears to be more concerned with ensuring that market principles are incorporated into development projects rather than human rights principles. Though he claims that accountability and participation are better realized through the (allegedly) creative, bottom-up market approach of ‘Searchers’ than the top-down bureaucratic approach of ‘Planners’ (Easterly, 2006), this is not necessarily the case. Easterly’s focus on economic growth and markets obscures improvements in human development achieved through non-market driven processes as well as the possibility that market-based approaches may undermine human development and/or human rights (see, for example, Aberese Ako, Anyidoho and Crawford, 2013; Griffiths, 2003, pp. 167–77; Sen, 1999). There is also no guarantee that Easterly’s favoured market-oriented approaches would in fact be characterized by bottom-up mobilization. Nigel Gibson, for example, argues against the kinds of processes Easterly favours, positing that market-oriented ‘boot-strap’ programmes such as micro-credit and poor people’s savings schemes (which are often favoured by international financial institutions such as the World Bank and philanthrocapitalist donor organizations like the Bill and Melinda Gates Foundation) ‘often pathologise the poor’ (Gibson, 2011, p. 272). Moreover, despite the bottom-up rhetoric of advocates such as Easterly, there is every chance these programmes are imposed from above (see, for example, Podlashuc, 2011).

The kinds of criteria used to measure human development – indices of child mortality, adult life expectancy and literacy, for example – are clearly in line with a number of recognized and legally enshrined human rights such as the right to health and right to education (see, for example, United Nations, 1966; see also Marks, 2003). The same cannot so easily be said for economic growth. From a human rights perspective, human development is much more important than economic growth or the opening up of markets. There is no right to markets. There is a right to health. Where economic growth is put forward as the overriding priority of development, this diverges from the (stated) aims of transitional justice, and diverges especially from transformative justice (see, for example, Andrieu, 2010; Evans, 2018b; McAuliffe, 2017). Indeed, development thinkers concerned primarily with growth have at times praised deeply authoritarian and human rights abusing states (see, for example, Easterly, 2006). Here, the aims of one conception of development diverge significantly, even with a fairly narrow conception of transitional justice.

CAN TRANSITIONAL JUSTICE AND DEVELOPMENT BECOME MUTUALLY CONSTITUTIVE?

Transitional justice and development are potentially synergistic when they are conceived and applied in compatible terms. This is more likely to occur, on the one hand, when both development and transitional justice are conceived narrowly and, on the other, when both development and transitional justice are conceived more expansively. If development policies and processes are put forward with a different conception and mandate to transitional justice processes then disconnection and contradiction is more likely to manifest. Figure 19.1, below, indicates the relationships between approaches to development and transitional justice. Narrow conceptions of transitional justice overlap with narrow conceptions of development and, to some extent, with expansive conceptions of transitional justice and transformative justice. Broad concep-

tions of development and human rights-oriented development overlap more with the concerns of expansive transitional and transformative justice, and to some degree with narrower conceptions of development. Narrow conceptions of development and expansive notions of transitional justice do not, however, overlap.²

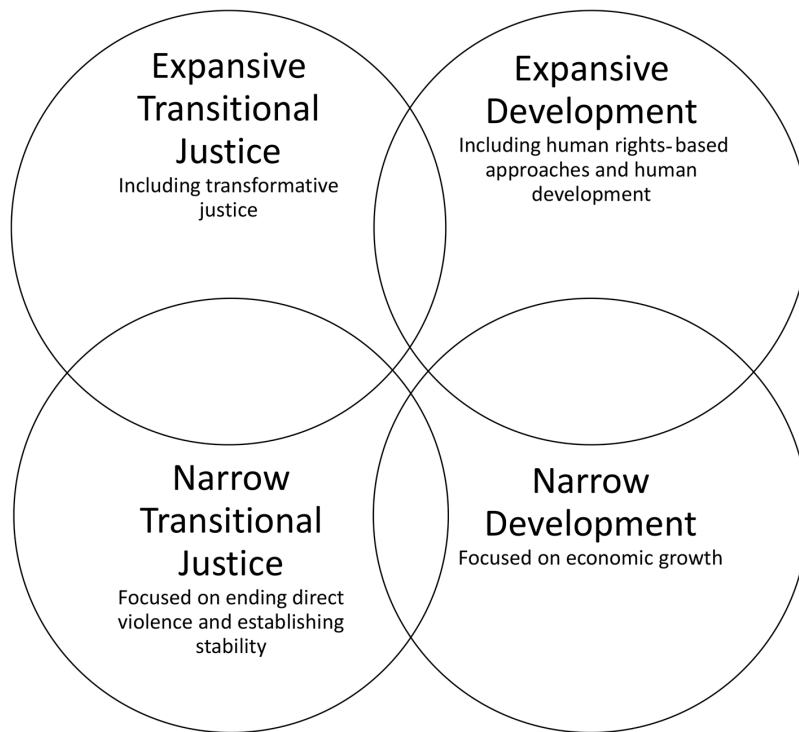


Figure 19.1 Relationships between approaches to development and transitional justice

Where development and transitional justice are conceived narrowly, they might be mutually constitutive if their aims are focused especially on promoting stability. Cessation of armed conflict and the functioning of liberal markets may in this conception be the mutual aims of transitional justice and development. However, there are good reasons for thinking that such conceptions are problematic (see, for example, Gready, 2011, pp. 212–13; Gready and Robins, 2014; Lai, 2016). From a human rights point of view, other goals ought to be emphasized. Broader goals of transitional (or transformative) justice and the goals of human rights-based approaches to development are likely to be in some ways synergistic, whilst also being (at least potentially) progressive. If, however, there is a disconnect between the broader human rights-based goals of the approach to either development or transitional justice pursued and a narrow stability-oriented mandate of the other area of intervention then contradictions are more likely.

A key area where there is the potential for a (progressive) overlap between transitional (and, especially, transformative) justice and development is in the area of democracy and participation (see, for example, Andrieu, 2010; Evans, 2018b). Taking an approach to development that draws on the increasingly mainstream notions of human rights-based approaches, and development as freedom, it is clear that the opportunities for individuals and communities who are affected by development interventions to shape, influence and contest the priorities and forms of these is a good thing, which in the sense of maximizing freedom and reducing unfreedom contributes to development in itself (see, for example, Gaventa and Barrett, 2010; Marks, 2003; Sen, 1999). Likewise, more expansive accounts of transitional justice and, especially, conceptions of transformative justice in post-conflict and post-authoritarian contexts require the participation of affected communities in setting out their own needs and priorities, influencing and contesting elite bargains and institutions (see, for example, Evans, 2016, 2018b; Gready and Robins, 2014; Robins and Kumar Bhandari, 2012). Fundamentally, this is a form of democracy that goes beyond procedural notions of formal democratic processes such as representative elections. This kind of democratic participation is a goal of both transformative justice and human rights-oriented approaches to development. Moreover, this kind of democracy is likely to be crucial in the success or failure of development and transitional (or transformative) justice processes (see, for example, Evans, 2016; Gaventa and Barrett, 2010; Robins, 2013; Uvin, 2004, p. 138). Without democracy the other wider goals of (human) development and transformative justice are less likely to occur. It is important to consider the ways in which this kind of democratic participation can be manifested in the context of development and transitional (or transformative) justice (see, for example, Evans, 2018b; Gready and Robins, 2017). There is an important role for civil society in producing this kind of democratic process, including with regard to the mobilization of social movements, as well as the participation of affected communities in groups and organizations such as trade unions and non-governmental organizations (NGOs) (see, for example, Evans, 2018b; Gready and Robins, 2017; Lai, 2016; Ottendörfer et al., 2017).

Nevertheless, there are necessarily differences between the aims and foci of transitional justice (and transformative justice) and development, even when they are conceived and applied in their most mutually constitutive forms. Transitional justice and development cannot and should not be fully absorbed into each other. This is for a number of reasons. First, and perhaps most obviously, transitional justice has a particular concern with transitions from conflict or authoritarianism to peace and democracy. Development does not have such a focus and nor should it. To apply development interventions only in situations where societies are attempting to recover from a recent period of conflict or authoritarian rule would arbitrarily exclude large populations from the benefits of development. Indeed, this issue has been raised by scholars critical of the potential for reparations programmes to be selectively applied by states to particular victim communities instead of providing more inclusive development programmes (potentially in addition to reparations for those specifically victimized) (see, for example, Firchow, 2013; see also Evans and Wilkins, 2019).

Likewise, transitional justice is not only applied in contexts that might be defined as developing countries, or in the Global South. On the one hand, a major criticism of some approaches to transitional justice has been its tendency to reproduce an arguably colonial relationship between international (disproportionately Western) actors delivering 'justice' to disempowered recipients in Africa, Asia and Latin America (see, for example, Lundy and McGovern, 2008; Madlingozi, 2010; Matsunaga, 2016). On the other hand, there are good reasons for

thinking that transitional justice could be applicable to Western countries and the Global North – and in some cases transitional justice processes have taken place (perhaps most notably in Northern Ireland, but also in other contexts such as Canada and Spain) (see, for example, Davis, 2005; Encarnación, 2008; Hamber and Kelly, 2016; Jung, 2009; Lundy and McGovern, 2008; Matsunaga, 2016).³ In these cases, the link to development as it is usually conceived is less obvious. Moreover, critical approaches to transitional justice, and transformative justice, overtly seek to avoid these problematic dynamics and the imposition of narrowly conceived one-size-fits-all approaches to justice in the wake of conflict and authoritarianism (see, for example, Evans, 2018b; Lundy and McGovern, 2008; Robins, 2013).⁴

Transitional justice and development cannot be fully absorbed into each other. It is possible, however, for both processes to be synergistic. For this to be progressive, it is necessary for conceptions of and approaches to both transitional justice and development to be open to participation and contestation by affected communities and for the realization of the full range of human rights to be of central concern (see, for example, Evans, 2018b; Gready and Robins, 2017). Elsewhere, it has been argued that transformative justice necessitates paying attention to the ways in which members of communities affected by the legacies of conflict, authoritarianism and injustice – including with regard to socioeconomic inequalities and structural violence – mobilize, articulate their concerns and take collective action (see, for example, Evans, 2016). As mentioned above, this means taking account of the actions of, and relationships between, organizations and groups such as NGOs, social movements and trade unions (see, Evans, 2016, 2018b). Mobilization by, and affected community members' participation in, these kinds of groups and organizations is a key way by which the democratic participation deemed necessary above might be achieved (and in a – potentially – progressive manner) (see, for example, Evans, 2018b; Gready and Robins, 2017; see also Evans, 2015).⁵

CONCLUSION

In order to establish the extent to which development and transitional justice are mutually constitutive it is necessary to consider what the purposes of development and transitional justice are. This chapter argues that wide-reaching transformative justice ought to be pursued as part of, or alongside, transitional justice and that notions of development that prioritize human rights are superior to those that focus upon narrower, primarily economic growth-oriented goals. Whilst narrow conceptions of development and transitional justice can indeed be synergistic, these conceptions and applications are potentially problematic and regressive. It is not simply an automatically good thing for development and transitional justice to reinforce one another – this is only desirable in the event that the situation promoted by development and transitional justice is a desirable one.

It is also the case that development and transitional justice (and, indeed, transformative justice) do not and cannot have wholly identical purposes. Even as it is possible that they become mutually constitutive it is not the case that development and transitional justice are or should become synonymous. There are distinct areas of focus and priority that it is right that transitional justice and development interventions address distinctly from one another.

By way of conclusion, the following is worth emphasizing. First, transitional justice and development do not necessarily overlap to a large degree. Second, an overlap between the concerns and practices of transitional justice and development is possible and, indeed, likely, if

transitional justice and development interventions are conceived either with regard to narrow goals (such as stability and functioning liberal markets) or with regard to more expansive, broad goals (such as the realization of socioeconomic rights and maximization of freedom – also broadly conceived). Third, in order for mutual reinforcement of transitional justice and development to be progressive, expansive, broad understandings of both concepts and their application in practice is desirable. In order for this to be realized, a central concern of both transitional justice (and transformative justice) and development must be democracy. For freedom to be maximized as a form of development, and for transformative change to occur in post-conflict or post-authoritarian contexts, the participation of affected communities is necessary. Whilst transitional justice and development can overlap in their more narrowly conceived forms, it is these forms that are most vulnerable to criticism in relation to the de-prioritization of local or grassroots actors and their concerns as opposed to elite actors and outside priorities.

It may be concluded, then, that more expansive notions of both development and transitional justice ought to be promoted, maintaining a key focus on facilitating democratic participation. As such, transformative justice is more desirable and more consistent with human rights-inclusive forms of development than established, narrow conceptions of transitional justice. Going forward, the task for scholars and practitioners concerned with the intersection of transitional justice and development is to build upon these insights, and those of the emerging literature, especially with regard to implementation in practice.

NOTES

1. These aims do not, however, exist in a political vacuum and are not uncontested. See, for example, Madlingozi (2010); Mamdani (1996); see also Evans (2018a); Lai, (2016).
2. See Evans (2016) for further elaboration on the overlaps and differences between transitional justice and transformative justice.
3. The debatable position of the former Yugoslavia, and of Central and Eastern European countries such as Poland, in relation to binaries such as Western/non-Western and Global North/Global South brings a simple notion of transitional justice as something done by the West to the rest further into question. The question of the purposes of transitional justice (such as promoting stability and markets or promoting societal transformation and human development) nevertheless remain. On post-transitional dynamics in the former Yugoslavia, see, for example, Lai, 2016. On Poland, and Central and Eastern Europe more broadly, see, for example, Kochanowicz, 2001; Stan, 2009; Szczerbiak, 2017.
4. Kora Andrieu, for instance, notes that local initiatives ‘may promote participation and a sense of ownership over transitional justice and the peacebuilding process, but they may lose much of their value when encouraged and programmed by the state or by international institutions, as is most often the case’ (Andrieu, 2010, p. 546).
5. It is, however, important to emphasize that this progressive potential is not certain to be realized. As Andrieu notes, ‘we tend to assume, wrongly, that the community is necessarily the repository of solidarity and democratic values’, whereas, at times, community mobilizations ‘can also be patriarchal and oppressive for individuals, particularly women and minorities’ (Andrieu, 2010, p. 546).

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20. South Africa: democracy and development in the post-apartheid era

Tom Lodge

This chapter addresses four questions. In 1994, for South Africa's new political leadership, what were the key challenges in institutionalizing democracy and promoting development? To what degree over the last three decades have they been successful in achieving their aim of a 'better life for all' through economic expansion while at the same time consolidating democratic politics? Has progress in democratization fostered development? Finally, has South Africa's developmental trajectory since 1994 been inevitable, a product of a particular set of circumstances in which political decisions have had only a secondary importance or might things have been different?

The main part of this chapter is divided into two sections. First, we explore the effects of government policies on economic and social life. Here political leadership has maintained a commitment to liberalizing the economy while at the same time using public resources and political leverage to encourage the formation of a black business elite. Meanwhile massively expanded welfare provisions have helped to limit the scope of poverty. The second section maps out the political path South Africans have followed since 1994, generally a record of democratic achievement, though not without serious shortcomings. Finally in the concluding section, we consider the ways in which political life has shaped South Africa's developmental trajectory.

A BETTER LIFE?

Before 1990, South African economic and social policy was directed to promoting and protecting the racially segregationist apartheid regime. From 1952, laws prohibited Africans from living in any town unless they had been born there or had worked for the same employer for ten years. The 'pass laws' restricted African mobility between jobs and places. During the 1950s, for those Africans who retained urban status, a massive programme of public housing in peri-urban 'townships' replaced inner city multi-racial slums. By 1971, African public housing totalled more than 500 000 family dwellings. Migrant workers without urban residential rights had to live in tightly controlled barrack-like hostels, living apart from their families who remained in the officially designated ethnic homelands. By the mid-1960s, repression had eliminated most of the militant African trade unions.

In 1968, the Armaments Development and Manufacturing Corporation was created. This greatly expanded the scope of public industrial enterprise. Despite the manufacturing promoted by import-substitution policies and export incentives, the economy continued to be sustained by mining and mineral exports. Protectionist policies favoured the manufacture of consumption rather than capital goods; and behind protective tariff walls, South African manufacturing became increasingly technologically backward, especially with international

advances in computerization (Freund, 2019, pp. 198–9). This helps explain why, in contrast to other middle-income developing countries, South Africa made desultory progress in producing machines and equipment. In comparison to most primary commodity producers, high gold prices and varied markets for exports helped South Africa maintain a trade surplus throughout most of the apartheid era, despite the rising cost of oil imports. One important consequence of the international sanctions campaign was that the government began to invest in local branches of production, fearing that sanctions might become more effective. The arms industry was one beneficiary of such investment. During the 1960s, threats of an oil embargo stimulated a petrochemical industry that together with weapons remains one of South Africa's more competitive export sectors.

Apartheid economics was buttressed by a welfare state, although one that functioned in a racially discriminatory fashion. As noted above, the state became the major provider of African urban housing. In the 1960s, the state extended its control over African educational institutions, increasing school enrolment massively. By the end of the decade, most children were at school, although there were huge inequalities in per capita public spending on white and black children. A public pension scheme was instituted in the 1940s, although pension payments between the races were equalized only in 1993.

During the 1980s the incremental dismantling of apartheid was accompanied by economic deregulation. By 1984, most official employment discrimination had ended. In the mid-1980s, the government began to dismantle the protections and subsidies for white agriculture. Parallel to these developments, the Iron and Steel Corporation was put out for privatization, sold eventually to a mainly Indian-owned international conglomerate headquartered in Luxembourg. In the late 1980s, rising defence spending and expanding public debt brought fresh reasons to deregulate and privatize. When the government abolished the restrictive pass laws in 1986, this should have freed up the labour market. But by this time, the main labour shortages were in skilled sectors because generations of Africans had not received industrial training and technical education. Once Africans were permitted to move to the cities, urban growth escalated. By 1990, an increasingly large share of the African urban workforce was unemployed, a consequence of a decade of economic stagnation and sharply declining rates of foreign investment. African workers, though, were increasingly unionized, with militant labour organizations expanding their membership after legal reforms in 1981 brought African workers into the officially sanctioned collective bargaining system.

After 1994, African National Congress (ANC) governments expanded the liberal economic policies of the late apartheid era, despite trade union opposition. Though encouraged by World Bank advisors, the new administration held back from foreign borrowing, instead seeking additional funding through making taxation more efficient and aiming to induce fresh foreign investment. The World Trade Organization imposed 'developed country' conditions for entry; this required swift tariff reductions that the government hoped would make local firms more competitive (Manuel, 2014, p. 31). Between 1993 and 2004, protection rates in manufacturing would drop from 48 per cent to 12.7 per cent (Edwards, 2014, p. 87). In 1997, industries stopped receiving export incentive subsidies. Clothing and textile factories lost hundreds of thousands of jobs. Especially vulnerable were the light manufacturing enterprises situated on homeland borders, which up to 1994 had been encouraged with tax holidays and other incentives. Few of these would survive the decade (Freund, 2019, p. 195).

Liberalization brought only modest rewards. The South African economy grew at an average rate of 2.3 per cent through the 1990s. It then quickened, peaking at 5 per cent annu-

ally between 2005 and 2008, an upsurge that added 2 million jobs to the labour market, mainly a consequence of Chinese trade in mining commodities, and then falling to 2.5 and 3.5 per cent a year until 2016 when contraction reduced the rate to 1 per cent, an effect of drought as well as power shortages, the latter a consequence of two decades of underinvestment in power stations. The 2009 Global Financial Crisis reduced demand for mining products and most of the job gains of the preceding decade were lost. Growth was prompted by rising foreign direct investment after 1994, at an annual average of \$1.8 billion up to 2002, slackening thereafter, unimpressive figures compared to many lower middle-income countries (Black, 2014, pp. 96–7). In 2014, Nigeria received three times as much foreign investment as South Africa, a striking reversal in their comparative economic status (Eeckhout and de Vink, 2014). Since 1994, South African attempts to draw investment towards heavy industry have failed and meanwhile there has been very little fresh funding for light manufacturing. Much foreign investment has been into previously existing South African-owned firms rather than starting up new branches of production or new enterprises. Meanwhile, official policy has tended to eschew any references to ‘labour-intensive’ industrialization, preferring to emphasize the enlargement of a ‘high-wage, high-productivity’ workforce, an approach that invites capital-intensive manufacturing investment, though generally investors have held back (Seekings and Natrass, 2016, pp. 103–6). This is partly because the government’s efforts to promote skills development have been very ineffectual indeed. South African firms increasingly exported their own investments, chiefly to other African countries and more recently to China, facilitated by the relaxation of currency controls intended to promote foreign investment. In general, for investors, manufacturing became less profitable in comparison to services (Edwards, 2014, p. 90).

To an extent, South Africa has benefited from shifting patterns in its international trade, especially with the BRICS group. BRICS stands for Brazil, Russia, India, China, and South Africa, an alliance of the world’s largest developing economies that South Africa joined in 2010. South African trade with the BRICS group is five times larger since 2005, although, in contrast to its still larger trade with the European Union, South Africa’s trade balance with the BRICS group is negative, with higher tariffs on South African exports to the group than those imposed by the European Union. Even so, China has become the biggest export market for South Africa and is its fastest-growing investor, especially in banking and mining as well as manufacturing, establishing a \$750 million automobile plant in 2017 (Jimenez, 2019, p. 9). Earnings from Chinese exports were critical in helping South Africa weather the 2008–09 global recession (Nkunjana, 2019). South Africa takes its BRICS membership very seriously. At World Trade Organization summits, South Africa aligns with its partners in arguing that developing countries should be able to maintain protectionist tariffs. Similarly, South Africans joined the Chinese, Brazilians and Indians in opposing the cuts to energy emissions that are needed to limit global warming. Critics believed that the government’s professed commitment to using renewable energy sources weakened as a consequence of a contract for nuclear reactors awarded in 2014 to the Russian agency, Rosatom. These were excessively costly contracts in which people within the ruling circle benefited and they have since been cancelled (Weiss and Rumer, 2019). Future expansion of electricity supply will depend on coal-burning power stations for decades to come and South African coal exports continue to expand; trade unions oppose greater use of renewable energy (Davie, 2019b). Nuclear energy is unlikely to replace coal-based power on a significant scale as it is comparatively expensive (Freund, 2019, p. 174).

At home, redistributive policies attempted to expand the social scope of private ownership rather than broaden the public sector. For instance, between 1994 and 2013, the government helped to finance the construction of more than 3.3 million low-cost houses through grants to impoverished families that enabled them to buy their own houses. This vast number of homes was built by private contractors on cheap public land, with the state supplying water sanitation and electrical connections. For many township residents, home ownership was more expensive than rented housing or the payments they had made to ‘shacklords’ in squatter camps; the housing subsidies usually did not altogether cover construction costs, and poor families who moved into the houses often ended up paying more on mortgage repayments than they had paid on rents. Moreover, rural urban migration and demographic pressure combined to increase the figures for the ‘housing backlog’; in 2016, at least another 2.2 million houses were needed to meet the needs of shanty dwellers. At the present rate of construction of government-subsidized low-cost houses – 140 000 a year – many of the shanty settlements that surround South African cities will remain for at least another decade.¹

Today the most political contentious arena for redistributive policies is land reform. Two-thirds of South African land is owned privately, mainly by corporations or by white farmers. Of the remainder, 15 per cent is under communal tenure, 10 per cent is public and the remainder is urban land accommodating 60 per cent of the population. Agriculture contributes 2 per cent of GDP, 10 per cent of exports and employs 5 per cent of the workforce, including 700 000 workers on commercial farms. Since 1994, farmers have evicted a million labour tenants, anticipating reforms to improve their status. Of around 2 million African small-scale farmers, only a minority of these derive a full-time income from farming. Under its Land Restitution procedure claims, the government awarded most of the mainly urban claimants with R40 000 compensation grants. Rural claims are more costly and complex and those that received land were unable to farm their new properties successfully, needing capital and other kinds of support. Between 1994 and 2013, nearly 5000 farms were transferred to 250 000 aspirant farmers. The Minister of Rural Development and Land Reform suggested that most of these undertakings were failing, though academic researchers disagree.² In 2004, communal land rights legislation strengthened traditional leaders, and despite a successful constitutional court challenge to the new law, chiefs continue to erode customary access to communal land.³

Enlarging the share of black ownership in the economy remains a policy priority. A series of laws enacted since 1999 promote black business. The Preferential Procurement Act that regulates the awarding of government contracts requires winning companies to allocate shares to ‘previously disadvantaged’ people. The Promotion of Equality Act set up a monitoring system to record how well companies were ‘deracializing’ their managements. The National Empowerment Fund Act reserves 2 per cent of the proceeds from the sale of public corporations to finance black shareholding in these concerns, although as we shall see, since 2004, privatization has largely halted because of the absence of black business groups who can purchase majority stakes. In mining and energy, though, traditionally reliant on public subsidies, the government has extracted corporate commitments to black empowerment and it has also been providing black entrepreneurs about R2 billion (rand) a year of start-up capital. On the whole, though, empowerment has enabled black business people to buy into existing sectors rather than set up new concerns; unsurprisingly, therefore, it has tended to reinforce existing paths of ‘jobless growth’ (Southall, 2006, p. 197).

Since 1994, privatization policies have had their most profound effect on municipal administration. Heavily indebted local authorities now contract out basic services such as water

supply and garbage collection to private companies. To put the railroad network on a commercial footing, many smaller rural stations were closed. Effectively, the state mostly abandoned its former provision of cheap, subsidized public transport. Even so, the transport corporation remains wholly state-owned after successive failures to attract foreign investors and local black empowerment groups. Indeed, since 2004, government has stopped selling public assets partly because of difficulties in selling the telephone utility. That year, Telkom's partial sale to a Malaysian consortium made it obvious that black South Africans would not be the main beneficiaries of any further 'core' privatization. Black business people cannot mobilize sufficient capital by themselves to purchase major stakes, and in most of the privatizations up to 2004, they assumed a junior partnership.

How successful has the programme to 'deracialize' South African capitalism been? Measured by the proportion of black-owned companies on the Johannesburg stock exchange, the share of the economy owned by a 'black bourgeoisie' remains quite modest. In 2013, 23 per cent of the shares of the top 100 companies traded on the Johannesburg Stock Exchange were held by black South Africans mainly through pension funds, roughly the same proportion as owned by white South Africans (the rest are owned by foreign investors), according to the Exchange's own research. Black-controlled companies – that is, companies in which most shares are black owned and the company is managed mainly by black South Africans, represent a much smaller percentage, at around 3 per cent (Wilkinson, 2017). Black participation in the economy is not limited to black share ownership. Political pressure has prompted all major companies to appoint black people to their boards: in 2015, for example, just over a third of South African company directors were black, though in the same year only 10 per cent of chief executive officers in companies were black (Business Tech, 2015). In the real estate business, the number of black realtors was almost non-existent in 1990; it has risen since, but even so, black estate agents make up only 5 per cent of the total, despite the proliferation of freehold property ownership in black communities (Smit, 2018). By 2015, the number of millionaires from 'previously disadvantaged groups' had reached 17 300 (compared to the white total of 21 000), three times the figure in 2007 (Smith, 2016).

Has black empowerment made South Africa more socially stable? Given the rising black share of economic ownership, the government certainly has more incentives to maintain business-friendly policies. Business has now acquired new kinds of political influence and, given the pattern of black entry into its executive echelon, new black capitalists are likely to defend existing kinds of commercial and industrial activity and to resist any effort by the state to reorient them. Many who have benefited most from these measures have been and have remained politically well connected, especially former activists (Seekings and Nattrass, 2016, p. 229). It is also true that political pressure has prompted companies to promote black managers, and this helped a rapid expansion of a black middle class. But black empowerment by itself has not reduced black poverty; what reduction has occurred has been an effect of extending social welfare.

South Africa remains one of the most unequal societies in the world, despite efforts to alleviate poverty. Measured through the Gini coefficient statistical measure of income inequality in which 0 is 'perfectly equal' income and 1 is 'perfectly unequal', South Africa inequality in 2015 was a disturbingly high 0.63, the highest in the world, only slightly lower than the coefficient recorded in 1993, 0.65 (Whiteford, Posel and Kelatwang, 1995, pp. 19–21). Since then, real wages of the bottom 10 per cent of earners have fallen (Statistics South Africa, in Webster, 2019, p. 15). To be sure, large numbers of Africans have been joining the richer

population: those living in the top fifth of income earners rose from 400 000 in 1994 to 1.9 million in 2008, although this also means that income inequality among Africans has increased dramatically. Unemployment, chiefly affecting Africans, remains very high, the official figure at more than 29 per cent in mid-2019, compared to 23.4 per cent in 1996 (Statistics South Africa, in Nkunjana, 2019). School-leaver or youth unemployment is much higher, at 54 per cent in 2016. Youth unemployment at 50 per cent is the worst in developing world (Sharma, 2014, p. 61).

South African inequality is, to a large extent, the historic product of apartheid policies. Racial inequities in government expenditure were especially obvious in education. In the 1950s, more whites than Africans were trained as teachers, even though five times as many African children were of school-going age. The 1960s saw a swift expansion of African enrolment, but as late as 1984, only a fraction of Africans compared to most white students completed high school. In 1985, although there were five times more African than white students, the government was still spending half its educational budget on white schools. Eighty-three per cent of government expenditure is directed at teachers' salaries, a very high share reflecting the influence of a teachers' union closely aligned to the ruling party, and well placed to resist any efforts to make teaching more effective.

After elections ushered in an African-controlled government in 1994, public policies attempted to equalize entitlements and allocations as well as broaden access to public goods, but without dramatic expansion in public spending. In its election campaigning, the ANC had promised low-cost housing, better healthcare, extension of pension access – many black South Africans were omitted from the existing system – domestic electrification, jobs through public works, land redistribution, clean water and compulsory education, modest enough pledges from a movement once committed to revolutionary transformation, but in line with the expectations its own market research had encountered (Lodge, 1995, p. 479). In power, the ruling party would honour these pledges. The pensions, grants and expanded public services were funded through taxation, in effect an annual redistribution of as much as 10 per cent of gross domestic product (GDP) (Seekings and Nattrass, 2016, p. 267). Today, public expenditure on education has become equitable. Africans now constitute nearly 70 per cent of university students, up from 55 per cent in 1994, though university scientific research outputs have declined (Fedderke, 2014, pp. 44–6). In schools, African enrolments rose sharply but the proportion of Africans matriculating has stagnated at around 40 per cent. By international standards, South African sixth-grade performance in reading and maths is very poor – even compared to African lower-income countries, despite much higher per capita expenditure (Lam and Branson, 2014, pp. 342–6). Only 32 per cent of SA sixth-grade teachers have requisite mathematical competence. Meanwhile, more people than ever receive welfare grants – 16 million today, up from 3 million in 1994. Measures to alleviate poverty include providing running water for about a third of the rural population. In 1999, municipalities began to implement free water and electricity allowances. During the 1990s, the electricity network expanded massively to embrace poorer rural communities. In addition, 1300 new clinics have supplied free healthcare to millions of pregnant women and children.⁴ However, hospitals in the main urban centres have deteriorated.

Have these efforts resulted in less poverty? Certainly since 1994, poor people have benefited from government services and public support. However, their absolute numbers have not reduced: in 1993, the poverty rate was 56 per cent and it has since then remained at around 54 per cent. The poorest 60 per cent of the earning population receive 10 per cent of total income

(Finn, Leibrandt and Ranchod, 2014, pp. 293–4). In 1993, one-fifth of households were grants beneficiaries and in 2010 one-half. Expanding the provision of welfare grants certainly alleviated poverty (van der Berg, 2011), but a dramatic increase in economic growth is needed to reduce poverty significantly. Unemployment prevents poverty reduction on a significant scale. Because of urbanization, the poverty rate in towns has risen.

Unemployment has undermined the government's efforts to address poverty. The manufacturing workforce shrank by 400 000 in ten years after 1988, a 25 per cent fall. At the same time, 500 000 workers left farms. Public sector employment has shrunk only slightly, a reflection of the leverage exercised by public sector trade unions. By the late 1990s, they were the major players in the still powerful union movement. Despite unemployment, union membership has expanded. In 2015, overall union membership was 3.7 million. Unemployment is concentrated among school dropouts and rural people. Africans are still much more likely to be unemployed than other groups.

Between 2002 and 2016, the combined effects of child support grants, more immunization and less malnutrition, helped under-five infant mortality to drop from 77 per 1000 to 44 per 1000. However, life expectancy also fell, from 64 in 1996 to 51 in 2007, although in 2014 it had risen to 61. Falling life expectancy reflected the devastating impact of HIV/AIDS, which, according to South Africa's Medical Research Council, was responsible for 25 per cent of deaths in 2000. Rising life expectancy reflects the government's efforts to expand the treatment of AIDS since 2007.⁵ Official statistics indicate that between 1990 and 2010, around 4.5 million South Africans died of AIDS. South Africa's rate of HIV/AIDS infection remains among the highest in the world, with 7 million HIV-positive in 2016.

A mixed picture emerges from this survey. Democratic transition was accompanied by reintegration into the global trading system and a mild economic revival that quickened in the first decade of the new century. However, the national economy retained its vulnerabilities, heavily dependent on extractive industries, short of foreign and domestic investment, and with the most growth in service and finance sectors as well as construction, growth that generated few employment gains to compensate for industrial and farming job losses. A sophisticated and powerful financial sector facilitates capital export. On the other hand, vigorous government spending on primary healthcare, housing, domestic electrification, water provision and social grants and pensions checked poverty and child mortality. But South Africa remains as socially unequal as it was during apartheid and unemployment, already severe in 1994, has increased.

Economists blame labour market 'rigidities' for 'exceptionally high' production costs in certain industrial sectors; these arguably help to limit growth and curtail job creation (Fedderke, 2014, p. 42). Generally, wage rises in unionized sectors have been higher than production growth: for example, in 2009–10, at the time of the global recession, the average wage increase was 9 per cent (Sharma, 2014, p. 65). Experts suggest that a 10 per cent wage rise in the South African setting can cause a 5 per cent contraction of jobs (Mlatsheni and Leibrandt, 2014, p. 237). Very high strike rates are also a factor discouraging investors, although, in fact, it is public sector workers who in the last decade have been most predisposed to strike (Seekings and Nattrass, 2016, p. 253). Not all economists blame wage rises for unemployment and, in fairness, South Africa has significant areas of employment in which wages are low by international comparison and these too have failed to expand: certain areas of agriculture would be a case in point. Weak support from state agencies and underinvestment in the relevant public infrastructure are also to blame for weak economic performance – for the disappointing outcomes of land restitution, for example. Skill shortages also contribute to high

production costs and government efforts to improve public education have failed, as is evident in falling matriculation rates.

DEMOCRATIZATION

South Africa's modern state organization emerged from protracted bargaining between 1992 and 1996 as apartheid crumbled. A transitional constitution settled how South Africa would be governed after the first democratic elections, which were held in 1994. Parliament, acting as a constitutional assembly, drafted a document that incorporated key principles adopted at the earlier multiparty talks. This ensured that certain minority concerns would receive enduring protection. A bill of rights supplies safeguards ranging from traditional civil liberties to environmental protections and sexual choice, as well as (to a generous extent) safeguarding property ownership. Most clauses of the constitution can be changed through a two-thirds vote in the National Assembly, the lower house of Parliament. However, an opening section of the constitution lists a set of key values that require a 75 per cent majority for amendment. Since 1994, the South African state has been a quasi-federal system. The national government has the power to override laws passed by nine provincial regional legislatures. The provincial administrations depend on funds from the central government, using their discretion in making allocations. In effect, these budgets provide massive fields of patronage for provincial political leaders.

Although the South African system of government has inherited many features of the Westminster model, the South African president is considerably more powerful than the British prime minister. South African governments are formed by the president, who must be a member of the National Assembly. After being elected by the Assembly, the president vacates his or her parliamentary seat and appoints and subsequently chairs a cabinet of ministers. The president, who can only serve two five-year terms, also chooses a deputy president.

During the Mandela presidency, ANC MPs were occasionally willing to confront the executive branch. During the Mbeki administration, parliamentary committees became much less assertive, and government ministers treated committees scornfully. In any case, ANC parliamentarians may have priorities other than ensuring executive accountability. The fact that in 2007, 40 per cent of the ANC caucus listed themselves as company directors suggests that many ANC MPs devote significant time to private business pursuits. More than half the members of President Zuma's cabinet in 2014 registered major business interests.⁶ In August 2015, ANC parliamentarians were unanimous in rejecting the recommendations of the Public Protector that President Zuma should repay public money spent on his private rural compound at Nkandla; it eventually took a court judgement to make him do so. In general, the executive is more likely to respond to extra-institutional kinds of public pressure; for instance, after tumultuous opposition from a 'Right2Know' campaign in 2013 as well as from veteran ANC notables it 'shelved' proposed official secrecy legislation that would have protected corrupt officials from public exposure.⁷

South Africa's first president after elections in 1994 was Nelson Mandela, who served one term and declined to serve another on grounds of age. His single term was decisive in establishing the prestige of the new government. His successor, Thabo Mbeki, followed Mandela's example in taking care to cultivate strong personal relationships with members of the Afrikaner elite. Prior to becoming president of the Republic, both Mandela and Mbeki

had been elected at ANC conferences to head the party. As Mandela's deputy president, Mbeki was largely responsible for the day-to-day management of the administration. After he became president in 1999, the office accumulated new functions. Although he was elected to a second term in 2004, Mbeki lost his party's support in ANC leadership elections at the end of 2007, a consequence mainly of unpopular economic policies, including his efforts to reduce the public payroll. He resigned the following year, to be replaced by his deputy, Kgalema Motlanthe. After the 2009 election, the new National Assembly elected Jacob Zuma as president and Motlanthe reassumed his former role as deputy.

To his opponents within the ANC, Jacob Zuma's lack of formal education and tangles with the law made him unsuited for office. In truth, however, even Zuma's legal difficulties helped to generate public approval. In 2007, he faced charges for accepting bribes offered during the negotiation of weapons purchases. The previous year, he was acquitted in a rape case in which his defence was that his accuser, a houseguest, had signalled her availability, by wearing a short skirt and failing to cross her legs, wanton behaviour from the standpoint of decorous Zulu convention. If he was mistaken, Zuma told the court, he would 'have his cows ready' if his accuser agreed to marry him (Lodge, 2009, p. 130). The judge found him not guilty for other reasons, but Zuma's explanation of his actions resonated with the honour code of many of his supporters – socially marginalized young men who remained rooted in a rural patriarchal culture. However, these were not his only supporters. Zuma's one-time Communist Party membership encouraged trade unionists to think that he was their champion. More generally, his warm manner and down-to-earth style endeared him to ordinary ANC members. His efforts in the early 1990s to broker peace in what was a virtual civil war in KwaZulu Natal earned him respect and trust outside the ANC.

Yet, the corruption charges against Zuma were serious. In the 2005 trial of Schabir Shaik, Zuma's former financial adviser, prosecutors demonstrated that Shaik had negotiated a bribe from a French contractor on Zuma's behalf. According to the evidence accepted by the court in Shaik's trial, Jacob Zuma was an active accomplice in corrupt practices. However, the Directorate of Public Prosecutions made various procedural errors in its efforts to prosecute him. As a result, a high court dismissed the case against Zuma in 2008 on technical grounds. His election as president in 2009 was now inevitable. In office, however, Zuma's political support base, which consisted of an uneasy alliance between different disaffected groups within the ANC, began to fragment and various scandals weakened his personal authority.

There are few checks other than constitutional restraints on the leadership of the ruling party. Certainly, Thabo Mbeki attempted to impose his personal authority more frequently than his predecessor. For example, he dictated the choice of the leaders of the provincial governments to the ANC regional organization. In 1998, an ANC 'deployment committee' was set up. This was intended to decide on key appointments in parastatal organizations, as well as to have the final say over the make-up of the party's electoral lists. Since Zuma's accession to the presidency, however, the management of political patronage became increasingly personalized, and the party's deployment committee was side-lined by the president's office. Parastatal corporations were particularly affected by poor leadership from Jacob Zuma's venal acolytes. Eskom, South Africa's electricity public utility, is a case in point – managed quite well until Zuma's accession to the presidency but affected by preferential procurement decisions and various kinds of fraud on a massive scale thereafter. For example, an invoice for R27 billion was presented for work on two new power-stations, reduced after investigation to R2 billion. In April 2018, 1049 disciplinary cases concerning illegal procurement were pending;

according to Pravin Gordhan, corruption at the parastatal was 'systemic' (Davie, 2019a, p. 26). Eskom debt now adds up to £20 billion, 5 per cent of South Africa's GDP (Russe, 2020).

Unlike Mandela's charismatic and unquestioned authority within the ANC, the accession of both Mbeki and Zuma to the party leadership was contested. Accordingly, leaders after their accession were expected to reward their political allies. Fundraising by contenders in ANC leadership elections is now on a scale that matches electoral budgets, until recently unrestricted by any legal disclosure requirements and fundraising for internal party competition at all levels of government has become a major source of rent-seeking. Internal ANC elections are now routinely accompanied by accusations of foul play. For example, in 2018, a municipality in the Free State allegedly gave jobs to ANC branch workers in return for their support for Nkosazana Dlamini-Zuma in her campaign to succeed her ex-husband as ANC president.⁸ Both Mbeki and Zuma used their powers of appointment to favour trusted associates and displace rivals. Such political patronage resulted in a proliferation of factionalism within the ANC, impeding the development of competent public administration and feeding corruption. Estimates of the cost of public corruption during Jacob Zuma's presidency suggest a total of R500 billion, around R60 billion a year, much of it through procurements in which politically well-connected suppliers cooperated with officials in charging inflated prices (Wilson, 2019). If accurate, this would represent a sharp increase: in the first ten years of ANC government the cost of corruption amounted to about R1 billion a year (Gloeck and de Jager, 2005, p. 50). According to the NGO Corruption Watch's 2018 report, corruption is most likely to be located in provincial government departments, with most reports concerning education (Corruption Watch, 2018).

In contrast to previous administrations, Zuma's government expanded deficit-funded expenditure, partly because of its increasingly generous social welfare provisions, but also through employing more public servants – mainly nurses and teachers as well as police officers, half a million of whom have been added to a bureaucracy of around 2 million in 2014. The government now spends more than double on salaries than it did in 2007. Certain departments – defence, security, justice, finance, trade and industry, and home affairs – are administered in a centralized fashion by national government ministries. For other departments – education, social services and health – provincially elected governments enjoy considerable discretion. Certain central ministries are extremely efficient – finance, for example, especially with respect to tax collection (though its integrity deteriorated during the Zuma presidency) – but others have a reputation for corruption and incompetence. In 2017, Cyril Ramaphosa won the ANC's presidency against Jacob Zuma's preferred successor on a clean leadership ticket, but his dependence on allies, including several key regional premiers, has checked any efforts to remove corrupt office holders, despite evidence of wrong-doing presented during the Zondo Commission of Inquiry into State Capture. Jacob Zuma, though, now faces revived corruption charges.

When his trial takes place, both his prosecutors and his defence will be able to rely on a legal system that at its senior level is demonstrably independent. All judges are appointed through a constitutional process that limits executive discretion. Court judgments are often politically assertive, despite complaints by cabinet ministers about judges interfering in policy making. Judicial independence has been especially obvious with respect to the Constitutional Court. In a key judgment in 2002, the court ruled on how the government should provide antiretroviral medication for HIV/AIDS patients. The Court continues to demonstrate freedom from execu-

tive influence. In March 2016, its judges ruled that President Zuma should repay the state for improvements to his home at Nkandla that were paid from public funds.

Public respect for legal institutions needs to be based on more than their autonomy and integrity, however. For most citizens, courts are inaccessible. Huge caseloads make legal proceedings extremely slow. Nearly half of South Africa's prisoners are awaiting trial. Several thousand cases a year do not reach trial because criminal syndicates bribe court officials to destroy dockets. South Africa has one of the highest crime rates in the world, a consequence of gross social inequalities, a violent political history and a general disrespect for the law that apartheid engendered. Overall, murder conviction rates in South Africa, at 10 per cent in 2013, represent one of the lowest levels in the world. This is a result of poor police work. Up to the 1990s, judges tolerated routine use of torture to extract confessions, even in petty criminal cases. Today, although judges are much more discerning, reports suggest that the police still routinely torture suspects. In 2016–17, for example, the Independent Police Investigative Directorate recorded 173 cases of torture of police detainees, 302 deaths in custody and 3827 cases of assault by police as well as 394 deaths during police action (Amnesty International, 2018).

Since 1994, despite efforts at reform, police competence remains patchy. Policy choices since the mid-1990s have downgraded the detective services in favour of public order and patrol policing and placed detectives under local uniformed station managers (Altbeker, 2007, pp. 142–3). Rapid expansion of the force – between 2008 and 2013, its size doubled – accentuated inefficiencies. One reason that conviction rates are low is that semiliterate constables ignore basic rules of evidence. Pay scales for rank-and-file police officers are the lowest in the public sector, which makes the force exceptionally prone to corruption. In 2010, Jackie Selebi, former head of Interpol, and South Africa's most senior police officer, was convicted on corruption charges and sentenced to 15 years in prison. His successor, General Bheki Cele, also lost his position after corruption accusations in 2011 – but not before he had presided over an aggressive 'shoot-to-kill' approach, supported by many politicians.

Combative public order policing had especially lethal consequences at the Marikana platinum mine in North West Province in 2012. On August 16, 500 police fired on a crowd of striking miners, killing 34, some of whose bodies were found handcuffed, evidently finished off by the police after falling wounded. The brutality of the confrontation was partly attributable to events in the preceding week in which nine people had died, including police officers and security guards attacked by the mineworkers. The workers were asking for a 200 per cent pay rise and belonged to a new union that had broken away from the National Union of Mineworkers, a key ANC ally. The mining company was well connected politically, with the ANC's then deputy president, Cyril Ramaphosa, on its board, and the police command was under pressure to deal with the strikers decisively. But other, more day-to-day incidents indicate that for many police officers, brutal behaviour is normal, not an exceptional reaction to stress. In 2013, police were filmed by journalists handcuffing to their vehicle a Mozambican taxi driver arrested for a parking violation. After dragging him along the ground for a few hundred yards, the police took him to the police station, where he subsequently died.

As serious a limitation on the power of the South African state than ineffectual policing are shortcomings of the subnational governments, both in provincial administrations and in municipal authorities. In the beginning, provinces had to amalgamate several civil services from different homelands or from the separate establishments that existed for white, coloured and Indian people. The new provincial boundaries brought together rival elites who sometimes

remained jealous of each other's influence. In many of the former homelands, bureaucratic systems had suffered considerable degeneration; because governments did not have strong accountability mechanisms, provincial administrations were often short of key skills such as financial record keeping, and without such checks civil servants were often very corrupt. Reforming such administrations was extremely difficult, particularly because it was impossible to dismiss public servants during the Mandela era – a consequence of the transition guarantees in the 1993 constitution. Additionally, militant public service unions affiliated to the Congress of South African Trade Unions (COSATU), the ANC's ally, often protect corrupt officials. Most of the new provincial governments lacked even basic information about the number of their employees or the location of public property. Finally, South Africa's current public administration inherited hierarchical and authoritarian traditions from the apartheid regime, which in practice have proved very difficult to change.

Partly because of the failings of the provincial administrations, from 1999 onwards national policy makers increasingly turned to municipal government as the key agency for the delivery of development projects. Because of their taxation powers, local governments in many respects have greater discretionary power than provincial administrations, especially in the case of the metropolitan councils in South Africa's six main cities. Although big cities derive most of their revenues from local taxes, smaller local authorities remain heavily dependent on government grants. Up until the Zuma presidency, most of South Africa's big cities and smaller centres were locally governed by ANC-dominated administrations.

However, there has been very low voter turnout in local elections, and heavy criticism of the way local councils were performing. The public was clearly disappointed with the first two decades of democratic local government. The Ministry of Provincial and Local Government invested considerable effort to train councillors as well as to set up a system of ward committees to improve accountability and public participation in planning. But reforms do not seem to have improved the quality of representation in local government. Corruption is deeply entrenched in local government, and municipal administration personnel also lack basic skills. For example, between 2000 and 2010, South African local governments lost half their engineers (South African National Assembly, 2010). In the 2016 local elections, the main opposition party, the Democratic Alliance (DA), received 27 per cent of the national vote and secured control of four of the major metropolitan councils, Cape Town (where it had governed previously) and in the ANC's former strongholds, Pretoria, Johannesburg and Port Elizabeth, depending on coalitions with smaller parties. Up to the present, Auditor General annual reports consistently indicate that the small number of municipalities that achieve clean audits are DA controlled, chiefly in the Western Cape.

In South Africa's electoral politics, despite the more than 40 parties that appeared on the 2019 ballot paper for the National Assembly, three parties embody the main contenders, the ANC, the DA and a newer group, the Economic Freedom Fighters. Today, the ANC's continuing predominance in South African political life is partly a result of the legitimacy resulting from its role in the struggle against apartheid. Its political authority also results from an extensive political organization, represented through local branches throughout the country as well as the government's relative success in the provision of public goods: pensioners are a key component in its core support. In every parliamentary election since 1994 it has enjoyed a large though declining majority of voter support – 57 per cent in 2019. Even in its first terms in office, authoritarian tendencies within the ANC hardened. In 1997, amendments to the party constitution endorsed centralism and prohibited factionalism. This was supposed to make it

difficult for caucuses to emerge around different policy positions. Party officials also tried to promote authoritarian patterns of party discipline by appealing to a supposedly Africanist advocacy of deference for elders in society. However, rebellion against Thabo Mbeki's effort to secure a third term as party president at the ANC's national conference in 2007 may have helped strengthen its commitment to internally democratic procedures. Delegates were almost equally divided in the 2017 leadership elections.

In the most recent general election, the DA obtained nearly 21 per cent of the ballot and 84 seats, down slightly from the 2014 poll, before which its performance had improved steadily. A common perception about South African elections is that their results reflect a racial or ethnic 'census', with racial and ethnic identity supplying the main consideration in promoting voter choice. From this perspective, the ANC as the historic agency of black South African political emancipation can count on the loyalty of most black voters. Correspondingly, in this view, the ANC's main opponent, the DA, draws its most firm adherents from middle-class voters in the white minority. However, this is changing. Black politics is not monolithic, and the DA's electoral base includes significant shares of coloured and African voters, probably around 700 000 of the latter. Moreover, voters no longer identify quite so emotionally with parties. For more than a decade now, analysts have noted that people are less likely to believe that they 'belong' to a party or that it is 'theirs', considerations that used to favour the ANC (Mattes, 2005, p. 55). Programmatically, the DA is somewhat to the right of the ANC, maintaining a firm commitment to free market economics. Hence, it is critical of the ANC's restrictive management of the economy, especially with respect to contractual rights accorded to workers that, in its view, curb job growth. It also opposes the government's enforcement of affirmative action, although this is an issue on which there is disagreement within the party leadership between older white leaders and younger African middle-class democrats. But the party's appeal to voters probably derives from two main considerations. First, its often highly experienced parliamentarians have been in the forefront of efforts to exercise oversight with respect to official corruption and this has helped to make the party popular at a time when the ANC's venality has become much more conspicuous. The second source of the DA's electoral appeal and a consideration that differentiates it from any other opposition group is that the DA itself commands executive power, for it runs administrations in one provincial government and in several municipalities. In office, it has gained a reputation for honesty and effectiveness in the provision of public services both to middle-class households and to poorer communities.

For the ruling party, the Economic Freedom Fighters represent a major threat to its support base amongst poorer black communities. The Economic Freedom Fighters (EFF) purport to represent a left-wing alternative to the ANC. They advocate industrial nationalization and land seizures, although its left-wing credentials are belied by the lavish lifestyle and habits of its founder, Julius Malema, a millionaire beneficiary of preferential public contracting. Malema was expelled from the ANC in 2012, after attacking what he called the 'imperialist puppet' government of Botswana. As the president of the ANC's Youth League he had been very popular. Surveys indicate that his new movement attracts a significant proportion of younger, better-educated Black South Africans, university students for example, especially those frustrated by the continuing predominance that white South Africans exercise over the professions. In the 2014 election, EFF did comparatively well in Malema's home province, in Limpopo. But they also drew support from the shanty settlements around Johannesburg, amongst the poorest and most recently urbanized.⁹ In 2019, the EFF gained fresh support in Kwa-Zulu

Natal, mainly among urban voters to the ANC's cost. The results indicated that 1.1 million of its 1.9 million votes in 2019 were urban.

South African elections are generally judged to be free and fair. Voter registration, however, remains an issue – more than half the 18–29-year-olds' share of the voting age population failed to register. The 2019 election also featured low turnout, 60 per cent, a continuation of a downward trend. On a more positive note, all the available evidence suggests that voters remain confident about ballot secrecy as well as the integrity of the count.¹⁰ Most importantly, it is normal for candidates of all parties to canvass voters outside the areas where their core supporters live: the EFF's take-over of previously 'core' ANC locations in southern Kwa-Zulu Natal is illustrative – a reward for several years of careful local political organizational building. In 1994, there were 'no go' areas in which canvassers from certain parties were forcibly excluded by their competitors. By 2004, though, each of the main parties were routinely deploying door-to-door canvassers in the same neighbourhoods, sometimes at the same time. Arguably, South Africa's electoral system promotes the formation of socially inclusive political parties and civil electioneering. South Africa uses a national list system of proportional representation. In national and provincial elections, parties nominate lists of candidates for the National Assembly and for each of the nine provinces. Seats are allocated in proportion to each party's share of the votes. The fact that the nation serves as a single national constituency for the parliament contains strong incentives for moderation because the electorate is so spread out. All parties are encouraged to seek votes outside their core support, a consideration that helps to encourage them to adopt programmes with broad social appeal. Party leaders put people on their lists who might not win electoral contests if they ran as individual candidates: members of racial minorities or women, for example. The drawback of this arrangement is that parliamentarians hold their seats at the will of party leaders and this can make them unduly deferential towards the executive.

CONCLUSION – A POLITICAL ECONOMY OF DEVELOPMENTAL STAGNATION

Now we can address the questions spelled out at the beginning of this chapter. First, for the new political leadership elected in 1994, what were the key challenges in institutionalizing democracy and promoting development? With respect to democracy, the institution of universal suffrage and the introduction of a range of new institutions, including a detailed bill of rights enforceable by a constitutional court, aimed to end a history of authoritarian rule in which most South Africans had no formal channels of access to power. This political transition happened after more than a decade of insurrectionary politics in which a clandestine nationalist movement consolidated massive support amongst black South Africans. Whatever constitutional checks and balances might be built into the new political order, the likely outcome of any electoral contest would be a one party dominant system with all its attendant democratic shortcomings. At the same time, the new regime would be bound by the terms of a negotiated political settlement, constrained from radically redistributive policies but needing to address the basic needs and priorities of an impoverished following. At the very least, reducing the extent to which social inequalities mirrored and reflected the history of racial oppression was a critical political necessity. At the same time, economic revival required the restoration of external flows of investment and trade. In 1994, unemployment levels were higher than they

had ever been. Public expectations were, in fact, quite modest, but ANC supporters expected at the very least a government demonstrably committed to their party's promise of 'a better life for all'.

Second, over the last three decades, have South African governments been successful in achieving their aim of a better life for their citizens? The democratic record is quite positive: honest elections, an increasingly vigorous parliamentary opposition, deference to the constitution, independent high courts and civil liberties that allow for vigorous expression of public displeasure. The ANC has attempted to retain political support through persuasive inducement rather than coercion: this has been the case from 1994 and it continues to be so. Generally, South Africans enjoy better social security than 30 years ago, they have much wider access to healthcare and education, and they are more likely to live in formal housing with piped water and electricity. But they are no more likely to have formal jobs; public works at best have provided temporary livelihoods. Broadly speaking, though, ANC politicians have kept the promises they and their predecessors made in 1994.

Third, has progress in democratization fostered development? In the sense of government becoming more prompted in its choices by the needs of poor people, democratization has encouraged the authorities to address and to continue to address basic needs. But meeting basic needs is not altogether the same thing as fostering development. Indeed, ANC responsiveness to public demands within its own constituency helps to explain some of its allocative choices that have constrained development. Before its first election, in 1994, party leadership used opinion polling and focus group evidence to ascertain voters preferences – hence the status housing enjoyed as a flagship programme and the lack of sustained commitment to land reform, a project well down on the list of voter priorities.¹¹ Since 1994, public expenditure on land reform has been negligible, below government spend on public transport, for example. This reflected aspirations even amongst rural poor people for jobs rather than land. However, well-organized and well-funded land redistribution would certainly have created many more permanent livelihoods than housing construction.

Allocative choices have also been influenced by a trade union movement closely allied with the ruling party. COSATU supplied much of the organizational underpinning for the ANC's reconstruction of itself from a clandestine insurgency into an electorally oriented mass party. COSATU influence was decisive in securing Jacob Zuma's victory in the ANC's leadership contest in 2007, a political event that heralded a massive expansion of the public payroll in response to strikes by COSATU's mainly public sector affiliates. More arguably, COSATU's political influence may have contributed to the labour market 'stasis' that has discouraged investment in job-creating enterprises. As COSATU has increasingly become a federation of public sector unions its membership has become mainly skilled or semi-skilled: today trade unions are less and less likely to represent unskilled workers in precarious employment, the sector affected by falling real wages (Seekings and Nattrass, 2016, p. 237).

Meanwhile the democratic record itself is uneven. The ANC's genuine electoral popularity has resulted in a dominant party regime in which the most significant political contestation takes place within the party rather than between it and its electoral rivals. Factionalism and patronage have encouraged a proliferation of rent-seeking behaviour that itself can adversely affect key developmental decision-making, as was nearly the case with the agreement in 2014 for the government to buy what would have been excessively expensive nuclear power technology. Corruption has also been fostered by policy emphasis on building an African business elite. This in practice has helped to blur distinctions between public and private

interest among office holders. It is also the effect of the ANC's expansion, and its incorporation of the neo-patrimonial politics that prevailed in apartheid's ethnic homelands. Generally, black empowerment has failed to result in fresh kinds of economic undertaking. Corruption and maladroitness in one key parastatal, the Electricity Supply Commission, is now sufficiently severe to undermine foreign business confidence.

Finally, has South Africa's developmental trajectory since 1994 been inevitable, a product of a particular set of circumstances in which political decisions have had only a secondary importance, or might things have been different? To an extent, ANC government performance reflects the predispositions of an uneasy alliance between aspirant black business and a trade union movement increasingly grounded in the public sector. Both enjoy a proximity to political leadership that has reduced the state's autonomy and the ability of its leadership to make developmentally sensible decisions. At no stage was this more obvious than during Jacob Zuma's presidency. But not every poor decision can be blamed on the ANC's allies or on the social configuration it embodies. The ANC's readiness to undertake such swift tariff reform in the 1990s, despite its de-industrializing effects, sprang partly from the political context of a pacted or negotiated transition, a road to power in which cautious leaders prioritized winning business goodwill at home and abroad. But such compelled choices are not responsible for every failure. Educational weaknesses are at least partly the effect of misguided curriculum reform. Neglect of infrastructure in certain areas is substantially a by-product of decisions to concentrate investment in elaborate heavy industrial complexes that have failed to generate rewards. Higher expenditure on pro-poor land reform would not have engendered powerful opposition. Corruption is also to an extent a matter of choice; unnecessarily expensive electoral campaigning has helped to foster cronyism. Broadly speaking, though, the developmental trap in which South Africa finds itself is a product of entrenched socio-political formation, of a movement in power in which the most influential social groups resist the kinds of policies that might foster more broadly beneficial economic growth.

NOTES

1. For a balanced treatment of the government's record on housing delivery, see Palmer, Moodley and Parnell (2017), pp. 230–50. The statistics cited in this paragraph are from this text.
2. For press reportage on the quadrupling of commercial maize farming in the Eastern Cape between 2013 and 2017 by 'emergent black farmers' see Sihlolo (2018).
3. Data in this paragraph is drawn from Cousins (2014).
4. For favourable assessment of the quality of care available at primary healthcare clinics, see Mottiar and Lodge (2018).
5. For details of the broadly positive effects of the government's care for people living with AIDS since 2009, see Lodge (2015).
6. Own calculations. Members of Parliament's shareholdings, company directorships and property can be tracked on the parliamentary register (<https://www.pa.org.za/interests/>).
7. For details see Mottiar and Lodge (2020).
8. See Saba (2018). For other allegations about vote buying during the ANC's presidential elections, see Calland (2017).
9. For sociological insights from the EFF's geographical vote distribution see Lodge (2014), p. 404.
10. For an assessment of the 2019 poll as 'free, fair and credible' see Maphunya (2019), 'Credible but flawed: the management of the elections', in Collette Schultz-Herzenberg and Roger Southall (eds), *Election 2019: Change and Stability in South Africa's Democracy*, Johannesburg: Jacana. Commentary on the 2019 poll in the current chapter is drawn from the analyses in this volume.
11. For details on the ANC's use of opinion polling in 1993 and 1994 see Lodge (1994), pp. 27–9.

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PART VI

INEQUALITIES AND DEMOCRACY

21. Why inequality is democracy's catch-22¹

Alina Rocha Menocal

1 INTRODUCTION

Since the 1980s, the world has experienced a profound transformation, becoming both more open and more prosperous. While in 1985 more than half of the countries worldwide were under authoritarian rule, most countries today are considered formal democracies (The Economist Intelligence Unit [EIU] 2019), and at the time of writing all but five countries (China, Eritrea, Qatar, Saudi Arabia, United Arab Emirates) have held elections at the national level since 2000. At the same time, tremendous progress has been achieved on improving the well-being of those most in need. According to the World Bank's 2016 *Poverty and Shared Prosperity* report, for example, almost 1.1 billion people were lifted out of extreme poverty between 1990 and 2015 (World Bank, 2016). Enormous strides have also been made in areas ranging from maternal deaths and deaths from curable diseases like polio and malaria to child survival and primary school enrolments (Gates and Gates, 2016; International IDEA, 2017) – at least pre-COVID-19 pandemic.

Yet, the ability of democratic systems to deliver – both economically and socially – remains mixed at best. Moreover, while poverty levels have improved globally since the 1980s, and inequality between countries has declined considerably, inequality *within* countries is at a historic high (Piketty, 2014; World Bank, 2016). On average, levels of inequality (measured in national average Gini index) in industrialized countries, Eastern Europe and Central and South Asia increased considerably from the 1980s onwards, while they stabilized back to late 1980s levels after steep increases through the 1990s and 2000s in Latin America and the Caribbean and East Asia (World Bank, 2016). The Middle East was the only region where inequality decreased consistently in the two decades between the late 1990s and the late 2000s, but it was also the only one to experience a steady rise in the five years leading up to 2013 (*ibid.*). Wealth concentration has become especially acute. Between 1988 and 2008, the bottom 5 per cent of the global income distribution made no progress at all, while the top 5 per cent has done spectacularly well (Paz Arauco et al., 2014, p. ix). According to Oxfam (2017), by 2017, eight individuals (all men) owned as much as the poorest half of the world's population. As a result, there are growing pockets of people who are poor and marginalized and who are consistently 'left behind' (United Nations [UN], 2015) and excluded from crucial services and opportunities essential for their well-being (World Bank, 2016). COVID-19 itself has laid bare and accentuated frailties and faultiness in political systems and the social contract that have been brewing in the context of widening inequalities since at least the 2008 financial crisis.

BOX 21.1 UNDERSTANDING INEQUALITY AND SOCIAL EXCLUSION

Inequality is complex and multi-dimensional. It encompasses not only economic inequality, which is usually measured in terms of deficits in income and assets as they relate to individuals or households, but also inequality in terms of basic political and socio-economic rights and freedoms, inequality of access and opportunity, inequality in essential capabilities (such as the ability to be healthy, educated or socially integrated), inequality of outcomes and distribution of resources, inequality in the distribution of power, and inequalities in social standing (Klasen et al., 2018).

Thus, inequality is an individual as well as a collective phenomenon. As such, it is shaped through a dynamic process of interaction and contestation between state and society over the distribution of power and resources. Patterns of inequality and social exclusion are entrenched in the underlying institutional arrangements and 'rules of the game' that underpin a given social and political system. 'Horizontal' inequalities (Stewart, 2010) are perpetuated when certain groups are systematically excluded, discriminated against and disempowered on the basis of defined economic, social, political, cultural, territorial and other characteristics or shared identities. These processes of inequality and exclusion, which often overlap and reinforce each other, are sustained, reinforced and reproduced over time and space through political and social institutions (both formal and informal), economic structures and relations, legal frameworks and behaviours that are embedded in or reflect prevailing political structures, power relations, and social and cultural attitudes and values (Klasen et al., 2018; Stewart, 2010).

This chapter explores the relationship between democracy and inequality, understood here as complex and multi-dimensional (Box 21.1). The chapter starts by laying out in Section 2 why inequality is corrosive to democracy. It argues that inequality profoundly undermines the quality and resilience of democratic governance. Inequality – and the fears of social decline and exclusion it generates – feeds social polarization and the shrinking of a vital moderate centre. Inequality and exclusion create imbalances in voice, representation, opportunity and access that disenfranchise segments of the population, undermine trust in and support for democratic institutions, and increase support for populism, extremism, and/or violent conflict, particularly among young people. Thus, if democracy is to prove resilient over time, it needs to address – and redress – inequality and exclusion. However, as explored in Section 3, there is nothing about democracy that automatically tackles such inequalities, and in effect many of democracy's built-in features may make it harder to do so. This is why inequality is democracy's catch-22. Still, in some cases, democracies have been able to tackle inequality and exclusion, and Section 4 of this chapter outlines some key factors that have enabled such progress.

2 WHY INEQUALITY IS SO CORROSIVE TO DEMOCRACY

Inequality has no clear effect on regime change: an authoritarian regime will not collapse on the basis of inequality alone, nor will a highly unequal democracy fall because of inequality (Houle, 2009; Knutsen, 2015). However, how wealth is distributed across the population fundamentally affects the quality and resilience of democratic systems (Houle, 2009; see also

Chapter 3 in this book). Democracy is more easily maintained, and will prove more resilient, when wealth and privilege are distributed in a relatively equitable manner. A more equitable distribution of resources and power tempers distributional conflict, reduces polarization and fosters moderation and tolerance (Bermeo, 2009; Karl, 2000; Levin-Waldman, 2016). Indeed, some of the sturdiest democracies in the world, both wealthy and less so, also tend to be relatively more equal: Australia, Canada, Costa Rica, Denmark, Finland, Jamaica, Mauritius, Mongolia, Norway, Republic of Korea, Spain, Sweden, Taiwan and Uruguay (EIU, 2016; Houle, 2009). Brazil and South Africa, on the other hand, are deeply unequal – and the resilience of their democratic institutions is constantly being tested.

So, how and why does inequality undermine the quality of democracy and its resilience? This question is explored in the remainder of this section.

2.1 Inequality and Social Cohesion

Democracies are more resilient and function better when ties of trust and reciprocity bind citizens to each other and to the state (Marc et al., 2013; World Bank, 2011; Carothers and O'Donohue, 2019). But inequality and exclusion undermine social cohesion and the fabric that hold a society together (see Box 21.2 for an example from the United States). As movements across the political spectrum show, ranging from 'Occupy and Black Lives Matter' to the rise of populism and nativism across countries and continents including Asia, Europe, Latin America and the US, there is growing resentment with an economic and political establishment that is perceived to be stacked in favour of elites who have lost touch with the people (Gershman, 2016; *The Economist*, 2014; Vance, 2016). This weakening of the social fabric is in part rooted in an important overlap of class politics and identity politics. Those likely to be attracted to far-right movements, for example, are less educated and poorer. They also tend to adopt political positions on the basis of identity rather than broader policies and are deeply suspicious of processes like immigration and what they perceive as the imposition of 'liberal' values like LGBT rights and multiculturalism, which in their view threaten more traditional values and identities (Fukuyama, 2018). The resultant fragmentation and even polarization can exacerbate marginalization and disenfranchisement, feeds frustration, disillusionment, alienation, and a loss of trust in and commitment to political processes and institutions, and profoundly hinders prospects for collective action across divides (Inter-American Development Bank [IADB], 2008; Carothers and O'Donohue 2019).

BOX 21.2 INEQUALITY AND ITS EFFECTS ON THE QUALITY OF DEMOCRACY IN THE USA

As de Toqueville noted in the nineteenth century, democracy in the USA thrived because it was based on an exceptionally egalitarian social and economic structure of small landholders (Karl, 2000). Material equality produced egalitarian sentiments, which formed the basis for the principle of equal citizenship. However, the United States now is the most unequal democracy in the developed world, and it has also become deeply polarized along economic, political, social and cultural lines (Bermeo, 2009; Karl, 2000; Levin-Waldman, 2016; Carothers and O'Donohue 2019). In the run-up to the 2016 elections, and again in the 2020 elections, Donald Trump and his allies and supporters exploited the grievances of those

who felt left behind, especially among the less privileged white working class. Both elections reflect an important overlap of class, gender and race politics that has been brewing in the US political system for the past few decades. As (perceptions of) inequality interact with identity, political leaders have been encouraged to focus on issues of difference and immigration to rally popular support (Vance, 2016; Foroohar, 2020).

2.2 Inequality, Social Provision and Delivery

Inequality, and the multi-dimensional exclusion it generates, skews social provision away from those most in need of services. It creates an enormous distance between different social groups, even if these often live in close proximity, which in turn undermines prospects for substantive interactions and shared experiences. This results in fragmented systems of social provision where those who can afford to often opt out of public services, while those who are poor and marginalized lack access to reliable and adequate basic services, social protection and justice (Paz Arauco et al., 2014). The fire of June 2018 that engulfed the Grenfell Tower, a social housing block of flats in one of London's wealthiest boroughs, is a particularly unsettling example of these stark contrasts (MacLeod, 2018). In the years preceding the fire, residents repeatedly warned that their building didn't have an adequate fire-alarm system or procedure for evacuation, to no avail. And they were not able to seek legal aid to challenge safety concerns because of extensive cuts to that service.

Democracy's inability to deliver for pockets of the population who remain marginalized and excluded poses an enormous risk to democratic resilience. In Mali, for example, disapproval of government performance between 2002 and 2008 eroded popular commitment to elected government, and citizen dissatisfaction with what they perceived as inept and corrupt rulers incapable of delivering key services led to the partial collapse of the political system (Bratton and Gyimah-Boadi, 2015). Similarly, in South Africa, deepening frustration with democracy's inability to meet basic needs and to overcome the patterns of inequality entrenched under apartheid has led to a sustained decline in the support for the long-ruling African National Congress at the national, provincial, and municipal levels over the past several years. Such frustrations become most damaging and destabilizing when disapproval of a particular government is associated with the state itself because this undermines confidence in a democratic system beyond the government that may be in power.

2.3 Inequality, Political Voice and Representation

In theory, all citizens in a democracy are equal before the law. However, in unequal political systems, not all voices count equally. In countries as diverse as Colombia, the Philippines, South Africa and the United States, inequality and differences in access, opportunity and power have enabled elites to exert disproportionate influence over government and its policies. Through capture, corruption and the unchecked infusion of money in politics, the wealthy or privileged are often able to leverage their resources to bend laws in their favour, buy off politicians, and block reforms that threaten them (Levin-Waldman, 2016). This makes it difficult to achieve political consensus for policies intended to promote inclusion and redistribution. The experience of post-conflict Guatemala is telling, given its failed attempts to create a more equal political, economic and social system based on what was a very inclusive and compre-

hensive peace process in the 1990s (Gavigan, 2009). As for the United States, a 2014 study on domestic policymaking, analysing almost 2000 government policy initiatives between 1981 and 2012, concluded that the country has become more of an oligarchy than a democracy (Gilens and Page, 2014).

2.4 Inequality and Legitimacy of Political Institutions

Trust in state institutions is essential for political stability and resilience (World Bank, 2011). But high levels of inequality can put democratic governance under strain (Stewart, 2010). As a study looking at 40 democratic systems has found, inequality ‘is the single largest determinant of democratic support’ (Krieckhaus et al., 2014, p. 149), and higher levels of inequality consistently reduce citizen support for democracy across the board. Inequality generates a sense of collective public frustration about what democracy can deliver, and what can be achieved through formal political institutions and processes. A widespread feeling that key institutions, such as political parties and the judiciary, cannot be trusted or are not adequately representative can lead to the de-institutionalization of fragile democratic political structures and increase the appeal of populist and/or authoritarian alternatives.

Young people feel particularly disillusioned with mainstream politics and disadvantaged by public policy (UN, 2016). Surveys show that the millennial generation is less likely to vote or to belong to political parties than older generations (*ibid.*). Such disengagement from formal democratic processes is problematic because it robs youth of crucial representation mechanisms and opportunities to voice their concerns. Crucially, young people are not necessarily apathetic, and they have been at the forefront of many emerging political movements, many of which have focused on issues related to inequality. Advances in technology and social media have facilitated mobilization among young people, which has enabled them to connect in ways that were unimaginable a few decades ago (Rocha Menocal, 2018).

However, the challenge from a democratic governance perspective remains serious, and there is still a profound disconnect between youth politics and electoral politics. Egypt’s political trajectory in the aftermath of the Arab Spring is particularly illustrative. What made the movement that ousted Mubarak from power strong and compelling to begin with – its diffuse and transient nature and flat structure – eventually became its weakness. Protestors, mostly brought together through online networks, lacked clear leadership and representation, which made meaningful negotiation with the powers that be particularly challenging. The spontaneous, unorganized, and virtual character of the mass mobilization also made it more difficult to build consensus across broad swaths of the population, crossing ethnic, religious, and class groups, and to keep up the pressures to fulfil the promises of the revolution. In this way, those, mostly young, who started the revolution in the streets harnessing the power of information and communication technologies were side-lined by groups like the Muslim Brotherhood and, eventually, the military once again, which had much clearer and much more effective organizational capacity (Rocha Menocal, 2018).

2.5 Inequality, Violence and Armed Conflict

Social exclusion – and the entrenched patterns of political, economic and social forms of inequality that sustain it – is a crucial factor associated with violence (Department for International Development [DFID], 2005; Stewart, 2010). Inequality can generate (violent) conflict because

it breeds resentment and undermines cross-cutting social, political and economic capacities that are needed to stem the escalation of tensions and violence. This is especially the case where inequality is group or identity based (Cederman, Gleditsch and Buhaug, 2013; Stewart, 2010). Social groups that feel unequal and suffer from multiple disadvantages based on who they are or are identified as may mobilize against the state and its ruling elites in an effort to challenge existing political understandings and arrangements.

Socio-economic inequality leads to higher incidences of violence and instability among young people in particular. As experiences in countries like Colombia, the Democratic Republic of the Congo (DRC), Guatemala and South Africa show, inequality and exclusion strongly increase the likelihood that youth, often poor and unemployed, will join radical or extremist groups (UN, 2016, p. 89) and become involved in violent and organized crime (Higginson et al., 2016, p. 2). Gangs in both the developed and the developing world (e.g., the United States and the UK, and El Salvador, Honduras and Guatemala, respectively) often emerge as alternative communities to overcome extreme marginalization and provide a source of identity and belonging (Higginson et al., 2016).

3 WHY TACKLING INEQUALITY IS SO CHALLENGING IN DEMOCRATIC CONTEXTS

In theory, there are compelling reasons to assume that democracy, by its very nature, should reduce inequality. After all, it is intended to be a political system that is redistributive by nature because it provides control over public decision-making to the majority based on political equality – and it is this assumed tendency that should constitute democracy's main threat to elites (Acemoglu and Robinson, 2014). But, of course, reality is much more complex: democracy does not automatically reduce inequality, and formal political equality does not in itself lead to equality in other realms.

Policy-making is not only a technical, but is also, perhaps more fundamentally, a profoundly political process. Factors like who is included in making decisions, how and why, and where power lies, affect what kinds of policies are adopted and how they are implemented. Thus, a key challenge is how to harness collective action among elites, as well as between elites and broader social groups, to promote inclusive development.

Democracies operate within conditions and contexts that offer opportunities but also pose distinct constraints on this front. Among other things, democracies tend to diffuse power. Public authorities are intended to engage with a wider range of actors in both state and society when deciding on and implementing policy (World Bank, 2008), and this creates more 'veto players' (Vom Hau, 2012). Proponents of reforms for greater equity and inclusive development thus face a particularly hard task: they need to dissuade all relevant decision-making actors who have the power to derail reforms from doing so, while those who oppose more redistributive policies only need to gain support from a limited number of these actors to block change (Keefer, 2011; Weyland, 1996).

Greater access to the state also means that the bureaucracy can more easily become politicized and captured, which may hamper development and investment over the long term (Bardhan, 2005). Patronage encourages fragmentation within the state and society and obstructs the emergence of a united front of potential beneficiaries of progressive reform. For example, a multi-country study involving Ecuador, Ghana, Guatemala, Honduras, Nigeria,

Pakistan and Thailand found that, through the 2000s, electoral competition was often dominated by clientelistic parties with close ties to economic elites or the military establishment (Haggard and Kaufman, 2012, p. 512). Since few parties, interest groups or social movements represented the interests of the poor in these countries, elites did not feel compelled to intervene in favour of progressive change. Beyond clientelism, the need to respond to a variety of newly empowered societal actors might also stretch states' organizational capabilities to their maximum, further undermining their internal unity and coherence (World Bank, 2008).

Moreover, the fact that democratic decision-making processes may include a greater number of stakeholders and be more participatory does not make them automatically more effective at tackling inequality and exclusion. For instance, many (formal) democracies across the developing world have enacted a variety of reforms intended to promote process-based inclusion, such as new constitutions, elections and anti-corruption and transparency policies (e.g., Colombia, Guatemala, Kenya, Nepal and South Africa). However, such efforts on their own have often proven insufficient to alter existing power relations and redefine underlying political settlements along more inclusive lines.

Indeed, research on the long-term struggle for greater equality illustrates the constraints embedded in democratic politics. Historically, some of the greatest strides against inequality and exclusion have been achieved not through democratic politics, but through much more controversial means – including authoritarian coercion (land reforms that obliterated hierarchical social structures in Japan, Korea and Taiwan), mass violence and war (the disintegration of the Roman Empire, the Russian and Chinese revolutions, and the aftermath of the two World Wars), and lethal pandemics² (Black Death) (Scheidel, 2017). In other instances, as in Asia and the Pacific, the spectre of communism or ethnic conflict spurred elites to form coalitions that could mitigate those threats while addressing the critical needs of the population through redistribution policies (Slater, 2010). In Europe, it was also the threat of revolution and violent conflict that persuaded elites to give up privileges and lay the foundations of the welfare state (Fukuyama, 2011).

4 WHAT FACTORS HAVE HELPED TO TACKLE INEQUALITY AND EXCLUSION WITHIN THE CONFINES OF DEMOCRACY?

The analysis above points to a great paradox: inequality undermines democracy's resilience, yet some of the most direct ways to address inequality are likely to prove difficult to undertake under a democratic framework, or would contradict key principles of democracy (Plattner, 2012). Of course, this does not mean that progressive change is impossible under democratic auspices. Several different countries, ranging from Botswana and Brazil to Costa Rica and Mauritius, have shown that, however flawed and limited, democracy and democratization can help orient the state towards greater inclusion and redistribution. So, what has helped to tackle inequality and exclusion within the confines of democracy? While answers to this question must remain country specific, accumulated research on the politics of development can shed light on some key factors that have made a difference – although, significantly, these factors are not exclusive to democracy either.

4.1 Policies

Sound policymaking has been important in enabling progress to combat poverty and inequality. Policies intended to improve the coverage and quality of education, expand the coverage of public healthcare, and enhance market connectivity emerge as recurring factors in a variety of analyses that explore how inequality can be addressed, though the policies take different shapes and forms in different settings (Paz Arauco et al., 2014; Stuart et al., 2016). Social protection programmes in particular, aimed towards vulnerable or marginalized groups, have helped to tackle intersecting inequalities over time (Paz Arauco et al., 2014). (Conditional) transfer programmes like Bolsa Família in Brazil and Oportunidades in Mexico have been credited with helping to reduce marked inequalities across Latin America and the Caribbean (Klasen et al., 2018). Their relative success has led to considerable experimentation in countries in other regions, including Indonesia and South Africa. Some countries have also implemented affirmative action measures to redress intersecting inequalities. For example, quotas for women and other marginalized groups have become more common in the political arena, and a variety of countries ranging from Bolivia to Canada and India to Nepal have experimented with different initiatives.

However, sound policies are not sufficient to address inequalities: the politics of policies – rather than the policies themselves – are fundamental in shaping their implementation and effectiveness, and in determining what kinds of policies are feasible in the first place (Booth, 2012; Hickey, Sen and Bukenya, 2014; Levy, 2014; Putzel and Di John, 2012; Rocha Menocal, 2017; World Bank, 2017). The discussion below focuses on several core political factors that have been essential to combat inequality and social exclusion.

4.2 The Capacity of the State and Its Linkages with Society

As the most significant entity with the mandate, capacity and legitimacy to redistribute wealth and resources, the state remains a leading actor in promoting and securing development outcomes that are more inclusive and broadly shared (Leftwich, 2008). All successful post-World War II cases of long-term inclusive development have been in countries with high levels of state capacity (Hickey et al., 2014; Vom Hau, 2012). This includes, for example, the East Asian Tigers (Hong Kong, Korea, Taiwan and Singapore), where the state led a process of radical socio-economic transformation from the 1960s to the 1990s. More recently, China and Vietnam have also overseen a process of rapid economic growth, though they have not reduced inequality to the same extent. These states have all had the institutional capacity and autonomy to promote development goals without being ‘captured’ by particularistic interests, while remaining embedded in society through dense social ties that bind state and society and institutionalized channels for the continual negotiation and renegotiation of goals and policies (Evans, 1995).

While these are all examples of authoritarian states, states do not necessarily need to be authoritarian to work effectively. But, as the cases of Botswana, Brazil, Ghana, India and South Africa all help to illustrate, democratization and democratic deepening can pose distinct challenges to state capacity, and their experiences and trajectories show the complex push and pull of progress and setbacks in both democracy and inequality (Rocha Menocal, 2017). So, for instance, democracy may well foster more participatory and inclusive decision-making processes, but this also means that these processes tend to become more protracted, time

consuming, and often uncertain. In addition, under a democratic regime, public authorities are expected to engage with a wider range of actors when deciding on and implementing policy, which creates more ‘veto players’, or actors who can block reform efforts to tackle inequality. This proliferation of interests encourages fragmentation within the state and society and can block the emergence of a united front for progressive reform. Electoral incentives, or what Thomas Carothers (2006) has referred to as ‘relentless electoralism’, can also generate incentives that foment further fragmentation and undermine coherent policymaking based on long-term priorities.

While strengthening the quality of democratic governance and reducing inequality are both core priorities to foster more peaceful and resilient states and societies, these two processes may not always be mutually reinforcing. Both democracy and the reduction of inequality need effective and capable states to underpin them. But the existence of such states cannot simply be assumed, especially in emerging democracies across the developing world, which brings with it the challenge of attempting to build effective states to begin with (Carothers, 2006; Fukuyama, 2005; Levy, 2014).

4.3 Elite Commitment to Tackling Inequality

Elites within both the state and society who are committed to combating inequality and exclusion have proven instrumental in mobilizing people, resources and policies in pursuit of particular ends or goals, and in overall efforts to promote progressive change. Elites shape the formal and informal rules of the game and ensure that others abide by them (Leftwich and Hogg, 2007). As Paz Arauco et al. (2014) note in their analysis of intersecting inequalities in seven countries, including several (formal) democracies (Brazil, Ecuador, Bolivia, India, Ethiopia, Pakistan and Nepal), the willingness of political and other elites to engage in a dialogue with other actors, to accept constitutional change, and implement pro-poor or redistributive policies is a necessary (although not sufficient) factor to achieve a more inclusive political system.

Elite commitment can go a long way towards achieving progressive outcomes even where resources are limited (*ibid.*). For example, after independence in the 1960s, the new elected leadership in Botswana was able to incorporate indigenous leaders into new institutional arrangements and establish a series of overlapping and reinforcing agreements on the emerging rules of the game across a variety of divides (e.g., traditional–modern sectors, political parties, ethnic-racial divisions, public–private sectors) (Sebudubudu and Molutsi, 2009). This ‘political strategy of balancing regional, ethnic and racial interests enabled the Botswana elite to work together in harmony and for a common development agenda which has seen the country transform from one of the poorest in the world to a middle-income country that is also relatively more equal (*ibid.*, p. 6).

4.4 Political Parties

Political parties serve as important links between state and society and are instrumental vehicles for collective action and organization. As such, they play a crucial role in shaping government incentives and prospects for inclusion (Putzel and Di John, 2012). In Tanzania and Zambia, for example, well-established political parties were able to mediate the bargaining process and to incorporate factions and individuals into the security forces in a regulated

manner, which was one of the most important factors behind establishing a more resilient state (Lindemann, 2008). In almost all less developed but peaceful and stable countries, national political parties have organized forms of centralized patronage and the management of rents (Putzel and Di John, 2012).

States seem more likely to pursue and implement policies that promote more inclusive and equitable development over the long term where institutionalized political parties are in place. Institutionalized parties can convey a programmatic policy stance, discipline party leaders and members and facilitate collective action (Keefer, 2011). For instance, the Communist Party in Kerala, India, built its strategy on a concerted attack on rural poverty (Heller, 2001). Likewise, with its roots in social movements that had long protested against social and economic inequalities, the Partido dos Trabalhadores (Workers Party) in Brazil was until relatively recently a coherent, well-organized and institutionalized vehicle for collective action (Hunter, 2006). In both cases, not only institutionalized party structures but also ideologies based on participation and mobilization were instrumental in shaping government incentives to adopt policies that foster more inclusive and participatory development. On the other hand, strong programmatic parties can be damaging for a polity if they produce ideological polarization that reduces the potential for compromise between political actors (Galston, 2010). This can lead to deadlock over legislation or rapid alterations in government policies, both of which can destabilize the economy and society. The nature of the current political environment in countries like the United States helps to illustrate this pitfall. More clientelist appeals may therefore be necessary to defuse social tensions and provide continuity of policies in certain circumstances. Curiously too, often non-democratic systems, such as China and Vietnam, exhibit more institutionalized ruling parties than democratic ones, as in (South)East Asia. One important reason for this may be that political parties in both more and less well-established democracies seem to be singularly preoccupied with winning elections for their political survival. As a result, their concern for the public good tends to be secondary (vom Hau, 2012).

4.5 Coalition Building

Stakeholders' ability to influence developmental patterns depends not only on what they seek to achieve, but also on their relative power and the institutional context in which decisions are made. Where elites perceive a zero-sum game in which change to promote more inclusive institutions results in a relative loss of wealth and privilege or a challenge to established power relations, there will be strong incentives to divert or block even the best-intentioned policies. Therefore, building coalitions – at both the domestic and international levels – can be essential for enacting reforms. Collective action can prove positive, and even decisive, especially where it leads to a process of bargaining around issues of broad public interest and where there are opportunities for a wide range of state and non-state stakeholders at different levels – subnational, national, regional, global – to participate.

As noted above, starting in the 1960s, ruling elites in Botswana played a crucial role in forging a 'grand coalition' committed to a common development agenda that could cut across narrow divides. This coalition brought together a constellation of diverse regional, ethnic and racial interests towards a shared national goal, which has helped transform the country in a relatively short period of time (Sebudubudu and Molutsi, 2009). Similarly, the roots of Costa Rica's democratic system date back to the 1940s, when elite divisions combined with

organized popular demands led to a progressive pro-reform coalition committed to democracy and broad-based development (Yashar, 1997).

The strength of collective action also depends on the incentives and interests of the groups concerned. ‘Elites’ are often not homogeneous, and conflicts and fractures across types of elites (e.g., political versus economic, old versus new), within elites (e.g., across ethnicity, region or ideology) and at different levels (local, national, international) are likely to emerge (Pritchett and Werker, 2012). The same can be said of the ‘private sector’, both national and international (*ibid.*). Such differences in interests, incentives, social and political alignments, ideas and affinities can weaken groups that are opposed to change (Khan 2012), but equally make it more difficult to bring together coalitions to pressure state actors and other leaders to pursue shared interests (Rueschemeyer, Stephens and Stephens, 1992).

Groups that have traditionally been excluded from (or marginal to) policymaking processes (e.g., poor people in rural and urban areas) may gain salience by partnering with better-off groups that have more leverage. More privileged groups can be persuaded to support policies and programmes to make growth more inclusive if they perceive such changes as being essential to achieving or protecting their own interests, avoiding widespread social unrest or ensuring their survival. For example, through these kinds cross-cutting coalitions, Rio de Janeiro and Nairobi have made progress in eradicating slums and strengthening local-level governance processes in efforts to address urban neglect and unrest (Jones, Cummings and Nixon, 2014).

4.6 Social Mobilization

Social mobilization and sustained bottom-up pressures can also help achieve substantive transformations towards greater inclusion. Social mobilization can serve as both a threat and an incentive (via electoral consequences) for democratically elected governments. In Bolivia, Brazil, Ecuador and Nepal, for example, social mobilization historically has played a crucial role in shaping both political trajectories and policymaking. These countries have all had movement-based governments at some point. While they were grounded in different discourses, narratives and ideologies (e.g., class based in Brazil, ethnically based in Bolivia), they all shared a strong national political project based in part on values of social justice and a commitment to greater equality (Paz Arauco et al., 2014).

4.7 Ideas and National Narratives

The power of ideas and ideology are a key ingredient of politics, and are important in shaping thinking, behaviour and outcomes about inclusion and exclusion. Ideas and ideology are central to discussions of who is included in and excluded from a shared sense of belonging or national destiny in both progressive and far more exclusionary ways. How narrowly or broadly a sense of nation is forged within a country has a profound effect on shaping inequalities and the resilience of democratic institutions. Without shared myths to bind societies together, the risks of fragmentation, polarization, culture wars and violence increase dramatically (Stevens, 2017). Apartheid South Africa (Marx, 1998), Liberia under Americo-Liberian rule, and the oligarchic and discriminatory regimes that ruled in many countries across Latin America and the Caribbean (Bolivia, Ecuador and Guatemala) for much of the twentieth century (Yashar, 1998) are powerful examples of how ideas and ideology can be instrumentalized to create patterns of institutionalized inequality and exclusion and reproduce them over time. By contrast,

Ghana, a multi-ethnic country that has proven remarkably peaceful and stable over time, and where democratic foundations have taken root, provides a compelling example of the power of ideas in shaping inclusive national narratives (Box 21.3) – even if this broadly shared sense of nation has not been sufficient in itself to reduce outcome-based inequalities.

BOX 21.3 GHANA'S DEMOCRATIC RESILIENCE AND SHARED SENSE OF NATION

Ghana has been one of the few democracies emerging from the 1980s onwards that has taken root. This is no small achievement, especially given the country's ethnic and linguistic diversity. Ghana's (relative) progress in democracy building is partly rooted in how state–society relations have evolved over time and the nature of political competition. The country has a long history of tolerance and accommodation. State formation processes and state–society relations based on the promotion of social cohesion and a unified 'Ghanaian identity' emerged early on, and a social contract linking the state and citizens has been an integral part of its state- and nation-building project from the start. Leaders and both formal and informal institutions have fostered inclusion in ways that transcend narrower ties based on kinship or ethnicity. In addition, an expanding urban and increasingly educated middle class has been actively engaged in political processes and is committed to the country's democratic values. (Lenhardt, Rocha Menocal and Engel, 2015)

4.8 International Factors

While institutional transformation is clearly driven from within, international factors also matter. Regional and global drivers and dynamics influence the incentives of domestic actors towards democratic governance and inequality. For example, recent international mobilization and outrage about the chasm between those who have and those who don't – epitomized by movements like Occupy, Black Lives Matter, and international campaigns to make tax avoidance more difficult and to put greater pressure on tax havens – have helped to place inequality and discrimination at the centre of both domestic and international policymaking agendas. Global commitments like the Sustainable Development Goals, which have targets related to greater equality and inclusion, can also encourage reform at the domestic level. However, international factors can also undermine the commitment to democratic governance and/or more inclusive agendas within different countries. For instance, a variety of international mechanisms and practices enable well-placed domestic actors to engage in tax avoidance, or to skew the benefits of economic growth (e.g., around natural resource management) away from those who are most marginalized. Structural adjustment and austerity reforms promoted by international financial institutions and other powerful actors have also often undermined domestic processes to push for more progressive democratic change. Organized crime, for its part, has had a profoundly pernicious effect in heightening inequalities, warping the quality of democratic governance and testing democratic resilience.

5 CONCLUSION

The growing gap between those who have and those who are left behind poses a genuine threat and structural risks to the quality of democracy and its long-term resilience. Inequality undermines social and political cohesion and exacerbates polarization and resentment. It perverts political voice, giving outsized influence to those with means and resources, or the right social status. This skews processes of basic service provision and state functionality, which fundamentally undermines the state's ability to deliver in inclusive ways. This in turn threatens the legitimacy of governments aspiring to be democratic and generates a vicious cycle that can lead to the rise of populism, violence, extremism and armed conflict. In short, inequality profoundly jeopardizes the development of a political culture that values democracy for its own sake, and not just on the basis of what it provides (or does not provide), which is essential to democratic resilience (see also Chapter 3 in this book).

Thus, if democracy is to prove sustainable over time, it needs to tackle inequality and exclusion. But, as has been argued in this chapter, democracy on its own does not automatically redress inequalities, and in fact it poses distinct challenges to such efforts. Addressing inequality and social exclusion is not only a technical but also a deeply political process involving negotiation, bargaining and contestation among a variety of actors who are committed to promoting inclusion and reducing inequalities to varying degrees. Policy outcomes depend on the informal institutions and power relations underpinning a political system – and, as highlighted in this chapter, these are often not aligned with efforts to promote greater equality and inclusion. This is why inequality is democracy's catch-22. Addressing the tensions between inequality and exclusion on the one hand and democracy on the other has never been more urgent. This chapter has highlighted different factors that have helped reduce inequalities within the confines of democracy in an attempt to develop a more nuanced understanding of how progressive change can happen.

NOTES

1. This chapter is based on a chapter titled 'Mind the gap: can democracy counter inequality?' that Alina Rocha Menocal contributed to the 2017 International IDEA *Global State of Democracy Report*.
2. The distributional effects of COVID-19 are only beginning to be felt, and it should be remembered that there is nothing automatic about a pandemic that makes it 'a great equalizer'. Once again politics and power dynamics will be essential in determining prospects for greater equality. See Scheidel, 2017.

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22. Gender inequality and democracy in Africa

Gretchen Bauer

INTRODUCTION

Gender inequality and democracy are elusive and contested concepts and may have been first linked in the struggles of suffragettes to obtain the right for women to vote and to stand for political office in some parts of the world early in the last century. In the late twentieth century, South African President Nelson Mandela, at the opening of the first democratic parliament in 1994, highlighted the importance of achieving equality for women as a prerequisite for ‘freedom’ and presumably democracy in the new South Africa: ‘Freedom cannot be achieved unless women have been emancipated from all forms of oppression.’ Nor could the country’s development objectives be realized, he continued, until it was evident ‘that the condition of women in our country has radically changed for the better, and that women at every level have been empowered to intervene in all aspects of life as equals.’ During President Mandela’s term as president, South Africa ratified the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and established the Commission for Gender Equality (CGE). Today, South Africa has one of the four gender parity cabinets on the African continent and one of the highest representations of women in Africa and the world.¹

In the early twenty-first century, Dahlerup (2017) posed the question: has democracy failed women? Focusing on the ‘old democracies,’ Dahlerup asks whether we have democracy when ‘women and minorities’ are excluded from (or barely included in) agenda setting and decision making and from the institutions that ‘represent’ us? What can we conclude, for example, from the finding that democracies are no more likely to have more women in their legislatures than autocracies? These are not idle musings; among further questions we might ask, as Goetz (2018) does, to what extent may the ‘democratic failings in relation to women have contributed to the current assault on liberal democracy’ around the world?

This chapter examines the link between gender inequality and democracy in Africa. The chapter proceeds as follows. First, we examine the concept and measurement of gender inequality in Africa with a narrow focus on women’s unequal participation and representation in politics. Second, we provide a brief look at some of the literature on democracy in Africa. Third, we probe more deeply into Dahlerup’s contention that democracy has failed women before turning to ask, finally, whether democracy has failed women in Africa.²

GENDER INEQUALITY IN AFRICA

The feminist goal of gender equality – in politics, society and the economy – has remained elusive everywhere. In recent years there have been many efforts to document and measure gender inequality in countries around the world, presumably with the goal of being able to address the gender inequality once its dimensions are better understood. Many of the efforts have been found to be unsatisfactory. Permanyer (2013, p. 1) notes that the first

composite indexes to focus on gender were the Gender Empowerment Measure (GEM) and Gender-related Development Index (GDI), both of which first appeared in the United Nations Development Programme's (UNDP) 1995 'pathbreaking' *Human Development Report* (HDR) focused on gender. The measures were meant to assess disparities between women and men around the world and Permyer describes their impact as 'enormous.' At the same time, the two indices were seen to have many 'conceptual and methodological limitations' and led to the development of a 'plethora' of other indices developed around the world and to be used in their place. The UNDP proposed a new index in its 2010 *Human Development Report* – the Gender Inequality Index (GII). The GII was 'designed to capture women's disadvantage in three dimensions – empowerment, economic activity, and reproductive health – and was estimated for 138 countries for 2010' (ibid., p. 2). But the GII was also seen to have its limitations, notably that one of the dimensions – reproductive health – compares achievements only defined for women, rather than those of women with regard to those of men (ibid.).

In 2006, meanwhile, the World Economic Forum (WEF) introduced the Global Gender Gap Index (GGGI), and in its annual *Global Gender Report*, the WEF documents the progress of countries in reaching gender parity across four dimensions – economic participation and opportunity, educational attainment, health and survival, and political empowerment. The country rankings 'are designed to create global awareness of the challenges posed by gender gaps, and the opportunities created by reducing them' and to serve as the basis on which measures for reducing the gaps can be designed (WEF, 2018, p. vii). Worldwide, the greatest gender gap is in political empowerment (77.1 percent), followed by economic participation and opportunity (41.9 percent); the remaining global gender gaps in health and survival (4.6 percent) and educational attainment (4.4 percent) are significantly smaller. Of course, there is considerable national and regional variation. Indeed, only 33 sub-Saharan African countries are among those ranked, and the variation among them is substantial. In terms of the overall global gender gap, taking into account all four sub-indices and assuming current rates of progress, closing the gap will take decades, if not centuries; 61 years in Western Europe, for example, as against 135 years in sub-Saharan Africa. But as the report notes: 'policy-makers and other stakeholders can fast-forward this process and should take stronger action in the years to come. There is a strong imperative to do so, in terms of justice and greater social equality as well as the economic returns of a broader base of diverse human capital' (ibid., p. viii).

In terms of educational attainment, there is a more than 40 percent difference in gender gap size between the highest-ranked and lowest-ranked sub-Saharan African countries included in the GGGI in 2018. At the same time, there are two countries – Botswana and Lesotho – that have fully closed their gender gaps in educational attainment and health and survival (ibid., p. 26). Makama (2013, p. 120) underscores the colonial roots of gender inequality in education in Africa, given a system that was put in place to meet the 'manpower needs' of colonial administrations, in the process often depriving girls and women of educational and employment opportunities. Concern about gender inequality in education stems from the direct impact it will have on economic growth through the lowering of the quality of human capital. Klasen (2000) suggests that differences in economic growth rates of between 0.4 and 0.9 percent between East Asia, on the one hand, and sub-Saharan Africa, South Asia and the Middle East on the other, are due to the larger education gender gaps in the latter three regions. More recently, Hakura et al. (2016, p. 2) confirm that inequality – income or gender related – can impede economic growth and that 'per capita income growth in sub-Saharan Africa could be

higher by as much as 0.9 percentage points on average if inequality was reduced to the levels observed in the fast growing emerging Asian countries.’ Gender inequality in education also hinders progress in health indicators such as fertility and child mortality rates. Across the continent, as in other parts of the world, the gap is narrowing between women and men in access to higher or tertiary education. Mama (2003, p. 102) argues that since public higher education ‘remains the main route to career advancement for women in Africa,’ then limited access will pose ‘a constraint to the pursuit of more equitable and just modes of political, economic and social development.’ In her study of public higher education in Africa she notes the need for greater support for public universities and for more accountability from universities to African publics. In the early 2000s, there were only 30 gender studies units at African universities, and this limited number could act as a constraint on scholarship and activism around women’s enhanced roles in politics, society and the economy. Today, the premier gender studies programs are in Egypt, Ghana, Uganda and South Africa. These include the Institute for Gender and Women Studies at the School of Global Affairs and Public Policy at the American University of Cairo, an academic research institute and graduate teaching center; the Centre for Gender Studies and Advocacy (CEGENSA) that, among other things, helps to mainstream teaching and learning on gender throughout the curriculum for all students at the University of Ghana, Legon; the School of Women and Gender Studies at Makerere University in Uganda, a multidisciplinary academic unit founded in 1991 that is at the forefront of academic and community initiatives to address gender and development from an African perspective; and the African Gender Institute at the University of Cape Town in South Africa that, with its 20-year history of feminist writing, teaching and research, offers a full selection of undergraduate and graduate degree programs at the University of Cape Town and was home to the journal *Feminist Africa* (until it was moved to the University of Ghana in 2020), among many other things.

Kenworthy and Malami (1999, p. 238) argued that gender inequality remained ‘perhaps most pronounced’ in the arena of politics, and this was confirmed in the later *Global Gender Gap Report*. As discussed further below, Kenworthy and Malami (*ibid.*, pp. 250–51) noted that the degree of democracy has no bearing on women’s chances of election to parliament, one of the three criteria used in the *Global Gender Gap Report*’s assessment of political empowerment. In Kenworthy and Malami’s view (p. 235), electoral system structure, leftist party government, the timing of women’s suffrage, the share of women in professional occupations, and cultural attitudes toward the role of women in politics, each play a role in accounting for variation in the degree of gender inequality in political representation around the world. This finding has been superseded by the rapid adoption of electoral gender quotas for parliament in Africa and other parts of the world, as elaborated by Tripp and Kang (2008) and discussed further below.

A number of scholars have undertaken to investigate gender inequality in terms of political participation in sub-Saharan Africa – namely, lower participation among women than among men. In one study, Coffe and Bolzendahl (2011) used 2005 Afrobarometer data for 18 African countries to examine whether there is a gender gap in voting and a gender gap in collective action between women and men. Coffe and Bolzendahl (*ibid.*, p. 256) find ‘a weak gender gap in registering to vote, where socio-economic and political attitudinal characteristics tend to largely explain differences between men and women’s probability of registering.’ Coffe and Bolzendahl further find that ‘women remain much less likely than men to engage in collective actions or contact politicians or political institutions, regardless of their socio-economic

resources or political attitudes' (ibid.). Amoateng, Heaton and Ikalule-Sabiti (2014) conducted a larger study – using five waves of Afrobarometer data – in selected sub-Saharan African countries, seeking to answer the same questions about gender differences in political participation. They found that 'overall women were only about two-thirds as likely to vote as men with the gender gap in voting varying widely across countries and time' (p. 5897). But they also found the gap narrowing with each subsequent survey. (Coffe and Bolzendahl also found substantial variation across countries.) Amoateng et al. (2014, p. 5987) also found a gender gap in collective action and suggested that civic education could be a mechanism for increasing female political participation. A third study by Isaksson, Kotsadam and Nerman (2014), relying on 27 000 respondents across 20 sub-Saharan African countries, found similar results. They found a gender gap in both voting and collective action, with the gender gap in the latter being considerably larger (p. 302). (All studies consider 'collective action' to mean 'coming together with others to raise an issue' – between elections.) The explanation for the gender gap that Isaksson et al. offer contrasts with those typically given for the gender gap in political participation in the West; rather, Isaksson et al. find 'that clientelism, restricted civil liberties, economic development and gender norms are potentially important determinants of the participatory gender gap in Africa' (p. 316). As Isaksson et al. further note, understanding the gender gap in political participation is important, given that the inequality in participation could reproduce gender inequalities in other domains.

Can policy interventions make a difference, as suggested by Amoateng et al. (2014) and Hakura et al. (2016), in the case of gender inequalities? A fourth study returns to Afrobarometer data from 20 African countries from 1999 to 2008 to test the argument that there is a symbolic representation effect of having more women in politics (Barnes and Burchard, 2013). In this case, the authors investigate whether having more women in parliament in an African country narrows the political engagement gender gap between men and women, discussed in the studies above. Indeed, they find 'that as women's descriptive representation increases, the political engagement gender gap diminishes...across several measures of political engagement' (p. 767). This is an important finding, both in terms of the efficacy of potential policy interventions more broadly and in the arena of women in politics more narrowly.

As Tamale (2004, p. 50) has written:

Gender inequality has persisted despite all the scholarship highlighting the drawbacks that are associated with it. In circumstances of weak state structures, corrupt leadership and civil instability, African women realize that they need to be more resourceful in order to enhance their access to and control over resources. This is not to suggest that women in Africa have not been ingenious and practical.

To further comprehend the relationship between gender inequality and democracy, we turn to a discussion of democracy in Africa.

DEMOCRACY IN AFRICA

If nothing else, the political legacy of the African colonial state (Young, 1994) ensured that the institutions of liberal democracy, handed over to the former colonies at independence across Africa, would not succeed. Within a decade of political independence, single party and military rule had largely replaced 'democracy' as regime type in those countries that were not still struggling to gain their political independence. This did not stop scholars from con-

templating democracy in Africa throughout the 1960s, 1970s and 1980s. For example, Sklar (1983) identified four types of democracy to be found in varying amounts across the continent: liberal democracy bequeathed by the colonial powers and in very short supply by the early 1980s; guided democracy (a form of developmental dictatorship); social democracy; and participatory democracy, found in rare instances or not at all. What Africa needed, according to Sklar, was developmental democracy: a democracy that would 'evoke fresh and original responses to the problems of economic underdevelopment, social stagnation, and political drift' (p. 20). The 1980s, a time of deep economic malaise across Africa, brought further challenges to democracy in the form of the requirements of structural adjustment programs (SAPs) (Makinda, 1996, p. 569).

A decade later, as democracy was being demanded from the streets in Africa, Ake (1993, p. 41) made the significant observation that:

ordinary Africans do not separate political democracy from economic democracy or for that matter from economic well-being. They see their political empowerment, through democratization, as an essential part of the process of getting the economic agenda right at last and ensuring that the development project is managed better and its rewards more evenly distributed.

Ake suggested that this joining together of political democracy and economic well-being was evident in the demands that were being made and the debates taking place at the national conferences of the early 1990s that were at the forefront of the political liberalization or return to democracy that swept across Africa in the late 1980s and early 1990s. Another decade later, however, an Afrobarometer survey in Ghana found that support for democracy in the country continued to grow despite ongoing economic dissatisfaction. Gyimah-Boadi and Awuah Mensah (2003) explained this as a possible 'power alternation bonus' – in other words, a continued commitment to democracy despite the economic downturn driven by an appreciation by Ghanaians of the alternation of political parties in power in government that democracy provided.

As democratic transitions unfolded, increasing numbers of scholars and activists began to reconsider what would count as democratization or democratic consolidation. Some, such as Ndegwa (2001, pp. 12–13), admonished that 'democratization is a complex and multilayered process that is long-term, evolutionary and dialectic and as such we should be looking beyond elections, constitutions, and institutional structures to other areas of the public space such as civil society, especially local level associations.' For others, like Lindberg (2006), elections play a paramount role in signaling, if not eventually consolidating, democracy (for example, with more elections over time). For others like Teshome (2008, p. 9), an alternation of power – namely, a change of political party in power – is an important 'litmus test.' Overall, Teshome is concerned that it is entirely possible to have elections without democracy, and/or that political freedoms and civil rights may be officially recognized, but in practice be partially or sometimes fully ignored, especially in the time between elections.

Another concern of scholars of African democracy, presaged by Ake in 1993, has been 'African attitudes toward democracy.' Bratton and Mattes (2001, p. 473), at the end of the first decade of political liberalization, found that in three of Africa's new democracies, popular support for democracy was similar to that in other 'third wave' [of democracy] countries, leading them to conclude that: 'Under these circumstances, the popular consolidation of democracy in at least some African countries does not seem an entirely far-fetched prospect.' At the same time, Bratton and Mattes were concerned that the support for democracy might

be ‘quite broad,’ but they were not sure how ‘deep.’ Moreover, like others before them, they were concerned that ‘we do not yet know if citizens will vigorously defend the political regime if economic conditions take a decisive turn for the worse or if rulers begin to backtrack on hard-won freedoms.’ Mattes and Bratton (2007) continued to be concerned about African attitudes toward democracy – indeed, they sought to make recommendations on how to deepen democracy in Africa. They suggested that two things were needed: to enlarge the number of ‘cognitively sophisticated citizens’ – for example, through civic education programs – and to secure ‘the rule of law, protect individual rights and freedoms, control corruption and ensure that elections are above reproach’ (p. 204)

Across the continent today, there is an increasing recognition and concern that democracy in Africa is held responsible for the economy.³ Adejumobi (2009, p. 2) has summarized this succinctly:

The democratic aspiration of the African people is not only confined to the arena of political democracy (of elections, and granting of civil and political rights), but involves the demand for economic empowerment, better living standards, and adequate social welfare. Indeed, for the majority of the people, democracy is meaningful only when it delivers socio-economic goods. In other words, political democracy must be linked to socio-economic development. The deteriorating social welfare and living standards of the people in spite of the vote for democracy is gradually undermining the confidence of the people in the new democratic order. As a Nigerian petty trader aptly puts it: ‘na democracy we go chop’

And yet, on the whole, despite many concerns, Lynch and Crawford (2011) conclude that in 2010, African countries were more democratic than they were in the late 1980s and that the steps forward have been larger than the steps backward. Their assessment of 20 years of democracy focused on seven areas of progress and setbacks:

increasingly illegitimate, but ongoing military intervention; regular elections and occasional transfers of power, but realities of democratic rollback and hybrid regimes; democratic institutionalization, but ongoing presidentialism and endemic corruption; the institutionalization of political parties, but widespread ethnic voting and the rise of exclusionary (and often violent) politics of belonging; increasingly dense civil societies, but local realities of incivility, violence and insecurity; new political freedoms and economic growth, but extensive political controls and uneven development; and the donor community’s mixed commitment to and at times perverse impact on, democracy promotion. (Lynch and Crawford, 2011, p. 275)

In a recent intervention on Africans’ commitment to democracy, analyzing six rounds of Afrobarometer surveys, Mattes and Bratton (2016, p. 22) concede that while there is some evidence in their analysis for a ‘narrative of democratic recession in Africa,’ it is also the case that ‘recent setbacks in popular democratic attitudes should be viewed in the broader context of generally positive long-term gains.’ Countries like Ghana, in which there was a dramatic drop in demand for democracy between 2012 and 2014, and likely due to deteriorating economic conditions, according to Mattes and Bratton (*ibid.*, p. 18), are in the minority.

Gyimah-Boadi (2019), also based on many rounds of Afrobarometer surveys, frames the continued quest for democracy in Africa as one in which the people continue to demand democracy but the supply by their leaders is limited.

HAS DEMOCRACY FAILED WOMEN?

Equality is considered to be a fundamental value of democracy; in theory, there should be no second-class citizens in a democracy. As for gender equality and democracy, Beer (2009, p. 212) notes:

Given the theoretical connection between democracy and equality, it may seem that democracy and gender equality should go hand in hand. Yet, historically, democratic theory has excluded women. Even today, many prominent democracy scholars find no contradiction in categorizing political systems as ‘democratic’ even when the female half of the population was prohibited from participating in government. Thus, it is an open empirical question whether democracy promotes the well-being of women.

In her study, Beer (*ibid.*, p. 226) does find that ‘long-term democracy’ and women’s participation in politics ‘can make a difference in the lives of women’ even in poorer countries, with women’s participation in politics making a clear contribution. Looking at democracy and gender equality the other way round and in the ‘old democracies,’ Dahlerup (2017) has another finding. In her small book, Dahlerup asks the question: has democracy failed women? She asks the question from a feminist perspective and in light of the continued enormous gender gap in political empowerment even in the ‘old democracies’ of Europe where the gap has narrowed the most. Dahlerup notes that the equal representation of women in politics is rarely counted among the defining criteria of democracy like universal suffrage, transparent and accountable institutions with little corruption, independence of the judiciary and the rule of law, freedom of speech, assembly and press, and minority rights. Meanwhile, as electoral gender quotas have been adopted across the world to improve women’s representation in politics and decision making, the new democracies and even some ‘non-democracies’ have surpassed the old democracies in terms of at least one measure of gender equality.

A few African countries are among the leaders in this regard, including countries like Senegal and Tunisia that have gender parity laws for their national legislatures, and others like Ethiopia, Rwanda, Seychelles and South Africa that now have gender parity cabinets. Even the African Union practices gender parity in its governing bodies. Dahlerup (2017) concludes that democracy has failed women from the very beginning. Only the ‘fast-track policies’ pursued by mobilized national women’s movements (namely, the adoption of electoral gender quotas and gender parity laws, and the significant advances in women’s representation that have followed) are making a difference in replacing the previous failed ‘incremental approach’ (waiting for socio-economic developments over time) to increasing women’s representation in politics (Dahlerup and Friedenvall, 2005).

As Goetz (2018) points out, the question of whether democracy has ‘delivered’ is an urgent one, given the ‘swelling tide of illiberal democracy – of populations voting for leaders who curb free speech, close borders, expel immigrants – which is driven not just by xenophobia and racism, but also resurgent patriarchal values.’ In returning to Dahlerup’s (2017) original questions, Goetz (2018) further laments that, ‘to the extent that democracies have so far failed to institutionalize feminist preferences and legitimize feminist voices, voices that could help defend against these attacks [on democracy], democracy has indeed failed women.’

GENDER INEQUALITY AND DEMOCRACY IN AFRICA

The Global Gender Gap Index sub-index on political empowerment tracks three measures of gender (in)equality: ratio of women versus men in parliament, ratio of female versus male ministers, and ratio of years with a female head of state versus male head of state (WEF, 2018, p. 5). A considerable literature has focused on women in parliaments in Africa, with one of the questions being the link (or not) between democracy and women's representation. Early studies, like Yoon (2001, p. 182), argued, based on 1990s' data, that democratization overall in Africa had decreased women's representation in parliament, though the difference was 'not significant.' She suggested that democratization may be a necessary but not sufficient condition for women's increased legislative representation in Africa. Using the same 1990s data a few years later, Yoon (2004) found patriarchal culture to have a negative impact on women's legislative representation in Africa, while proportional representation (PR) electoral systems and gender quotas had significant positive impacts. Also using 1990s' data, Lindberg (2004) found that majoritarian electoral systems discriminated against women, while the impact of PR electoral systems was more ambiguous, and that repetitive electoral cycles were increasing women's percentages in parliament. More recently, Stockemer (2011) found that in Africa, democratic states have fewer women representatives than non-democratic states. Dahlerup (2017) and Goetz (2018) suggest that this is a global trend: that there is no significant difference between the proportion of women in national legislatures in democracies versus autocracies. This stems from the adoption of electoral gender quotas for parliaments by more than 100 countries – regardless of political system or regime type – accounting for the increases in women's representation and narrowing the 'political empowerment' gender gap (Tripp and Kang, 2008).

Many scholars have suggested, as Goetz (2018) does, and with Rwanda as the African example, that 'authoritarian leaders have arguably exploited the assumed connection between women's presence in public office and liberalism, padding their legislatures and institutions with women to distract attention from their attacks on accountability systems.' Burnet (2008), some years before, had a more optimistic take, arguing that even gender initiatives handed down from above and implemented by authoritarian governments can lead to transformation, and that women's increased representation in even an authoritarian regime can lead to their more meaningful participation in a genuine democracy – one day – as a result of such transformations. Bauer and Burnet (2013), in their comparison of two countries in Africa at opposite ends of the women's representation spectrum – authoritarian Rwanda at the top of world rankings and democratic Botswana at the bottom of world rankings – suggest that perhaps deepening democracy cannot be a task that electoral gender quotas and the women elected on them are expected to accomplish on their own; but that by making legislatures more representative and inclusive, acting on a broader range of interests, and having symbolic representation impacts far beyond legislative chambers, women members of parliament across Africa are making a mark. Still, when opposition politicians are repeatedly being killed, as in Rwanda, one must give pause (Butera, 2019). And if, as some scholars such as Mumporeze and Nduhura (2019, p. 367) argue, women legislators are being called upon to protect ruling party interests more than they are able to protect women's rights in an undemocratic Rwanda, then women's greater political inclusion cannot be seen as a way of furthering gender equality.

In a comparison of two countries – one Latin American and one African – Okeke-Ihejirika and Franceschet (2002) investigate what encourages state feminism during the process of

democratization. In their contrasting cases, they find that in one – Chile – state feminism emerged, whereas in the other – Nigeria – it did not. In short, they suggest that the strategic options available to women seeking to embed state feminism are shaped by at least three factors: ‘existence of a unified women’s movement capable of making unified demands; existing patterns of gender relations which influence women’s access to arenas of political influence and power; the content of existing gender ideologies and whether women can creatively deploy them to further their own interests’ (p. 439). The authors argue that in Nigeria, in contrast to Chile, attempts at creating state feminism have failed due to ‘a political transition from military to civilian rule that has not provided feminists with access to political arenas of influence, and the absence of a powerful women’s movement’ (ibid.). Across Africa and the world, decades of scholarship have shown the power of collective action, in this case of mobilized national women’s movements, in winning demands for gender equality in elected and appointed offices, and in holding women representatives accountable to feminist demands once they have been elected or appointed (Kang and Tripp, 2018; Tripp et al., 2008). Political empowerment is but one aspect of gender equality, and gender parity measures – for example, in government – may be adopted in democracies and non-democracies alike.

CONCLUSION

This chapter has provided a brief overview of some of the issues concerning the elusive and contested concepts of gender equality and democracy in Africa. As noted at the outset of the chapter, South African leader Nelson Mandela once observed that freedom and development would not be possible in his country unless women were no longer oppressed and they were empowered throughout society ‘as equals.’ The chapter has shown how in terms of political empowerment, women continue to lag behind men in important indicators such as representation in parliament and other institutions of government. At the same time, it is also the case that affirmative action interventions such as electoral gender quotas are working to bring more women into politics and decision making, with women even achieving parity with men in some instances. And yet, these achievements have been found in democracies and non-democracies alike in Africa (and in other parts of the world), thus calling into question the idea of a necessary link between democracy and equality, including gender equality.

NOTES

1. Nyamweda (2017). See also Stockemer (2011, p. 693). At the same time, see Gouws (2019) on what is left of the feminist agenda and progress toward gender equality within the South African state, 25 years after Mandela’s 1994 address.
2. Of course, it can be problematic to think in terms of ‘an’ African woman or any other (essentialized) woman for that matter. Tamale (2004, p. 61) prefers to think in terms of African women:
[M]y reference to the collective of African women in relation to resource accessibility and control stems from two important factors. First, the glaring statistics that show that the overwhelming number of resource-less people on the continent are women—so much so that one loses track of the very few who actually have control over and access to resources. Secondly, and more important, is that regardless of the differences that may exist between and within African women, all are affected by and are vulnerable to the conceptual and functional space that they occupy in the domestic sphere. Moreover, no African woman can shield herself from the broad negative and gendered legacies left behind by forces such as colonialism, imperialism and globalisation.

3. Jensen and Wantchekon (2004, p. 836) focus on another relationship between democracy and the economy. According to their research:
 [N]atural resource dependence can have a serious negative impact on democratic transition and democratic consolidation. From the period between 1970 and 1995, countries with higher levels of natural resource dependence tended to be more authoritarian than their less resource dependent counterparts. Higher levels of natural resources are associated with higher levels of government consumption and worse government performance. After the initial wave of democratization, countries with higher levels of natural resource dependence experienced a backslide toward authoritarian rule.
 In fact, their focus is primarily on the period before the democratic transitions of the early 1990s, though it is not clear what the findings of the same study would be today.

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23. Horizontal inequalities and democracy¹

Frances Stewart

1 INTRODUCTION

Horizontal inequality (HI) is inequality among groups, in contrast to the more common understanding of inequality as inequality among individuals (or vertical inequality, VI). While inequality in general is gaining increasing attention among academics, journalists and policy makers, the focus remains largely on vertical inequality. Yet, HIs are more relevant to political outcomes than VI, since HIs concern inequality among groups, and groups are in general more powerful actors in politics than individuals.

This chapter explores the relationship between HIs and democracy. Potentially, there could be a two-way relationship. On the one hand, the presence of high HIs might influence whether democracy occurs and is sustained. On the other hand, the presence of democracy may result in policies that affect HIs. To complicate the question, the impact of HI on regime type may depend on the number and size of groups in a society. Moreover, there are many types of democracy, and the relationship between HIs and democracy partly depends on the type of democracy. There are also multiple dimensions of HIs and some appear more likely to affect the relationship than others.

To clarify some of these issues, Section 2 of this chapter considers the definition and scope of HIs, focusing particularly on aspects of HIs that may affect their implications for democracy. Section 3 considers what is meant by ‘democracy’ and the likely relationship between HIs and different types of democracy. From this it becomes apparent that the type of democracy that may be desirable in multi-group contexts may not be the majoritarian democracy commonly adopted. Some empirical evidence on these issues is then presented, including some statistical relationships across countries in Section 4 and a discussion of a few country cases in section 5. Section 6 concludes.

2 HORIZONTAL INEQUALITIES²

Horizontal inequalities (HIs) are inequalities among groups, where relevant group categories include race, ethnicity, religion, region, gender and age, among other categorizations. HIs form a particularly important type of inequality because of their implications for justice and their effect on social stability. Nonetheless, horizontal inequality tends to be a neglected aspect of inequality and most assessments of distribution of income (or other resources or outcomes) are concerned with distribution among individuals or households, or vertical inequality.

There are many ways in which people can be grouped, and most people have multiple identities and are members of a number of groups. To assess the extent of HIs in any society, the first question to be considered is which group classification to follow. The appropriate classification is the one (or ones) that capture the identity distinctions that are important to people, both in terms of their own perceived identity and how they perceive others. The salient

identities may vary according to the issue considered. For example, in social life, differences in religion and culture may lead people to prefer interaction within their group rather than across groups. Yet, for political mobilization, the identities that are most relevant are those that affect political favours and these are not always the same as those determining social interactions (Langer and Ukiwo, 2008). Salience is also more likely if there are overlapping characteristics – for example, if a group of people share ethnic, regional and religious characteristics. Societies differ as to the identities that are most salient; for example, ethnicity is highly relevant in most African countries. Religious distinctions are significant in many countries the world over. Numerous separatist conflicts point to the importance of regional differences (often overlapping with ethnicity). Age and gender distinctions are, of course, universally significant. While people have multiple identities, the ones that that matter to them most can vary according to the politics of the time and the issue being considered.

Socio-economic, political and cultural inequalities are prime dimensions of HIs, each with an array of elements: for example, socio-economic inequalities include inequalities in access to basic services – education, health, water – and inequalities in economic resources, including income, assets, employment, and so on. In the political dimension, HIs relate to relative representation in the top levels of government, the bureaucracy, the military, the police and in local government. On the cultural side, relevant inequalities include those in recognition, use and respect for language, religion and cultural practices (Langer and Brown, 2008). The most relevant elements vary across societies: while land inequalities are of major significance in agrarian societies, for example, they matter rather little in advanced economies where agriculture is less significant and inequalities in the ownership of financial assets and skills determine life chances.

HIs are important in themselves and because they affect other objectives (Loury, 1988). Above all, significant HIs are unjust since there is no reason why people should receive unequal rewards or have unequal political power merely because they are black rather than white, women rather than men, or of one ethnicity rather than another. While it can be argued that some vertical inequality is justified to reward effort and merit, there is much less reason why there should be any major differences in either effort or merit when it comes to large groups of people.

HIs have been shown to raise the risk of violent conflict significantly (Cederman, Weidmann and Gleditsch, 2011; Stewart, 2008), and this forms the most important instrumental reason for aiming for greater equality. Group inequalities provide powerful grievances that leaders can use to mobilize people to political protest, by calling on cultural markers (a common history or language or religion) and pointing to group exploitation. This type of mobilization is especially likely where there is political as well as economic inequality, so that the leaders of the more deprived groups are excluded from political power and therefore have a strong motive for mobilizing. Examples where group inequalities have been a factor in provoking violence include conflicts in Côte d'Ivoire, Rwanda and Northern Ireland, to mention just three (see Gurr, 1993; Langer, 2005; Murshed and Gates, 2005; Stewart, 2002). Most empirical work suggests that while political and economic HIs individually, raise the risk of conflict, the risk is greatest when both dimensions of inequality are present (Langer, 2005; Cederman et al., 2011; Østby, 2008).³ HIs within countries are an important source of grievance and potentially of instability, independently of the extent of vertical inequality. The raised risk of violent conflict associated with HIs has direct implications for the sustainability of democracy, and is discussed further below.

3 THE LIKELY RELATIONSHIP BETWEEN HORIZONTAL INEQUALITIES AND DEMOCRACY

The relative size of groups in a country is likely to affect the political implications of HIs in a democracy. We can usefully categorize societies into several types:

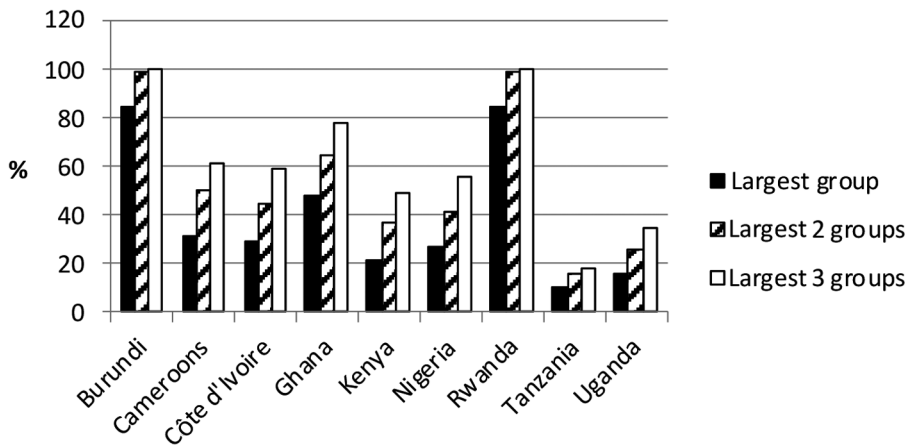
1. *Multiple small(ish) groups*. This is where there are many small groups, none big enough to dominate – Tanzania is an example. The three largest ethnic groups together only account for 18 per cent of the population (Figure 23.1).
2. *Duopolies*. Here, there are two dominant groups, of more or less equal size. Considering religious categories, Nigeria is roughly equally divided between Muslims and Christians and so is Côte d'Ivoire (Figure 23.2).
3. *Oligopolies*. In oligopolies there are a few large groups and many small ones. Kenya is an example.
4. *Majority/minority cases*. This is where one group forms a substantial majority and another or others, a much smaller minority. Rwanda and Burundi, in relation to ethnic categories, and the Cameroons in terms of French/English speakers, are examples, as are many Middle Eastern countries, often divided into Shias and Sunnis (e.g., Iraq).

As Figures 23.1 and 23.2 make clear, some countries are fairly homogeneous in terms of religion, but not so in ethnic terms – notable examples are Burundi, Rwanda, Kenya and Uganda. Côte d'Ivoire and Nigeria are more evenly divided by religion. In the first category, not surprisingly, ethnicity appears more salient and political mobilization has been organized along these lines, whereas in the latter cases, religion is a more salient division and is reflected in the way that people mobilize politically.

It seems plausible that having high HIs is likely to influence the probability of enjoying a stable democratic system for two reasons. First, because autocracies, dominated by one group, are particularly likely to hang on to power and resist democratization, especially if the government comes from a minority group. One example is Iraq under the autocrat, Saddam Hussein, when the minority Sunnis sustained political and economic power until the Western invasion. A similar situation is that of the Alawites in Syria, who are a minority in the country but form the government; South Africa under apartheid is another example. In all these cases, the minorities could retain power only as long as they prevented the majority population from voting.

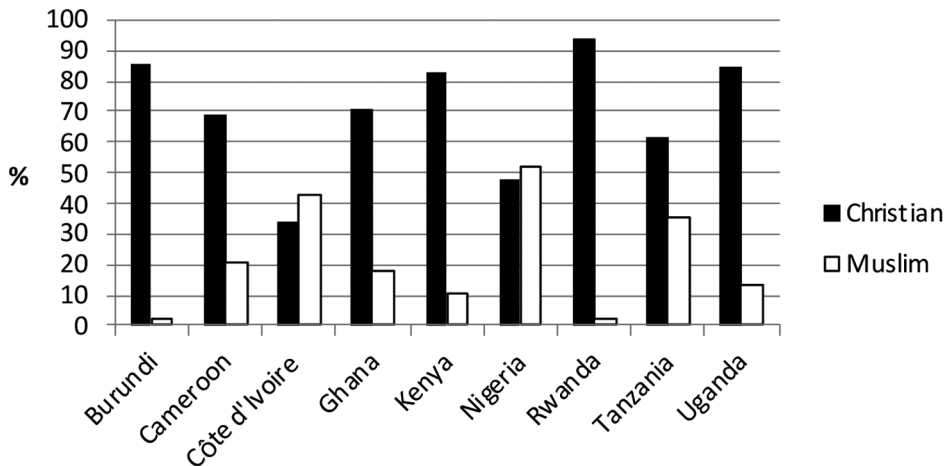
The second reason that high HIs are likely to be associated with non-democratic politics is that a democracy in which there are large political and socio-economic HIs is likely to be unstable. Political HIs mean that some group or groups lack power. If this is associated with a demographic majority of one group, this exclusion is likely to be of long duration in majoritarian democracy. Moreover, the majority group is also likely to perpetuate socio-economic HIs. Consequently, minorities may be motivated to attempt to overthrow the democratic institutions. Political instability of this kind has occurred in Northern Ireland, Fiji and Cameroon, for example. The consequence can be a reform of democratic institutions so that power is shared (as in Kenya after the 2008 violence, or the Good Friday Agreement in Northern Ireland), thereby reducing HIs. Or there may be continued violence and an increasingly autocratic government, as in Cameroon where the same person has been head of government since 1982.

Another relevant question is whether democracies are likely to reduce HIs compared with non-democracies. Autocracies are more likely to believe they can sustain power by repression



Source: Derived from information in The World Factbook: <https://www.CIA.gov/library/publications/the-world-factbook>.

Figure 23.1 Proportion of population belonging to largest ethnic groups



Source: Derived from information in the World Factbook: <https://www.CIA.gov/library/publications/the-world-factbook>.

Figure 23.2 Proportion of population Christian or Muslim

and do not need to reach out to people in the way democracies do. Consequently, democratic governments that are elected by popular votes might be expected to have lower political HIs and adopt policies that reduce socio-economic HIs. But whether or how far this is the case depends on the nature of the democracy as well as the demographic composition of the country. While broadly defined, democracy is rule by the people to be achieved by universal franchise, there are many differences in how this is interpreted. Some of these differences arise from formal rules, and some from informal conventions:

1. *Who has the vote?* Generally, it is accepted that all adult citizens should have a vote in a democracy. But a democracy can be exclusionary and create HIs by the qualifications for citizenship and the way the franchise is defined. By refusing citizenship to some residents, democracies can effectively exclude people from voting, in some cases excluding people who have been living in the country for generations. In the case of the Rohingya in Burma/Myanmar, for example, only people who can trace their families as having lived in Burma before British rule in 1823 are entitled to be citizens. Other countries make it very difficult to acquire citizenship if a person is not born in the country. Since citizenship usually confers a number of rights (e.g., to government benefits), refusing citizenship to residents itself forms a major source of socio-economic as well as political HIs. Further, in some democracies, some citizens are excluded from voting (e.g., felons) and/or registration requirements are made so stringent that many are effectively excluded. Again, this can be a source of HIs, as with the Afro-American population in the US (Anderson, 2018).
2. *The voting system.* There is a large range of ways that votes can be organized, with different implications for group representation (see, e.g., Farrell, 2011; King, 2000). Where a country is divided into constituencies and each constituency is represented by the candidate who gets a majority of votes, minority groups may be excluded from power if they are dispersed across constituencies. In contrast, proportional representation voting ensures that each political party (or group) is represented according to the votes cast in the country as a whole, thus ensuring that minority groups are represented in parliament.
3. Irrespective of how members are elected, government formation can be *majoritarian* or *power sharing*. In majoritarian parliamentary democracies, the party/group that secures the most representation forms the government. In such a system, groups that constitute the majority of the population are likely to form the government, irrespective of the voting system. Alternatively, governments can be structured in such a way as to ensure representation of minorities. This type of system has been adopted in several post-conflict situations, such as Lebanon, Bosnia and Burundi. Sometimes, power sharing is a formal requirement, built into the constitution; in other cases, it is achieved through informal conventions. In presidential systems, only one person can be president, but there can still be power sharing of a formal or informal type involving other high-level government jobs.
4. *Decentralization.* Power can be centralized, or there can be degrees of decentralization:
 - a. Federal systems of government decentralize more or less substantial powers to states or provinces. In principle, federations can decentralize most powers, reserving only a few for the centre. In other cases, only minor powers are decentralized.
 - b. Decentralization to much smaller units such as counties or districts is much more common, with considerable variation in the powers devolved.

In general, the greater the decentralization, of either kind, the more power is shared and, consequently, political power is more evenly distributed across groups and political HIs are less.

However, while poorer groups may gain political power, their economic situation may worsen, since tax capacity is less in poorer areas. This can be offset by redistribution from the centre, but it is rarely fully offset, so in regional terms, lower political HIs may be associated with higher socio-economic ones. Cultural HIs may be lower with decentralization since the central government exerts less control over local religious and cultural activities (for example, Sharia law is in place in northern states in Nigeria; Suberu, 2009).

The implications for group representation in government and power, or political HIs, partly depends then on the type of democracy, and partly on a country's demographic group composition. Assuming people vote largely for people of their own group, where a single group is in the majority, majoritarian voting and government formation is likely to exclude minorities, while they are more likely to be represented with power-sharing arrangements. There is considerable evidence suggesting that people frequently do vote according to their ethnicity in multi-ethnic societies (Horowitz, 1985; Landa, Copeland and Grofman, 1995; Long and Gibson, 2015; Posner, 2005).⁴ However, where there are several large groups, with none constituting an absolute majority, coalitions will need to be formed to secure power, and in these cases, political HIs are likely to be smaller, though small groups may still not be represented in government. Moreover, coalition composition may change so groups are not permanently included or excluded from power. Hence in principle, a democratic system can be associated with either severe political exclusion and political HIs, or with power sharing and moderate HIs.

4 EMPIRICAL EVIDENCE FROM CROSS-COUNTRY EVIDENCE

Cross-country empirical evidence supports the conclusion that democracy is associated with lower political and economic inequalities, using data from the Social Progress Index for around 160 countries for 2018. Definitions of the variables used are shown in Table 23.1.

The political rights index is a measure of democracy and the measure of equality of political power among social groups is an indicator of political HIs. The data do not include a good measure of socio-economic HIs, although the discrimination index captures some aspects of socio-economic HIs. The basic human needs indicator is included as a proxy for the general level of development, which is likely to be associated with the extent of democracy and could be a confounding variable.

Scatter diagrams show a strong positive relationship between democracy (political rights) and political HIs (Figure 23.3). The relationship between democracy and discrimination against minorities (here proxying for socio-economic as well as political HIs) is evident (Figure 23.4), but less strong. Figure 23.5 shows, as expected, a negative relationship between political equality among groups and discrimination, but not a very strong one, indicating that the discrimination variable is capturing other aspects of discrimination beyond political inequalities. Finally, Figure 23.6 shows a positive relationship between the level of development, as measured by basic human needs, and democracy, but again not very strong.

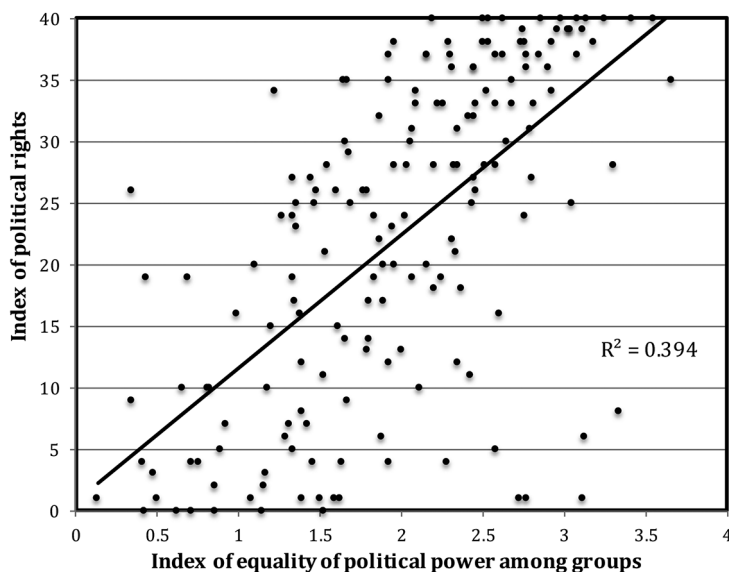
Table 23.2 reports the results of multiple regressions, showing a consistent and significant positive relationship between lower political HIs and the extent of democracy, and a negative and less significant relationship between the extent of democracy and the extent of discrimination. The level of development, as measured by basic human needs, invariably has a positive

Table 23.1 *Definition of variables*

Variable	Definition	Source
Political rights (0 = no rights; 1 = full freedom)	Evaluation of electoral process; political pluralism and participation; govt. functioning	Freedom House
Equality of political power by group	Experts' evaluation of whether political power is distributed according to social group, including caste, ethnicity, language, race and religion or some combination	Varieties of Democracy project
Discrimination against minorities	Group grievance indicator of discrimination, powerlessness, ethnic, communal, sectarian and religious violence	Fund for Peace Fragile States Index
Basic human needs	Index including nutrition and basic healthcare; water and sanitation; shelter; personal safety	UN agencies

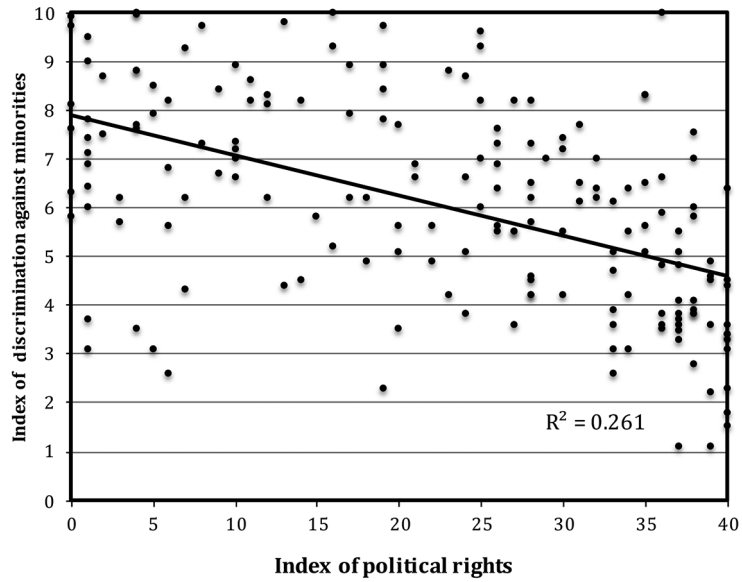
Source: Social Progress Index: www.socialprogress.org.

relationship with the extent of democracy. As far as discrimination can be taken as a measure of socio-economic HIs, the relationship of these inequalities with democracy is present but less than that of political HIs. We must stress that these are statistical associations and do not inform us about causality, which, as suggested above, could go both ways.



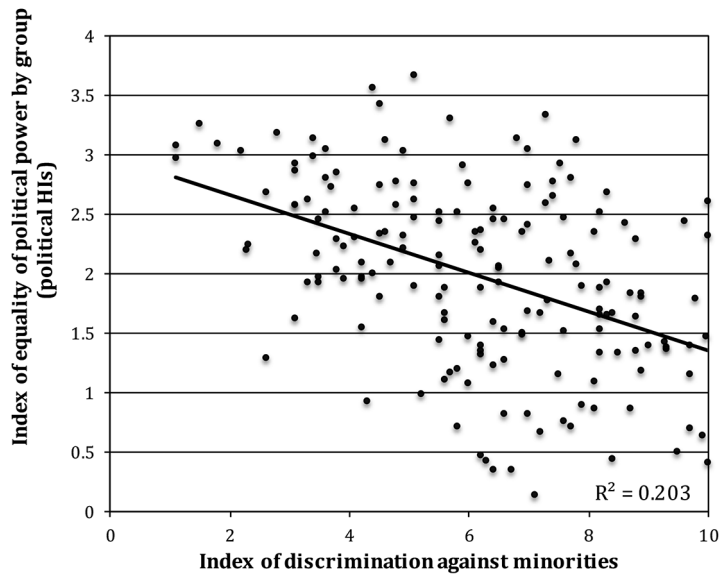
Source: Derived from Social Progress Index, <https://www.socialprogress.org>.

Figure 23.3 *Equality of political power by group and political rights by country*



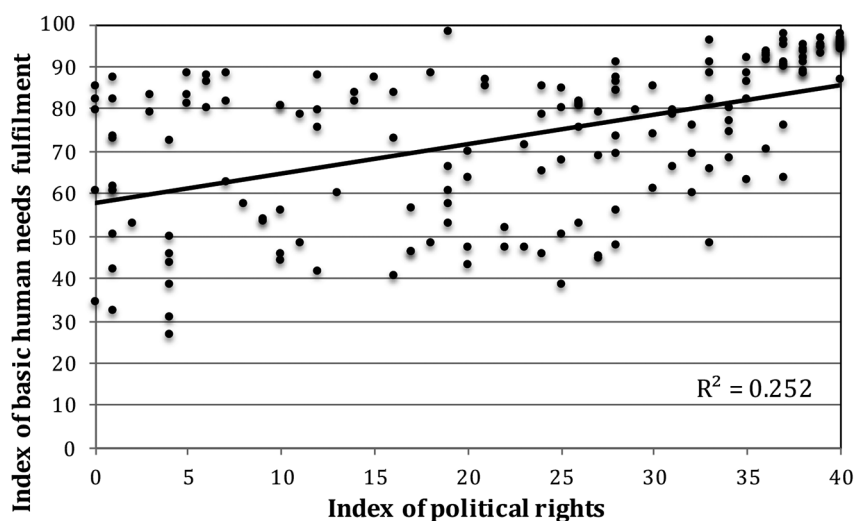
Source: Derived from Social Progress Index, <https://www.socialprogress.org>.

Figure 23.4 Political rights and discrimination against minorities by country



Source: Derived from Social Progress Index, <https://www.socialprogress.org>.

Figure 23.5 Equality of political power by group and discrimination against minorities by country



Source: Derived from Social Progress Index, <https://www.socialprogress.org>.

Figure 23.6 *Political rights and basic human needs*

Table 23.2 *Results of regression analysis relating degree of democracy and horizontal inequalities (dependent variable = political rights)*

	Equation 1	Equation 2	Equation 3
Basic human needs	+ 0.197*** (5.81)	+ 0.267*** (5.381)	+ 0.174*** (4.399)
Equality among groups	+ 9.377*** (11.928)	–	+ 8.751*** (10.475)
Discrimination	–	–2.093*** (–4.875)	–0.735** (–2.06)
Intercept	–12.66*** (–4.539)	15.66** (2.92)	–5.083 (–1.105)
Adjusted R ²	0.598	0.343	0.606
F-statistic	123.85	44.13	85.63
No. observations	166	166	166

Notes: T-statistics in brackets. *** significant at 1%; ** significant at 5%.

Source: Data from Social Progress Index, <https://www.socialprogress.org>.

On the issue of causality, other empirical studies suggest a two-way relationship. On the one hand, there is much empirical evidence, cited earlier, that high HIs are associated with conflict, and conflict generally implies a breakdown of democracy. Houle (2015) has explored the relationship between economic HIs and breakdown in democracy. Using data for 71 democ-

racies for 1960–2007 he shows that high between-group economic inequality is likely to lead to a breakdown of democracy where within-group inequality is low, but has no effect when within-group inequality is high. Huber, Ogorzalek and Gore (2012) explore the relationship between economic HIs and democracy for 81 countries using surveys from 1992 to 2008. They find ‘a very strong and robust empirical relationship between democracy and group-based inequality’ (p. 3). However, in contrast to Houle, on the basis of two-stage least squares and using an instrument for democracy, they argue that the relationship goes from democracy to redistribution that reduces economic HIs (ibid.). They argue that this is because in a democracy, governments redistribute towards poorer groups in order to get their support. They suggest that the richer members of poorer groups are targeted and this is why no relationship is found between democracy and vertical inequality.

While the evidence consistently shows a negative relationship between HIs and democracy, a good deal of the variation among countries is left unexplained. The next section discusses some country studies that shed light on the direction of causality and the unexplained variation in performance.

5 EVIDENCE FROM COUNTRY CASES

This section explores how the relationship between HIs and democracy can vary according to the demographic situation. I adopt the country classification by size of groups, discussed earlier. To obtain comparative estimates of socio-economic HIs by country, I use evidence from Afrobarometer surveys on perceptions of inequality by group, where available. The inequality index combines measures of the proportion of people who think their living conditions are the same as other groups and the proportion who think their group is not discriminated against. The first measure gives an indication of perceptions of socio-economic HIs; the second may include economic and political HIs.

This gives the index for the countries examined below, shown in Table 23.3 – the higher the index, the greater the level of equality.

Table 23.3 Perceptions of HIs by group

Country	Perceptions of HIs: Average of Surveys in 2005, 2008 and 2012 (Higher Values = Less Inequality)
Ghana	0.408
Kenya	0.329
Nigeria	0.237
Tanzania	0.490

Source: Langer, Stewart and Smedts (2017).

5.1 Multiple Smallish Groups and a Duopoly

Tanzania was formed by the Union of Tanganyika and the island of Zanzibar. Mainland Tanzania has approximately 120 ethnic groups, the largest of which – the Sukuma – are estimated to account for around 10 per cent of the population, while the next largest groups (Nyamwezi and Chagga) each form less than 5 per cent. The vast majority of people speak

Swahili as a first or second language. Christians form the great majority on the mainland, almost everyone in Zanzibar being Muslim.

Zanzibar, which consists of two largish and a number of small islands, accounts for about 3 per cent of the total population of Tanzania. Historically, it was an Arab trading post, and the strong influence of Arabic culture remains. Power sharing between the mainland and Zanzibar limits national political HIs. While the president of Tanzania is from the mainland, the vice-president is from Zanzibar. Zanzibar has more than a proportionate share of members in the National Assembly and its own elected president and Assembly for the powers that are devolved to it.

Partly as a consequence of the large number of smallish groups in mainland Tanzania, and partly due to the socialist philosophy and emphasis on national unity and informal power sharing of the first president, Julius Nyerere, 'ethnicity has been the least important feature of politics in Tanzania' (Sasaoka and Nyang'oro, 2013, p. 140), and in the mainland, democracy has been sustained peacefully, with power passing from one elected president to another, peacefully. Multi-party democracy was introduced in 1992, but political parties based on religion, race or ethnicity were prohibited. One party, Chama Cha Mapinduzi (CCM), has retained power over more than five decades. Given the demographic composition, presidential candidates must appeal to a large number of groups to be elected. Further extensive decentralization introduced in 1999 empowered many groups.

HIs in Tanzania are comparatively low (Table 23.3), and this is likely to have been both cause and effect of the relatively successful democratic system and the limited ethnicization of politics. Vertical inequality has been declining, and there is evidence of a consistent decline in horizontal inequality in education and progressive policies in health and sanitation, covering most groups (Maliti, 2018).

Zanzibar is poorer than the mainland, and within Zanzibar HIs are higher. Race and ethnicity are politicized, with the party of government (CCM) being dominated by people from the African mainland and inhabitants of the richer island – Unguja – while the opposition, the Civic United Front (CUF), is regarded as an 'Arab' party and gains most support from people in Pemba. Since there is a winner-takes-all system, elections are seen as a battle for control of the state, with the winner favouring their supporters. Hence, there are persistent political HIs. In economic terms, Unguja, the ruling party's base, is significantly richer than Pemba, and a rapid rise in the tourist industry is aggravating this inequality (Sasaoka and Nyang'oro, 2013, p. 137; United Nations Development Programme [UNDP], 2009). Elections have become an occasion for violence, as a result of the division between the two major groups and the absence of power sharing. The connection between political HIs and unstable democracy is evident (Killian, 2008).

While horizontal inequalities within Zanzibar and between Zanzibar and the mainland contributed to this political instability, the Tanzania case, in contrast, shows that multiple smallish groups, combined with low HIs, provide a beneficial environment for democracy and the democratically elected government in turn may adopt redistributive policies contributing to reduced HIs. The need to maintain the support of multiple groups encouraged the Tanzanian governments to be even-handed in the provision of public goods, whereas in Zanzibar, the dominance of one group politically tended to lead to policies that enlarged HIs.

5.2 Duopolies: Two Near Equal-sized Groups

In Nigeria and Côte d'Ivoire religion has been a highly politicized distinction, enhanced by overlapping ethnic differences.

Nigeria

Nigeria's population is more or less evenly divided into northern Muslims and southern Christians, as well as three major ethnic and numerous smaller groups. It is estimated that there are around 350 distinct ethnic groups altogether. There are very high and persistent socio-economic HIs in Nigeria on a north–south basis. For example, the average years of schooling in the three northern zones was 4.6 in 2013 compared with 7.7 in the three southern zones (Archibong, 2018). The poverty rate in the north was estimated at 74 per cent in 2010, compared with 54 per cent in the south. Perceived inequalities are very high (Table 23.3).

In contrast, political HIs have mainly favoured northerners: 'The North-West has dominated the headship of the executive branch, both among military heads of state and elected presidents and prime ministers... followed closely by North Central' (Ukiwo, 2013, p. 182).

The political system has been designed to avoid major national conflict, following the horrors of the Biafran war. A 'federal character principle' aims to ensure that major appointments take the balance of appointments among major groups into account, while there is a convention (not always followed) that a northern president would be succeeded by a southern one. Until 1999, when democratic institutions were adopted, the military was mostly in power. Despite the persistently high socio-economic HIs, since 1970 the political institutions – during military rule and in the democratic era – have mainly succeeded in avoiding major violence at a national level, but there has been sporadic violence in the 'middle belt' and Boko Haram has caused massive problems of deaths and migration in the north.

In Nigeria, there have been persistent socio-economic HIs between north and south in both non-democratic and democratic eras. There is evidence of some decline in north–south HIs in infrastructure and public services following democratization (Archibong, 2018). On the political side, the exclusive dominance of political institutions by northerners was one cause of the Biafran war. Since then, power sharing, albeit still associated with northern dominance, has reduced the incentive for violent overthrow of the regime, while the fact that northerners gain disproportionately from political power while southerners secure disproportionate economic benefits has helped sustain democratic (albeit flawed) institutions.

Côte d'Ivoire

In Côte d'Ivoire, significant divides include ethnicity, religion and citizenship status, with overlaps among these categories. The Akans, in the south, form the largest ethnic group, with over 40 per cent of the population; other sizeable groups include the Voltaic peoples (18 per cent) and northern Mandé (17 per cent) in the north, and Krou (13 per cent) and southern Mandé (10 per cent) in the centre and south (Langer, 2013). About a quarter of the population are so-called 'foreigners', mainly in the north (i.e., immigrants from other countries, including not only migrants in the current generation but also previous ones). Christians constitute the largest group excluding 'foreigners' but Muslims, who are concentrated among the northern Mandé and Voltaic groups, are the largest when they are included. A critical issue is whether the 'foreigners' are citizens who are allowed to vote and stand for office.

As in Ghana and Nigeria, socio-economic HIs largely have a north–south basis: in 1975, income per capita of the north was just 56 per cent of that of the south region. The 2011 Human Development Index for the northern regions was 10 per cent below the southern regions, excluding Abidjan, and 15 per cent below, including Abidjan. Poverty rates give a similar picture of north–south inequality (UNDP, 2013b). Political HIs consistently mirrored the socio-economic ones between 1980 and 2003, with southerners in power. The first president – Houphouët-Boigny – maintained some balance, including northerners in his cabinets and allowing ‘foreigners’ to vote. But subsequent presidents were much more exclusive. Multi-party democracy was introduced in 1990, and the *Rassemblement des Républicains* (RDR) was formed to represent the interests of the north. President Bedié, who succeeded Houphouët-Boigny, ‘withdrew foreigners’ right to vote once the RDR emerged on the scene’ (Langer, 2013, p. 77) The cabinets that followed were increasingly biased against the north. These exclusionary policies led to the breakdown of democracy with an outbreak of civil war that lasted from 2002 to 2007. The rebel forces from the north cited economic, political and cultural exclusion as fundamental causes of the conflict. When the conflict ended, and democracy was restored, Ouattara, a northerner, was elected president, but this was disputed by his southern rival, leading to a renewed outbreak of violence in 2010. Eventually, Ouattara gained power and has been president since, re-elected once.

Côte d’Ivoire is an example of a country where high and consistent political, cultural and socio-economic HIs have disrupted democracy, leading to recurrent outbreaks of violence. Regional, ethnic and religious divides overlap, making these group distinctions particularly firm and potentially conflictual. For the first part of the period described, the richer southern group dominated power, excluding many northerners from voting on the grounds of their citizenship status, leading to huge resentment among the poorer northerners and eventually to violent conflict. When democracy was restored and the leader of the poorer (but majority) Northern group was elected, it was the turn of the southerners to take to violence again leading to a democratic breakdown. Given the prevailing socio-economic inequalities, the southerners feared the redistributionary consequences of northern power, while the northerners were not prepared to accept socio-economic and political dominance by the south. Democracy is likely to continue to be fragile in Côte d’Ivoire as long as these inequalities persist.

5.3 Oligopolies: A Few Large Groups and Many Small Ones

In these situations, there are several large groups, none big enough to command a majority on its own, as well as, typically, many small groups. Kenya and Ghana are examples.

Kenya

In Kenya, the Kikuyu are the largest group, accounting for just over a fifth of the population, so they cannot form a majority on their own. Four other groups are of roughly equal size (11–14 per cent of the population) – Luhya, Luo, Kalenjin and Kambia – and there are a number of much smaller groups (Kimenyi, 2013). Multi-party democracy was introduced in 1991. Given the demographic situation, political parties are formed of ethnic coalitions, while people vote largely according to their ethnicity. A winner-takes-all presidential system means that whoever wins the election for president can (and generally does) favour their own group in political appointments and the distribution of government expenditure. Inevitably, this means that there are political HIs and these tend to enforce socio-economic ones.

The political HIs resulting from this system are indicated by comparing cabinet representation in successive presidencies. In the cabinets of the first president, Jomo Kenyatta, from the Kikuyu group, Kikuyus were substantially overrepresented, accounting for nearly 30 per cent of the cabinet, and the Kalenjin and Luhya were underrepresented. Interestingly, Luo – from which the most powerful opposition came – were somewhat overrepresented, in an attempt by Kenyatta to manage politics peacefully. The second president, Daniel arap Moi, was a Kalenjin. In his cabinets, the political HIs were reversed, so that in 2001 only 3.6 per cent of appointments were Kikuyu and 18 per cent Kalenjin. Protests against this biased system led to collective opposition from non-Kalenjin groups, under Kikuyu leadership. Mwai Kibaki (a Kikuyu) subsequently became president and his cabinets were relatively balanced.

The heavy concentration of power in the presidency – with responsibility for all major appointments, including judges and district officers among others – meant that very high stakes were involved in elections. This led to politically manipulated violence following the 2007 presidential election, in which the opposition accused the electoral commission of fraud, and several thousand deaths ensued. A temporary system of power sharing brought the violence to an end, with the appointment of the ‘runner-up’ candidate for the presidency, Raila Odinga, a Luo, alongside Uhuru Kenyatta, the ‘winner’, as president.⁵ In 2010, a new constitution was introduced – while it retained a winner-takes-all president, it greatly increased decentralization, thereby diffusing some power, and introduced more checks and balances.

There are large socio-economic HIs. For example, infant mortality rates in Nyanza (the Luo area) were more than twice those of Central Province (the Kikuyu area) in 2010. About one-fifth of the population of Nyanza have access to clean water, compared with 30 per cent in Central Province and nearly 90 per cent in Nairobi (Kimenyi, 2013). There is evidence that the socio-economic HIs tend to get worse (or improve) according to who controls the government (Stewart, 2010). This provides an important motive for ethnic voting. Moreover, private wealth can be acquired by those who gain political power through control over government contracts.

The history of Kenya in the 2000s shows the conflict-generating potential of democracy, with a winner-takes-all system. Inevitably, democratic elections mean that one coalition of ethnic groups gets power and the other does not. Those in power tend to bestow disproportionate benefits to their own coalition, often enhancing socio-economic HIs and leading to resentment among losing groups, which can result in a breakdown of democracy and/or in fraudulent electoral practices. Power-sharing arrangements can greatly mitigate conflict potential, as would redistributive policies to reduce inequalities. In the Kenyan case, power sharing is not a constitutional requirement, but emerged from an informal process of political management in the case of Jomo Kenyatta, and as a response to violent protest, in the case of Uhuru Kenyatta. The new constitution of 2010 involved substantial decentralization of powers and expenditures, which has reduced the importance of power at the centre and given some powers to local leaders, thus diffusing conflict potential and contributing to the maintenance of democracy. It also appears to be moderating inequalities in infrastructure and services.

Ghana

Ghana is also a country with a number of largish groups. The largest group – the Ashanti/Akan – form nearly half the population, while the next in size are much smaller – Mole-Dagbani 17 per cent, and Ewe, 14 per cent. There are important subdivisions within the Akan – in particular, the Ashanti are an elite group broadly classified as Akan, and the Fante another significant

subgroup. The importance of ethnicity has fluctuated over the years (Langer, 2013). Kwame Nkrumah, the first president, stressed national unity and downplayed ethnicity. Ethnicity was politicized by subsequent military regimes, but again largely suppressed by Flight Lieutenant Jerry Rawlings, who emphasized class and ideology. With the introduction of multi-party democracy in 1992, politics became more ethnic. Although ethno-regional political parties were not allowed, the two main parties – the NDC (National Democratic Congress) and the NPP (New Patriotic Party) – are widely perceived as largely representing Ewe and Ashanti/Akan respectively, yet both are ethnically heterogeneous. Ghana is also divided in terms of religion, with the great majority being Christian (mainly in the south) and 18 per cent Muslim (mainly in the north). Ghana is a presidential republic, the president being elected by popular majority. Members of the single chamber parliament represent constituencies and are also elected by majority vote.

Table 23.3 shows Ghana as the second most equal country of this sample, in terms of perceptions. Nonetheless, north–south HIs are significant and persistent, with long historic roots. In 2014, the population per doctor was 36 285 in the Upper West Region compared with 9043 for Ghana as a whole, and the poverty rate in the three northern regions was 55 per cent compared with 24 per cent in Ghana as a whole (UNDP, 2018). Trends over time suggest narrowing of inequalities in some dimensions but widening in others. Over this period, democracy did not deliver substantially reduced HIs.

Despite the existence of HIs, Ghana is widely acknowledged as a successful democracy. Presidents have respected their term limits, and political power has alternated thrice, passing from one political party to another since the return to multi-party democracy. Informal power-sharing arrangements have contributed to the acceptance of democratic processes (Langer, 2009). For example, the cabinets, appointed by successive presidents, were broadly balanced; vice-presidents generally came from the north; languages and costumes of different groups were included in official events; in ‘instances of tension, Christian and Muslim leaders come together to issue statements on issues of national concern’ (Azumah, 2000). The northern zone accounts for almost a quarter of the population of Ghana (data for 2010). As a minority, the north could not form a governing political party and northern politicians have aligned themselves with the two dominant political parties (Abdulai, 2012). A number of factors have contributed to sustaining democracy in Ghana: one is that different groups have been elected at different times, so no group is altogether excluded from power. Moreover, even though there are large north–south socio-economic inequalities, HIs are not high between the two politically opposed groups (the Akan and the Ewe), while divisions within the north – both religious and ethnic – limit cohesive opposition from there (ibid.)

5.4 Majority/Minority Cases

In these cases, the country is divided between two groups: one a significant majority and the other a minority. Consequently, with a winner-takes-all democracy, the majority is permanently in power and the minority permanently excluded from power. This often translates into socio-economic HIs, favouring the majority group. Cameroon and Northern Ireland are examples.

Cameroon

Cameroon is composed of a former French and a former British colony that formed a federation in 1961. The English-speaking part of the country accounts for less than 20 per cent of the population. The first president after independence, Ahmadou Ahidjo, introduced a one-party system and replaced the federation with a unitary form of government in which the president was all powerful, appointing the prime minister, and approving cabinet appointments, provincial governors and divisional officers. Ahidjo was succeeded by Paul Biya in 1982, who retains power to this day. The president is elected by popular vote every seven years. A multi-party political system was introduced in 1990. The two main political parties – the Cameroon People’s Democratic Movement (CPDM) and the Social Democratic Front (SDF) – represent the francophone and anglophone population respectively.

In socio-economic terms, the northwest and southwest (the anglophone provinces) are above the national average in education and similar to the national average in poverty rates. For example, primary school educational enrolment in 2010 was 88 per cent and 92 per cent in the northwest and southwest, respectively, while the national average was 79 per cent. Multidimensional poverty in the northwest in 2007 was 43 per cent – the same as the national average – and in the southwest it was 41 per cent, with similar data for the monetary poverty indicator (data from (UNDP, 2013a).

While there are not marked socio-economic HIs, the situation is very different for political HIs. The francophone party, the CPDM, controls the presidency: Biya has been president since 1982, and received 70 per cent of the votes in the 2018 recent election. The CPDM controls the National Assembly with 139 out of the 180 members following the 2020 elections. Of the 70 elected members of the Senate, 63 come from the CPDM, while 30 are appointed by the president. In 2017, only one of 36 cabinet appointments was an English speaker. Two others were added in 2018. Hence the francophone political party controls all the levers of political power and is almost certain to continue to do so, given that francophone speakers are in the great majority in the population.

This political dominance is used to make francophone appointments in divisional officers, even in the anglophone areas, including appointments of magistrates, heads of schools, hospitals and banks. Verbal commitments to democratic decentralization have not been reflected in action. Discrimination against English speakers is widespread, including by having many professional examinations in French and publishing most government documents only in French. This situation has led to violent ongoing protests among English speakers demanding separation.

The Cameroon situation illustrates how majoritarian democracy can result in sharp horizontal inequalities if the population is culturally divided into a majority and minority group. In the case of Cameroon, this is clearly the situation regarding political and cultural HIs, but is not exemplified in socio-economic inequalities, probably because the English-speaking areas had more education and were more prosperous when the two parts of the country first came together. Power-sharing arrangements and democratic decentralization would help to overcome these HIs, but they are unlikely to be introduced by a francophone-dominated government that would clearly lose some power as a result, unless they are convinced of the gains from a more peaceful situation. Hence, democracy is fragile.

Northern Ireland

Northern Ireland is another example of a majority/minority situation. The politically salient distinction is between Catholics, descendants of the original Celtic population, and Protestants, descendants of British colonial immigrants. When Ireland was divided into an independent country and the province of Northern Ireland, which remained part of the United Kingdom, on Irish independence in 1922, Protestants accounted for two-thirds of the population of Northern Ireland and Catholics one-third. High and comprehensive socio-economic HIs within the province prevailed from then until the 1980s. For example, the proportion of staff officers in the civil service who were Catholic was just 11 per cent in 1971 (Whyte, 1983), while 29 per cent of Catholics had a housing density of more than one person per room compared with 10 per cent of Protestants. Other indicators – for example, the proportion of high-income households, the proportion in managerial jobs, numbers in higher education – all showed substantial Catholic disadvantage (Ruane and Todd, 1996, Stewart, 2008).

The demographic situation meant that Catholics were permanently disadvantaged politically in a one person, one vote majoritarian system. Immediately after partition, proportional representation was abolished and constituency boundaries redrawn in order ‘to give effect to the views of the Unionist [Protestant] rank and file’ (Buckland, 1979, p. 233). In addition to political and socio-economic HIs there were also major issues of cultural recognition. Indeed, the Protestant Orange marches have been triggers for violence. Violent resistance by Catholics started in 1968 and continued for 30 years in what were termed ‘the troubles’. The UK took control of the government of the Province during these years, and from around 1980 introduced policies that reduced socio-economic HIs. A peace agreement (the Good Friday Agreement) involving shared political power was eventually agreed in 1997.

Northern Ireland is another example of how majoritarian democracy in a majority/minority situation, can lead to long-term political HIs, which in turn support socio-economic HIs. Like Cameroon, this led to violent opposition by the dominated group. In this case, however, deliberate efforts to correct socio-economic HIs – by outside parties⁶ – and power-sharing political arrangements were largely effective in bringing about peace and ensuring that democratic structures were consistent with broad equality between the groups in both socio-economic and political dimensions.

5.5 Summary of Case Study Findings

The main conclusions from these studies (Table 23.4) are that low HIs are associated with stable democracies, as in the case of mainland Tanzania and post-1997 Northern Ireland. High political HIs accompanied by high socio-economic ones tend to result in fractured and unstable democracy, exemplified by Côte d’Ivoire and Cameroon.

In situations where there are majority/minority groups, political HIs occur with majoritarian democracy unless they are reduced by power-sharing arrangements. Where political HIs favour one group while socio-economic favour another, the result can be an uneasy stability, as appears in Nigeria.

Table 23.4 A summary of the case studies

Country	Group Size	Political System	Socio-economic HIs	Political HIs	Political Stability
Mainland Tanzania	Many small groups	Majoritarian	Relatively low	Low	Good
Zanzibar	Two major groups	Majoritarian, but power sharing with the mainland	Significant and widening	High	Sporadic violence associated with elections
Nigeria	Two major regions	Power sharing, formal and informal	High, favour south	Favour different groups over time. Normally north	Moderate
Côte d'Ivoire	Two major regions	Majoritarian	High, favour south	Vary	Weak
Kenya	Multiple largish groups	Majoritarian	Medium	Medium	Moderate
Ghana	Multiple largish groups	Majoritarian with informal power sharing	Low/medium	Low/medium	Good
Cameroon	Two groups, majority/minority	Majoritarian	Fairly high, favouring French speaking	High, favour French speaking	Fairly weak
Northern Ireland	Two groups, majority/minority	Power sharing introduced in 1997	Were large, now much reduced	Were large, now eliminated	Was weak; post-1997, much stronger

6 CONCLUSION

The evidence suggests that low HIs, political and socio-economic, are most conducive to stable democracy. This is supported by cross-country econometric investigations. The case studies included in this chapter confirm these results. Tanzania and Ghana, which have both sustained peaceful democratic institutions, have the lowest perceptions of horizontal inequality among a set of African countries. Ghana has significant north–south socio-economic inequalities, but not between the groups that are politically competitive. Moreover, in the Ghana case, northern politicians are included in political positions through both formal and informal mechanisms. The cases show that high HIs can lead to the breakdown of democracy, especially where there are both political and socio-economic inequalities with a major group deprived in both dimensions. Fragile democracy follows, such as in Zanzibar, Cameroon and Côte d'Ivoire.

How the relationship plays out depends on the demographic composition of a country and the nature of the democratic institutions. This chapter has differentiated between different demographics, ranging from a situation with many small groups (mainland Tanzania) to several large groups (Kenya and Ghana) to just two major groups that may be in a majority/minority situation (e.g., Cameroon) or may be roughly equal in size (Nigeria and Côte d'Ivoire). The last two types are the most likely to suffer conflict because a group can be permanently excluded politically and in socio-economic terms, and its only recourse is violent rebellion. However, in each of these cases, power-sharing and affirmative action can overcome the potential inequalities and secure peaceful outcomes. It is the winner-takes-all majoritarian system that is most likely to be unstable.

Causation appears to run both ways: sharp HIs make it more likely that democracy will break down, while democratic institutions may make it more likely that a government introduces policies to lessen the socio-economic inequalities. Democratic institutions are also more

likely to be associated with the adoption of policies to reduce HIs, including power sharing and affirmative action, as shown by (Huber et al., 2012). Yet, how far this occurs varies according to the group composition of a country, as illustrated by the country examples. With power-sharing democracy, governments in Northern Ireland have continued to adopt policies that reduce group inequalities, and Tanzania's (mainland) government has promoted equalizing policies across the regions. Ghana's 1992 constitution requires the government to take steps to address unbalanced development across regions. Nigeria has done surprisingly little – in a difficult environment – to reduce poverty and deprivation in the north. But in broad terms, democracies are more likely to reduce socio-economic HIs than other systems of government as they seek to mobilize support.

It is clear that 'democracy' is a broad term that can have very different implications according to the precise system adopted. Democracies that involve power sharing among groups contribute to reduced political and socio-economic HIs. These arrangements can be both formal and informal, including through effective decentralization.

NOTES

1. I am grateful to Arnim Langer for very helpful comments on an earlier draft.
2. This section draws heavily on the author's contribution to Stewart, F. (2016). Horizontal inequalities. In M. Leach, J. Gaventa and P. Justino et al. (eds), *World Social Science Report 2016: Challenging Inequalities: Pathways to a Just World*, Paris, UNESCO, pp. 51–4.
3. There has not been any systematic empirical investigation of the relative importance of inequalities in cultural recognition, for lack of good data.
4. Although this has been questioned. See, for example, Lindberg and Morrison (2008). See also Gowricharn (2019).
5. The inverted commas are intended to indicate that who really won and who lost is not known.
6. A campaign by Irish Americans and EU policies contributed to the policies reducing HIs.

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PART VII

DEEPENING DEMOCRACY

24. Participatory budgeting: contributions to reversing social and spatial priorities

Yves Cabannes¹

1 INTRODUCTION

This chapter critically explores to what extent and how participatory budgeting (PB) contributes to ensuring that socially excluded and disadvantaged populations are engaged in PB and benefit from the funded projects, given that excluded groups may participate but their projects may not be selected through decision-making processes based on voting. The chapter extracts evidence-based lessons from a study carried out for the World Bank in Moscow (Shulga et al., 2017), looking specifically for PB methods to strengthen the focus of social protection in PB programmes, primarily with regard to social inclusion and meeting the needs of disadvantaged and vulnerable groups in Russia's existing PB practices. Nevertheless, the case studies selected and referred to in this chapter are of interest for other regions and contexts.

Five different tools and methods are used to conduct the study: (1) a limited literature review focusing on the contribution of PB to addressing the needs of vulnerable/disadvantaged groups; (2) revision of the author's database consisting of a set of 52 questions for each PB practice, covering about 140 cities; (3) in-depth interviews of seven global experts in the field of PB; (4) identification, selection and in-depth analysis of 11 PB innovative practices from different regions in the world and cities and villages of different sizes² that have addressed the needs of disadvantaged groups with some success. The analysis also considers the limits and difficulties that these practices faced. Finally, (5) an additional desk literature review, email exchanges and/or direct conversations with actors led to include an additional eight practices.

The chapter is composed of four main sections. After a brief definition of PB and recounting its expansion over the last three decades from Brazil to the rest of the world, Section 2 then proposes three instruments to examine the huge heterogeneity within PB practices and their differential roles in addressing the needs of disadvantaged social groups. The first instrument is an analytical framework that differentiates three basic and four mixed forms of PB; the second is the concept of the triple inversion of priorities – social, spatial and political – which was at the core of initial PBs; while the third introduces the role of vulnerable groups during PB cycles, seeking to differentiate practices *for* vulnerable groups from those *with* them. The core of the chapter in Section 3 introduces practical experiences tested in cities of different sizes in different contexts and highlights innovative tools and successfully tested methods. From a critical perspective, Section 4 shares some answers mainly provided by interviewed experts and by reflective practitioners to the questions: What should be avoided? What did not work? What were the subsequent solutions, if any? The comments are not definitive answers, but they raise thought-provoking issues, organized into five sub-sections that correspond to conventional elements of PB: participatory, financial, institutional and normative, spatial, and political dimensions. Section 5 then concludes with three main findings. First, that cities in diverse environments combine different PB types creatively to increase their social impact.

Second, evidence gathered tends to indicate that PB *with* people is preferable to PB *for* people. A third major finding is the capacity of PB to reverse social and spatial priorities: evidence clearly indicates that cities *can* successfully meet the needs of disadvantaged groups, which challenges the idea that most PB programmes have ‘lost their redistributive aspects’. However, more in-depth and systematic research should be carried out to provide more comprehensive information on ways and means through which PB can increase their social impact and reach out to disadvantaged groups.

2 DEFINITIONS AND ANALYTICAL FRAMEWORK

2.1 What is Participatory Budgeting?

Participatory budgeting has been a major innovation in participatory governance worldwide, with more than 6000 experiences listed across at least 40 countries in 2018.³ Participatory budgeting is, at its core, a form of decision making that actively involves the citizenry in prioritizing spending of public resources. It can be defined as follows: ‘PB is a mechanism or a process through which people make decisions on the destination of all or a portion of the public resources available, or else are associated to the decision-making process’. Beyond this general definition, PB experiments span a broad spectrum: from symbolic participatory gestures with little transformative impact, to vectors of structural change in cities’ governance systems.

Originally, PB referred not only to decisions about part of or the whole budget, but also to decisions on public policies. Even if PB rarely debates policies as such, its impact on more socially oriented policies and programmes at national, city and village levels can occur through multiple means (Cabannes, 2018): (1) mainstreaming of PB projects into municipal programmes and policies; (2) PB as a mechanism of municipal and institutional changes leading to greater attention to disadvantaged groups; (3) PB as an engine to shift from an isolated participatory practice to a system of participation benefiting the excluded; (4) impact on PB on regional laws and institutional reforms; (5) impact on national PB policies.

2.2 Participatory Budgeting Through Time: From Brazil to the Rest of the World

The years 1989 to 1997 were marked by a period of experimentation. Starting in Porto Alegre, Brazil, and a few other cities (Santo André in Brazil and Montevideo in Uruguay), new forms of participatory and representative decision making on public resource allocation were literally ‘invented’. This was followed by a ‘Brazilian spread’, when more than 130 Brazilian municipalities adopted the model, with marked variations (Cabannes, 2004). With the new millennium came a stage of expansion beyond Brazil, and also of diversification, with existing models being profoundly adapted (*ibid.*). Under this later phase, PB spread throughout Latin America, then Europe and, since 2003, to Africa. Over a decade since 2010, a phase of consolidation can be observed, as PB activities expand in all regions in the world, with a noticeable spread in Asian and Russian local and regional governments, and with Arab and North American and Pacific cities being the latest newcomers to the fold (Cabannes and Lipietz, 2018).

2.3 Analytical Framework for PB Differentiation: Three Basic and Four Mixed Types of Participatory Budgeting

The conceptual framework for this study is based on three central instruments used to examine the hugely heterogeneous nature of PB practices and their role in addressing the needs of disadvantaged social groups, outlined in the next three sub-sections. The first instrument differentiates three basic types of participatory budgeting plus their various combinations. The three basic types of PB are territorial or place based, thematic or sector based, and actor based (Figure 24.1).

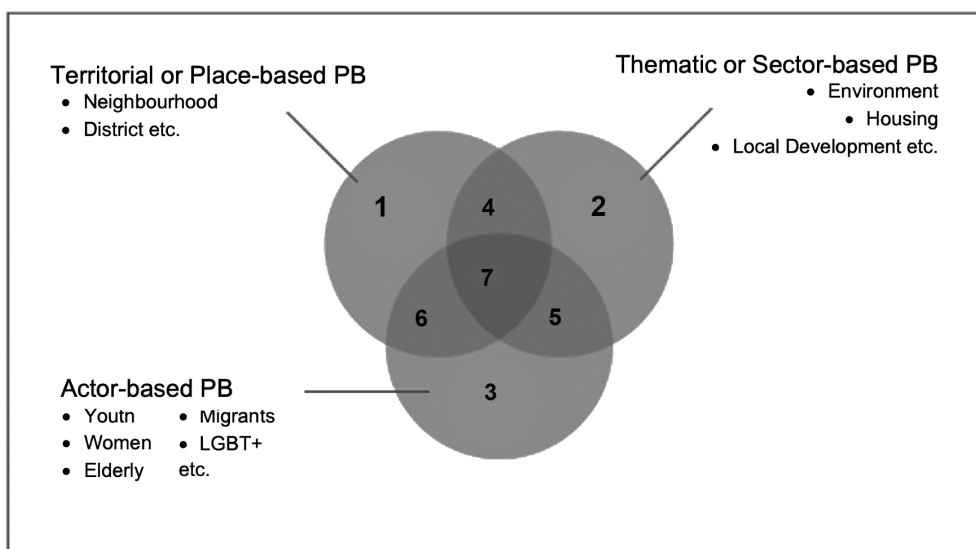


Figure 24.1 Three basic types of PB and four mixed types

Territorial or place-based PB is conducted at the neighbourhood, district, communal, or city level, and is the majority in PB cases. The territorial type is used in all or some of the districts and neighbourhoods within a city's or village's boundaries (Figure 24.1, number 2).

Thematic or sector-based PB relates to processes that debate and determine the resources to be allocated to specific sectors such as education, basic services, health, employment, housing, transport, and so on, usually at the city or district levels. The respective directorates of education, health, public works, and so on, may conduct the process in close collaboration with PB staff. In some cases, PB may initially only be used in one sector. Gradually, over the years, PB may be extended to other sectors, depending on the willingness of the different directorates, lobbying by citizens, and political decisions. The themes can change from year to year in accordance with changing city priorities. In some cases, sectorial priorities are defined in the city's strategic plan or a similar document. (Figure 24.1, number 5)

Actor-based PB is less commonly implemented. This approach allocates earmarked resources to specific vulnerable or disadvantaged groups, such as the elderly, indigenous

groups, the African-Brazilian population in Brazil, lesbian, gay, bisexual, transgender (LGBT+) groups, immigrants, the homeless, and so on (Figure 24.1, number 1)

Four mixed types of PB combine the three basic types. (1) Place-based + sector-based PBs are globally very common. Usually, the overall budget in debate is divided into two parts: one that will be earmarked for specific sectors (health, education, etc.) and another one for the districts and/or the city as a whole. (2) Place-based + actor-based PBs are those PB practices where resources in debate at city, district or neighbourhood constitute a ‘common pot of resources’. However various methods and tools are used to facilitate access to these resources for specific disadvantaged groups – for instance, women, the youth or the elderly. (3) Sector-based + actor-based PBs are those that earmark resources for a specific sector – for example, housing and for a specific social group, that is, low-income renters and the homeless. They are relatively rare. (4) Place-based + sector-based + actor-based PBs are termed comprehensive PBs in this chapter. They are a combination of the three basic types and are extremely rare but quite relevant in the context of this study.

2.4 ‘Reversing’ Social, Spatial and Political Priorities Through PB

The second instrument used in the review of PB practices refers to the extent to which they have been successful in ‘reverting or reversing’ social priorities in favour of disadvantaged and vulnerable groups. ‘Reversing’ priorities implies a qualitative and usually a radical ‘turning the tables’ in relation to previous practices or policies. The concept of ‘reverting’ priorities – whether social, spatial, or political – has been central to Brazilian PB and the work initiated in Porto Alegre (Genro and de Souza, 1998; Mancuso, 2004), and it has remained central to much subsequent PB over the last three decades. PB was conceived as a means to construct a new political, social and spatial justice order through ‘reversing’ three priorities:

- Reversing spatial priorities: resources are channelled to neighbourhoods, rural and peri-urban areas, villages and remote settlements, non-legalized or occupied lands, derelict city centres, and so on, that were historically and still are excluded and do not benefit from public investments and subsidies to the same extent as other productive spaces.⁴
- Reversing social priorities: more resources are channelled through PB to social groups that historically had less or that had been gradually excluded as a result of the inequity of the development model. This ‘positive discrimination’ towards the ‘have nots’ also means opening up channels and spaces of participation to the most vulnerable social groups. In cities, vulnerable groups are often the youth, the elderly, women, ethnic minorities, migrants, refugees, LGBT+, first nations’ peoples, among others, but vary by city and region. Social justice is an important component in PB experiences, even though it may not necessarily ensure that a greater percentage of resources are allocated to poor communities.⁵
- Reversing political priorities: giving ‘power to those who were powerless’ consists in opening or increasing political space for those who never had political space or those with little access. PB can be effective – though this is not often the case – in shifting power to the powerless by transferring decision-making power about public expenditures and the definition of PB rules.

This chapter focuses primarily on the extent to which PB has been successful in ‘reversing’ social priorities. It examines PB practices that have instilled a social justice perspective,

beyond a mere social inclusion of traditionally excluded groups, such as ethnic or racial minorities, migrants, the homeless, and so forth.

2.5 Role of Vulnerable Groups During PB Cycles: PB *for* Them or *with* Them?

The third instrument used in the analysis of PB practices is whether PB is *for* the vulnerable or *with* them.⁶ The following four questions can help to determine the differences between both approaches.

Who participates in assemblies and PB forums?

Do vulnerable groups participate directly in the PB process or simply benefit from it? In some European cities, for example, citizens voted on PB projects for the homeless and refugees without the direct participation of the affected populations. Expressions of solidarity from the people who participated in PB and the active role of intermediaries and non-governmental organizations (NGOs) operating in the city enabled projects to be selected to benefit the homeless and refugees. Nevertheless, ownership of the process by the affected populations was limited.

Who decides on the PB regulatory rules?

In some PB processes, citizens are invited to participate without being able to modify pre-established rules. These processes are called institutionalized PBs. Conversely, other PB processes invite citizens, and sometimes disadvantaged groups, to establish the rules. In this case, people acquire an institutionalizing power to decide ground rules that may include: What will be the criteria for selecting projects? How many assemblies will take place? Where will the assemblies occur? How much will be earmarked for specific vulnerable groups? Will delegates be elected or will projects only be voted for?

Who makes the final decision in prioritizing projects?

Some PB processes are consultative, in which stakeholders are invited to give their opinions and make suggestions online and/or in face-to-face meetings. In such cases, local authorities may or may not take into account the suggestions. Conversely, binding PB refers to processes where the stakeholders' vote is final in deciding on projects, and authorities are bound to implement those projects. Binding PB is considered more powerful for building trust and long-term engagement. Moreover, it tends to be more sustainable and less often halted or interrupted for some years by the government or local administration (Dias, 2018).

Who has ongoing oversight and control of the PB projects' implementation and budgetary spending?

Do citizens have the opportunity to participate actively during implementation of the voted-upon project through different modalities such as specific commissions, elected delegates, voluntary groups, mixed public or community groups (Cabannes, 2014)? Active participation during project implementation appears to be essential to reinforce trust among social groups with a limited tradition of participating in project implementation or a reluctance to do so.

3 INNOVATIVE APPROACHES, METHODS AND TOOLS FROM INTERNATIONAL PB EXPERIENCES

This section highlights innovative tools and methods from international PB experiences. These illustrate four of the seven modalities presented in the conceptual framework (see Figure 24.1) – Modality 1: actor-based PB; Modality 2: territorial or place-based PB; Modality 6: sectorial + actor-based PB; Modality 7: comprehensive PB (place-based + sector based + actor-based PB). This selection was made based on their capacity to reach out to the neediest and most excluded but are far from being the only ones. Innovative tools and methods do exist in the other modalities as well and would deserve a much longer chapter to be fully described.

3.1 Modality 1: Actor-based PB (Earmarking Budgetary Resources for Specific Groups)

Earmarking budgetary resources for specific social groups: children and youth

Among the actor-based PB types that have been successful in addressing disadvantaged groups' needs and expectations, special emphasis will be given to children and youth PB, as they are by far the most numerous in this category. Earmarking resources to reach children and young people was first introduced in Barra Mansa, Brazil in 1997. The earmarked resources may be a portion of the overall PB budget – for example, 3 per cent of the total in Rosario, Argentina, or a specifically earmarked amount. The amount set aside usually increases over the years, such as in Molina de Segura, Spain. The typical actor-based PB may be the only PB programme in the city – for example, Las Torres de Cotillas and Ceheguin, Spain, and in Valongo, Portugal. Earmarking may also be part of different PB types, such as in Seville, Spain, which we label a comprehensive PB, and discuss below.

'Educational community' as the base for a governance model in which students have the power to decide

Participatory budgeting for secondary schools in the Nord-Pas-de-Calais region of France (Cabannes and Delgado, 2017) introduced an innovative governance practice based on the 'educational community' concept. A PB monitoring committee of up to 15 persons was set up in each participating college. The committee is composed of eight students and the seven others are teachers, administrative and technical staff, parents, or other persons connected with the school. The committee's role and responsibilities are defined in a charter. It provides a forum for debate and discussion among stakeholders who usually do not engage with one another. It fosters the concept of an 'educational community' and avoids focusing on the secondary school's issues solely through student participation. Such a multi-actor practice could be adapted to other disadvantaged groups' communities.

Earmarking resources for women

The earmarking PB type is used more rarely for women, such as in Surakarta (Solo), Indonesia. In countries where women have less access to power and public resources for cultural, political or social reasons, the earmarking type guarantees that at least some resources will be made available for their benefit. Earmarks for women are criticized by some Europeans and Latin Americans from cities where women's movements are strong and often at the forefront of

social struggles, such as in Spain. Critics argue that earmarking resources for women, or for any disadvantaged group, may function to ‘ghettoize’ and stigmatize them.

3.2 Modality 2: Place-based PB (Targeting Deprived or Disadvantaged Areas)

A type of PB under the place-based PB category channels more resources from a common pool of city resources to the more disadvantaged districts – for example, Rosario, Argentina, or neighbourhoods, such as Seville, Spain, or smaller areas like Belo Horizonte, Brazil. These practices appear under ‘territorial or place-based PBs’. They differ from conventional city-based or district-based PB where money is evenly allocated throughout the territory. In this case, PB focuses on predefined deprived areas, such as low-income housing rental compounds, in Paris, France or on rural districts within municipal boundaries in Chengdu, China or Cuenca, Ecuador, or for remoter villages such as in Olne, Belgium. In all these cases, specific resources are predefined through specific methods introduced below. PB for specific disadvantaged areas may be standalone PB – for example, Chengdu, China and Cuenca, Ecuador during the first years of their programmes, as well as Olne, Belgium. Or, they could be part of combined PB types, such as in Paris, France and Cuenca, Ecuador over recent years.

Deprivation indexes (unsatisfied basic needs)

In Rosario, Argentina, the budget allocation is distributed in direct proportion to the degree of urban marginalization in accordance with Ordinance 7869. For the allocation of the participatory budget to each of the six districts of the city, the Executive Department uses a deprivation index, which is prepared with indicators of health, education, housing, income and gender. The indicators must be updated annually before resources are distributed to each district. The indicators are built with most recent census data available, Permanent Household Survey results and statistics provided by different municipal agencies. The census information refers to data from the National Population Census, which indicates the proportion of ‘Households with Unsatisfied Basic Needs’, including housing, income and education indicators. The distribution of resources assigned to the PB for each district is carried out as follows: 50 per cent in equal parts for each of the six districts and 50 per cent in a form directly proportional to the degree of urban marginalization as measured by the deprivation index. The Municipal Statistics Office with the National University of Rosario calculate this index annually.

The indicator ‘Population with Unsatisfied Basic Needs’ (UBN) per district, or per neighbourhood, has been extensively used in Latin American PB cities to modulate and ‘spatialize’ the allocation of resources being debated. The basic needs considered under the UBN vary from country to country and depend on the statistics available and on the level of services that exist. However, in general, UBN refers to one or more of the categories already mentioned as basic services, such as access to potable water, water drainage, sanitation, public lighting, paved pedestrian areas and roads, and so on. The deprivation index usually combines the UBN index with the number of inhabitants living in the districts or neighbourhoods. The relative importance of population and UBN varies from place to place and might evolve over time, depending on the importance allotted to the most deprived areas. This tool has been usually well received and illustrates the principle of spatial and social justice in some PB.

Quality of Urban Life Index: mapping out deprivation

One of the most advanced methods for channelling PB resources to the most deprived areas in cities is the Quality of Urban Life Index (IQVU, Índice de Qualidade de Vida Urbana), designed and implemented in Belo Horizonte, Brazil. In contrast to Rosario, Argentina's PB method of inter-district deprivation mapping, the IQVU uses a much larger number of indicators, which are organized into 13 dimensions, including education, access to food, and so on. The IQVU also considers much smaller units than the district or the neighbourhood, that is, census units that are subsequently aggregated. The collected information is transferred to GIS mapping, which indicates the deprivation of the city by year.

IQVU is not only used to pre-allocate resources. The IQVU map also provides the basis for monitoring the impact of PB projects on the targeted deprived areas. An evaluation of about 1000 PB projects funded by Belo Horizonte municipality during the 15 first years of activity (1993–2008) indicated that most PB-funded projects were located within the targeted deprived areas. As planned, the PB benefited the most deprived population and neediest areas, evidencing a successful refocusing of social and spatial priorities through PB.

Exclusion map and monitoring of the capacity of PB resources to reach the neediest

São Paulo, Brazil, during its short-lived PB experience (2001–04), was able to build upon another extremely innovative deprivation mapping method, known as the Exclusion Map. In addition to the layering of data from different sources, including census, municipality, police services, and so on, and the construction of four sub-exclusion indexes for the various districts, and sub-districts of the metropolis, the mapping consists of community mapping in which multiple actors from the various communities complement qualitative information – for example location of homicides, drug trafficking, car accidents, presence of NGOs and support organizations, and so on – with quantitative data sources. Each of the variables used to build the Exclusion Map index, as in the case of IQVU for Belo Horizonte, is positioned on a scale from –1 to +1. The values are then spatialized. As was done in Belo Horizonte, the mapping helps to pre-allocate resources to the most deprived zones and, just as importantly, to monitor whether the investments made through PB reached the targeted zones and quantitatively changed the levels of exclusion in health or education, for example.

Low-income housing compounds: lessons from Penang, Malaysia

Various cities are focusing PB not so much on deprived neighbourhoods or districts as on low-income housing developments. Toronto remains a reference, with constant work in rental community-housing tenements that have brought improvements and more security to the lives of thousands of inhabitants. Since 2012, Penang Women's Development Corporation (PWDC) has been spearheading innovative and unique PB processes in large-scale low-income rental housing compounds in Penang, Malaysia, with a particular focus on the inclusion of women of all ages as well as the integration of different ethnic communities: Malays, who are the most numerous, and mainly Muslims, Chinese and Indians. This initiative exemplifies a mixed spatial/actor-based model and the three steps in the PB process for low-income housing developments are detailed below.⁷

The first step is to conduct a housing and budget survey with each of the families. Chengdu, China is using a similar survey method for each family. However, in Chengdu, an elected PB village council disseminates the forms to the families and then collects and processes them. In Penang, the survey form is made available as well via Seberang Perai municipal website and

Facebook. Step two in the process is holding focus groups with diverse women and men and children about issues, problems and their needs based on the surveys. Then (step three) some projects selected through this process are voted on.

According to the Penang Women's Development Corporation, the most important measures in setting up a gender-responsive PB are: to focus on disadvantaged groups as identified by survey; to mobilize the identified groups; train and educate the groups; and identify the priority project criteria to benefit the disadvantaged groups.

3.3 Modality 6: Sectorial + Actor-based PB

Housing the homeless: Belo Horizonte, Brazil

Housing PB (HPB) started in 1996 as an offshoot of the city-wide PB launched in 1993 under pressure from local housing movements and homeless groups (Bedê, 2005) organized by the Catholic Church. Since its early days, HPB was a community process led by homeless groups and housing movements and well accepted by the local government, which allocated a significant amount of resources to support community requests (Box 24.1). The case illustrates the contribution that PB can make and how different types of PB are gradually being put in motion to address the specific needs of different, but interconnected, vulnerable groups.

BOX 24.1 HOUSING PB PROCESS, BELO HORIZONTE, BRAZIL

1. Families seek a registered homeless group (or nucleus) to join and participate in the process.
2. The government defines financial resources and/or the number of dwellings to be built in the period.
3. The Municipal Housing Council defines criteria and the terms for registration of the nucleus, defines the application of resources and approves criteria for distribution of housing units.
4. The homeless group registers with the Municipal Secretariat of Housing (SMAHAB).
5. SMAHAB mobilizes the homeless group, performs the registration, accreditation and disclosure of the process.
6. In the preparatory Regional Forums, the presentation of the criteria of distribution of benefits and indication of delegates by group is presented.
7. The Municipal Housing Conference applies the criteria for the distribution of benefits and elects representatives to form the Supervisory Committee for HPB – COMFORÇA.
8. The homeless groups prioritize and indicate the families that are to benefit.
9. SMAHAB and the People's Movement for Housing define land acquisition, project development and execution (public management or self-management).
10. SMAHAB promotes the execution of projects, carries out social monitoring, actions to generate work and income and implements financing and titling.
11. COMFORÇA supervises and monitors the execution of the resources approved by the HPB.
12. The Ethics Committee monitors and investigates allegations of irregularities among the homeless in the choice of families and in the conduct of the beneficiary nomination process.

Source: 2004 Belo Horizonte Municipality document, translation by author.

Two factors need to be underlined to explain HPB's success: first the definition of PB rules by the communities ('with the people' approach) and second, setting up an oversight commission composed of elected PB delegates for budget and implementation control (called COMFORÇA, 'with strength' in Portuguese).

Even if HPB is currently on hold for various reasons (Rueda, 2017) and even if the last housing development was completed in 2011, it remains a unique experience, showing how a municipality can contribute through sectorial PB to strengthening homeless communities and building thousands of apartments, multi-storey buildings and individual homes over a short period of time.

Participatory budgeting for migrant workers: learning from Taoyuan, Taiwan

Among the limited number of cities that have been giving a specific PB focus to the inclusion of migrants, refugees, or ethnic minorities (Seville, New York, Penang), Taoyuan (2.3 million inhabitants) in Taiwan remains one of the most innovative. It is a perfect example of a mixed actor-based/sectorial PB (see Figure 24.1) with significant earmarked resources (about US\$1 million in 2017) for migrant workers from Vietnam, Thailand, Indonesia and the Philippines, 'marginalized politically and suffering from cultural discrimination'.⁸ The sectors eligible for funded projects had to fall under a broad concept of leisure, which valued migrants' culture, art and sports: international Thai boxing and inter-migrant volleyball tournaments were among the selected projects.

At each stage of the process, from programming to implementation of selected proposals, migrant participants were directly involved, demonstrating that PB *with* the excluded, as opposed to *for* them, is feasible.⁹ The key lessons and tools in relation to the inclusion of disadvantaged groups through PB are briefly highlighted below.

A unique aspect was not only to promote dialogue *among* a particular nationality of migrants (Thais, Filipinos, etc.) but at the same time to foster an intercultural dialogue *between* them. Another virtue was to invite Taiwanese nationals to vote (online and offline) for the projects presented by the migrant communities. In doing this, PB helped, even if modestly, to bridge the gap between nationals and migrants.

Before local workshops and assemblies were launched, great care was devoted to deciding a collaborative model involving: the municipality through its Department of Labour Affairs, facilitators (mainly from the university) and NGOs close to the migrant communities. Defining roles and responsibilities and building trust among the communities were considered key ingredients for success:

- 'Go to where people are'. A unique contribution of NGOs and intermediaries was their capacity to identify and go where migrants were and lived (food shops, faith places, etc.), to meet and talk to them, and to build trust.
- 'Usage of mother tongues'. 'Using mother tongues of the participants is the precondition for reducing obstacles in deliberation and generating a friendly environment. Similarly, multi-linguistic webpage on Facebook allowed migrants to propose, present and clarify their proposals in their mother tongues. More participants can understand different proposals when the proposals are translated into plural languages'.¹⁰

3.4 Modality 7: Comprehensive PB: Spatial + Sector + Actors PBs

This last modality, relatively rare,¹¹ illustrates the gradual insertion of tools to foster the participation of vulnerable groups, increase their empowerment and redistribute public resources towards them.

Affirmative actions for multiple vulnerable groups in São Paulo PB

São Paulo PB started in 2001 as a mixed thematic/territorial model, putting into debate earmarked resources for health, education or housing and at the same time channelling more resources towards the most deprived regions by means of the following combined and weighted criteria: (1) percentage of people in the region who voted in PB assemblies; (2) lack of services or basic infrastructure; and (3) the total population of the region. It is interesting to note that the method introduced an incentive for people to participate and vote: the more people participating, the higher the level of resources allocated. A similar method with slight adaptation was then used to distribute these regional PB resources among the various districts of the region. Over the years, it moved towards targeting not only the most deprived areas, but also the most excluded groups living in them.

To enhance participation and give visibility to vulnerable groups, the PB placed special emphasis on nine different groups considered vulnerable (youth, women, the elderly, first nations, Afro-descendants, the homeless, street dwellers, children and adolescents). A unique and ground-breaking affirmative policy, the first of its kind as far as PB is concerned, was designed and implemented (Sánchez, 2004). One of its singular aspects was to facilitate their presence as elected representatives in São Paulo PB Council (CONOP). Normally, during the first assemblies, PB participants vote for proposals and at the same time elect PB delegates in the proportion of one for every 20 voters. In the case of CONOP, vulnerable groups could elect their delegates with fewer voters according to their level of social exclusion: women, blacks, the elderly, young people, children and adolescents and LGBT could elect one delegate for each five voters; indigenous people, street dwellers and people with disabilities had the opportunity to elect one delegate per voter (da Rocha Resende, 2008; PMSP/COP, 2004). This was in recognition that the excluded in a megacity as terribly unequal as São Paulo had neither the habit of participating nor the time or capacity to do so. As a result, for the first time these different vulnerable groups elected a large number of delegates and became visible (Table 24.1). These delegates could then elect PB councillors for their groups. Given the power devoted to the PB Council, they could, for instance, modify the PB rules in order to better benefit their group. This is only one among various innovations introduced.

A remarkable result was that the incentives directed towards the most excluded paid off: the proportion of non-white population (black, indigenous, mixed indigenous/white, black/white, etc., according to Brazilian racial categories) was over-represented. For instance, the population that identifies itself as 'black' represents 6 per cent of São Paulo's population, whereas 10 per cent of PB participants were black in 2003 and 9 per cent in 2004 (Figure 24.2).

Table 24.1 Number of PB delegates per vulnerable group, São Paulo, 2003

Vulnerable Group	Number of Delegates
Seniors	132
Children and adolescents	85
Population in street situation	30
Black	76
Disabled	57
Indigenous	11
LGBT+	32
Women	174
Youth	108

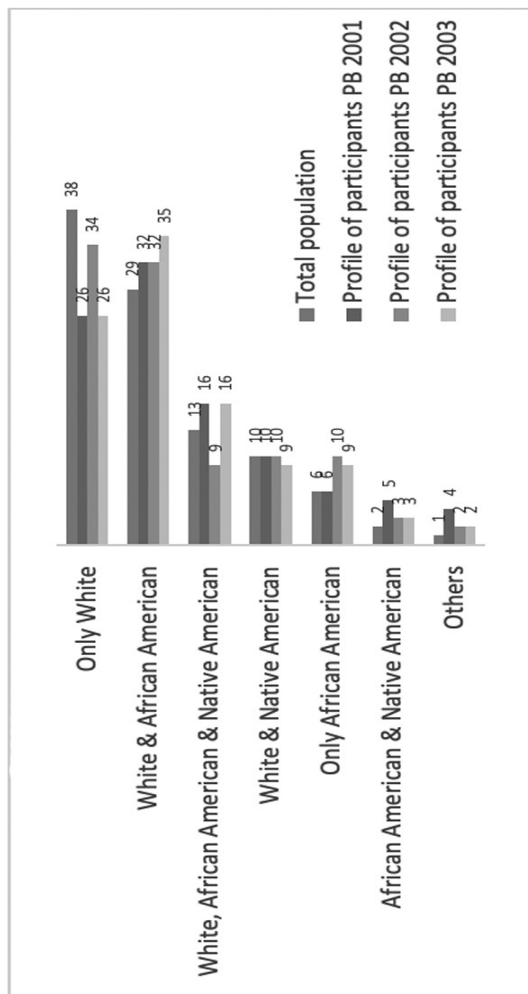
Source: PMSP/COP (2004) in Sánchez (2004).

4 PITFALLS AND RISKS: LEARNING FROM PRACTITIONERS AND THE FIELD

Primary information about the pitfalls and risks of PB practices targeting disadvantaged social groups is virtually non-existent. Nonetheless, PB practitioners, community leaders and social workers are exposed every day to challenges and obstacles that they must face. This section shares some answers to the questions: What should be avoided? What did not work? What were the solutions, if any, that were found and implemented? The answers were mainly provided by experts and by reflective practitioners who helped document the cases. A full list of the interviewed experts and practitioners is provided at the end of this chapter. The comments are not definitive answers, but they raise thought provoking issues. They have been organized into five sections that correspond to various conventional dimensions of PB, inclusive of participation, finance, institutional and normative set-up, spatial and political dimensions.

4.1 Pitfalls Related to PB Participatory Dimension

1. 'Ignoring the perceptions of the excluded who might be silent' and who have less confidence (and trust) in established powers, seems quite an essential aspect to take into account. One of the interviewees, a Russian PB expert, underlines that placing emphasis on 'establishing dialogue' and trust appears to be a way to address this issue. Part of this dialogue should be to show that 'PB is about people and not about projects... You need to introduce some issues and questions: how to listen, how to prevent people feeling bad'. The same expert also insisted on one basic principle to establish trust and engage disadvantaged groups in PB: 'You cannot lie to people'. Such a statement directly echoes a principle at the core of indigenous democracy among the Andeans, often used and repeated before and after PB assemblies, primarily in Quechuan communities. Both participants and politicians need to commit to and speak aloud the imperative, 'Do Not Be a Liar, Do Not Be a Thief, Do Not Be Lazy' (Ama Sua, Ama Llulla, Ama Quella).
2. 'Hijacking vulnerable people's voice' and speaking or taking decisions in their name, was a response given in nuanced forms by various contributors:
 - 'The support from the teachers, for youth and children PB, is usually a problem... Teachers often like to decide *for* the students... If not properly addressed, it can



Source: PMSP/COP (2004) in Sánchez (2004).

Figure 24.2 *Ethnicity of participants in PB plenaries in São Paulo, 2001–03 (percentages)*

- become a problem’.
- ‘Substituting direct participation [meaning disadvantaged people’s direct participation] for that of NGOs or local dignitaries may be a real issue’.
 - ‘Some non-profit associations helping out in the emergence of ideas and projects are not deeply enough inserted in local life to generate bottom-up propositions based on the real needs of low-income districts. Long-term involvement of associations is needed so that they can root their work in a neighbourhood’.
 - ‘In general, many problems of implementation took away credibility. One of the greatest difficulties was to commit the local legislators to engage in the process supporting it, without co-opting it’.
3. Underestimating the role of some actors and their invisible power: various contributors mentioned different actors that can be obstacles when one pushes the limits of PB towards a more social perspective.
 - ‘Ignoring the powerful role and the function of the civil servants (and their capacity of obstruction) may become a real issue’. Some cities, such as Valongo, Portugal referred to in this note, decided to include PB within the civil servants’ community and allow them to discuss a portion of the public budget to improve their working conditions.
 - ‘Not engaging with the key people or local leaders to get their buy-in’.
 - Insufficient awareness raising: despite providing basic information about the youth PB to all schools in the Spanish city of Molina de Segura, in the Murcian region, some schools did not participate. The PB director explained: ‘We probably did not explain enough to the schools’ directors what the project consisted of. Possibly, individual meetings and more time could have solved the situation’.
 - Including a specific disadvantaged group in PB, but not all of its members: as a result, the frontier of exclusion was simply displaced, so some people were included but others were still ‘left behind’. One contributor emphasized that, for some years, the youth PB was organized only in schools and thereby excluded dropouts, and all those who were not integrated in society. When referring to youth PB even in deprived areas, she added, ‘To a certain extent, we were working only with those already included’. This comment raises the issue of the capacity, or not, of PB to reach the most vulnerable or disadvantaged and not only the most accessible.
 4. Limited capacity of local governments to implement projects with disadvantaged groups: according to some experts interviewed, PB projects with greater social impact and for the most vulnerable are the most difficult to implement, among other reasons because the projects are more inter-sectorial and local governments are less accustomed to implementing them.
 5. Design of online voting mechanisms are too complicated. ‘Online voting system used a real name registration mechanism to ensure the authenticity of the voters. However, the legal documentation and the introduction of the personal data collection were too complicated and difficult for migrant workers to vote and express their opinions’. This view expressed about a particular social group in the Taiwanese context raises the issue of the limited validity of online voting methods for most disadvantaged groups. The practice introduced by Stavropol PB staff to give extra points for offline voting, and especially for

offline voting by collectives, is not only an innovation in PB practices, but also a sensible recognition of the importance of face-to-face meetings, dialogues, and encounters for those who are the most invisible in society – and will remain invisible with online voting.

4.2 Pitfalls Relating to the Financial and Budgetary Dimensions of PB

1. ‘Forgetting to discuss city income and its origin’: this statement by the interviewee is particularly important when it comes to dealing with PB with excluded people and disadvantaged groups that know much less about the public budget and its origin. Extra training effort needs to be made, similar to the Russian PB budget literacy training.
2. ‘Introducing and discussing the budget in a fragmented way only’ links with the previous statement. The interviewee adds: ‘People, and particularly the disadvantaged groups, need to have a notion of the full budgetary picture. Therefore, it is a mistake to only discuss investment. The outlook should be holistic’. The underlying issue mentioned by many refers to, first, the need for transparency, especially to those who are benefiting the least from public redistribution and, second, the huge risk that PB will be felt as one more patronizing policy.
3. Difficulties raised by running costs, as raised by one of the interviewees: ‘A lot of projects proposed are not submitted to vote due to the running cost they imply. The difficulty is then to create social projects without running cost’. The issue of running costs related to PB projects remains essentially unsolved. PB projects’ running costs tend in the longer run to limit the resources available for public debate. However, eliminating those projects that will entail running costs is not a solution either.

4.3 Pitfalls and Risks Relating to PB Rules

1. Breaking the PB rules’: the main pitfall raised by one contributor is that, when working with disadvantaged groups, which are sometimes participating for the first time in public events, any breaking of the rules that took time and effort to be set up and understood will be absolutely lethal for the PB process, since ‘these people will not come back’. Breaking the rules breaks trust and the legitimacy of the whole process, things difficult to reclaim at a later stage. One consequence is that PB rules must be clear, well known and agreed upon. Once they are set, they need to be respected throughout the current cycle. They may be modified by the different actors that were involved in the process, or even better by the citizens, including disadvantaged ones, as occur in self-regulatory processes, at the end of PB cycle, once results on selected projects is done.
2. ‘Insufficient transparency and accountability’: various contributors insisted on a common pitfall that people, especially the disadvantaged, are not kept sufficiently informed. Among the conventional methods existing at present, such as face-to-face meetings with public officials with the communities, TV clips, written information distributed or inserted in local printed media, and web-based information, the first two seem the most appropriate when dealing with disadvantaged groups.
3. ‘Generating excessive expectations’ in relation not only to the amount debated and available but also to the timing of project delivery (second PB cycle). This was emphasized

because ‘bureaucratic processes are very lengthy’. It is particularly difficult for excluded people to understand why such long delays occur. It seems that once again specific training is needed on the second PB cycle for both participants and local civil servants.

4.4 Pitfalls Relating to the Spatial Dimension of PB

1. Meeting in the wrong places: various contributors mentioned the risks associated with the places where assemblies, meetings and training take place. They can be far from where ordinary citizens live, or non-functional, or risky to get to, or charged with negative symbolic value. One example given referred to an ‘old conservative school used for youth PB meetings’. Despite a warning that it was a mistake to use a school, the meetings took place there and were poorly attended. The informant concluded: ‘We must and can create new spaces and not be trapped into old ones’. Again, in reference to youth PB, another contributor mentioned how ‘meeting in open spaces or in official meeting rooms in schools tremendously reduced the attention of the students when compared with organizing them in their classrooms...and if you have students from various classes meeting together, it is even worse’.

4.5 Pitfalls Relating to the Political Dimension of PB

1. Mimicking representative democracy: ‘One of the major risks is to mimic the rules of representative democracy and the established order’. Time is needed to discuss projects, to deliberate on rules and on decisions to be taken. A common shortfall of representative democracy is the tendency to place all the emphasis on voting and not enough on deliberation. At the same time, some rules of representative democracy, such as secret ballots, instead of voting by a show of hands for project selection or other decisions are always to be recommended, especially in contexts where democracy either does not exist or is very weak. Another example from the interviewee highlights the risk of giving too much respect to the pre-existing representative democracy order: ‘In one PB assembly taking place in a Muslim community in a French city – and therefore with a clear pro-disadvantaged groups approach – a gay Tunisian suddenly shouted, “Why do you address only the established Tunisian communities, where I have no place?”’ It is important to note that even vulnerable social groups that are highly cohesive may be based on quite exclusionary rules, and clashes between old forms and modern society can be quite violent. Participatory budgeting must be able to address this issue.
2. Party politics and political manipulation: ‘In one of the renditions of accounts at an education centre we counted on the presence of a municipal officer, who explained the reasons why some proposals had been rejected. So far perfect, given that the local administration was moving closer to the schools. The ‘problem’ was when we invited the mayor and some of the elected councillors into the classrooms, since not all the school directors and teachers liked the idea. Therefore, including technicians in the classrooms is fine, but inviting politicians is different. We think it’s better not to’. Keeping PB processes apart from party politics seems a key ingredient, much highlighted by interviewees involved in

building sustainable PBs, particularly those targeting disadvantaged groups. Such groups tend to associate – with legitimate distrust in many cases – the presence of politicians with obtaining poor people’s votes. It is interesting to note that some cities interrupt PB the year that local elections take place so that PB is not associated with reaping votes.

5 CONCLUSIONS

More in-depth and systematic research should be done to provide more comprehensive information about the multiple and combined ways that cities, regions and villages are experimenting and have experimented with participatory budgeting to increase their social impact and reach out to disadvantaged groups. The analysis needs to be defined in space and time, ideally be related to the project year, and clearly identifies the method or combination of methods that were in place that particular year. The rapid evolution and transformation of PB practices under the pressure of disadvantaged groups, civil servants and political logics raises serious research methodology challenges that need to be addressed. Nonetheless, at least three conclusions can be made based on the present study and review of experiences at international level, spanning the last three decades of PB expansion.

First, cities and regions in diverse environments *combine* different PB types creatively to increase their social impact. In so doing, they can tailor the approaches to the social groups they intend to benefit. PB is not static and evolves through time. The practice can multiply, diversify, combine in different ways, and allocate different levels of resources with different rules. Many cities have moved from using simpler PB modalities to more comprehensive and complex ones and thereby have developed the capacity to reach disadvantaged groups.

Second, evidence gathered in specific regions and cities, and confirmed through the interviews with experts, tends to indicate that PB *with* people is preferable to PB *for* people. The active involvement of the disadvantaged groups, including ethnic minorities, women, youth, the elderly, LGBT+, the unemployed and migrant workers is key to increasing long-term social benefits. The evidence shows that social advancement among the most marginalized is happening and is feasible through PB. Gaining visibility, recognition, representation, or more power – for example, by being PB delegates – seems essential to success. However, the capacity to capitalize these social gains into actual projects is linked to the capacity of the social groups to modify the established PB rules.

A third major finding is the capacity of PB to reverse social and spatial priorities. Various actors are experimenting in both cities and villages, and positive results are evident in many cases. The cities selected for study in this chapter are not representative of the whole PB universe. However, the evidence clearly indicates that cities *can* successfully meet the needs of disadvantaged groups, which answers, at least partially, some scholars’ concerns about whether most PB programmes have lost their redistributive aspects and ‘whether PB emphasis on social inclusion successfully translates into greater political and policy benefits for these communities’.¹² This might be the case; however, many old and new PB practices have significant redistributive aspects. Further, multidimensional research over time in local languages is necessary to better understand the redistribute value of participatory budgeting. Of particular importance and interest is to focus research on those countries and cities where PB has suc-

cessfully redistributed resources socially and spatially to determine the reasons why they have been successful.

CONTRIBUTORS TO LOCAL STUDIES AND CITED REFERENCES¹³

Contributors to Local Case Studies

Arzgir District and settlements, Stavropol Region, Russia: Vladimir Pavlev, Finance Vice Minister, Stavropol region, and the initiative budgeting staff, along with the presidents of Rodnikovskoe, Kamennaya Balka, Novoromanovskoe, and Arzgir villages and settlements
Molina de Segura, Ceheguin and Torres de Cotilla, Spain: José Manuel Mayor Balsas, Director, Participatory Budgeting Unit, Molina de Segura
Olne, Belgium: Fanny Thirifays, AISBL (non-profit organization or association without lucrative purpose), Periferia, Namur
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NOTES

1. This chapter is a condensed and adapted version of an analytical note prepared by the author in 2018 for the World Bank Social Protection and Jobs Global Practice (SPJ GP) and coordinated by Ivan Shulga and Anna Sukhova at the World Bank in Moscow. We express our gratitude to allowing the use of parts of the note.
2. Ceheguin, Molina de Segura, Seville and Torres de Cotilla, Spain; Taoyuan, Taiwan; Paris, France; Penang, Malaysia; Rosario, Argentina; Solo/Surakarta and Pongokk village, Klaten Municipality, Indonesia; Arzgir District and settlements, Stavropol Region, Russia; Olne, Belgium.
3. Compiled by the author.
4. See Soja (2010) on theories of spatial justice.
5. Author's email communication with Brian Wampler, Professor, Global Studies and Political Science, School of Public Service, Boise State University, Idaho, October 2018.
6. César Muñoz explores the links that should be established between disadvantaged and non-disadvantaged groups. He elaborated upon his theory in relation to the participation of youth and children considered disadvantaged groups (Muñoz, 2004). His educator's perspective can be extended to other groups. His definition of the *desde/con* (from/with) perspective suggests that one should avoid speaking or acting 'for' youth and children, which is a patronizing attitude towards them. He even suggests that one should avoid speaking or acting 'with them' or 'next to them', in the sense of merely positioning oneself on their side. The addressing of youth's and children's needs, according to Muñoz, must 'relate *with* them *from* their desires, feelings, suggestions, and proposals, also considering their problems, needs, doubts, and always *with* the support of adults and professionals' (Muñoz, 2004, cited in Sánchez, 2004, p. 187; emphasis added). Referring to 'from/with' perspectives, Sánchez (2004) emphasizes, 'That is why it is important to rescue a conception of solidarity and intergenerational complicity, based on articulating a child and youth proactive role along with a compliance with the world of adults' (Muñoz, 2004, cited in Sánchez, 2004, p. 188).
7. Extracts from the documentation of Seberang Perai experience by Shariza Kamarudin (2018).
8. Local case study.
9. Local case study.
10. Entry note to International Observatory for Participatory Democracy (IOPD) Award, Barcelona, Spain, www.oidp.net, 2018.
11. Another quite innovative experience described in the analytical note for the World Bank refers to PB contribution in Pongokk village, Indonesia, that strengthens local village businesses that in return benefit disadvantaged groups.
12. Correspondence exchange with Professor Brian Wampler, October 2018: 'We are finding that there continues to be an emphasis on social inclusion, even if there isn't an emphasis on social justice. Inclusion of traditionally excluded actors (women, ethnic/racial minorities, the poor, etc). But I don't think that we yet know whether this emphasis on social inclusion is being successfully translated into greater political and policy benefits for these communities'.
13. See Cabannes (2018).

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25. NGOs and the democratic space within Uganda's emerging oil sector

Badru Bukenya

1 INTRODUCTION: NGOs, DEVELOPMENT AND DEMOCRACY IN AFRICA

Following the third democratic wave that swept through Africa in the late 1980s and 1990s, many African governments adopted political reforms to permit greater pluralism and competition within their polities (Brass et al., 2018; Bukenya and Hickey, 2014; Mercer, 2002). Having played a central role in instigating this democratic transition, non-governmental organizations (NGOs) were expected to help in consolidating democratic governance in the new political order (Diamond, 1994). This thinking, drawn from the liberal conceptions of civil society, suggested that activities of NGOs were necessary to pre-empt the temptation by political leaders in the newly democratic countries to revert to the old autocratic tendencies. Enthusiasts declared that, 'a vibrant civil society is probably more essential for consolidating and maintaining democracy than for initiating it' (Diamond, 1994, p. 7). While no consensus existed on the specifics of the democratic consolidation role for NGOs (Edwards and Hulme, 1996), literature pointed to at least three broad categories of functions. NGOs could engage in activities seeking to: (1) increase government accountability; (2) widen and deepen citizens' voice and participation in development; and (3) represent the interests of marginalized groups within public policy arenas (Brass et al., 2018; Devarajan, Khemani and Walton, 2011; Mercer, 2002). There is a lot of debate over NGOs' political efficacy, that is, whether they are effective in their democratic consolidation role (Edwards and Hulme, 1996; Kabeer, Mahmud and Castro, 2012; Mercer, 2002).

This chapter aims to contribute to this debate by analysing NGOs' performance with regards to representing marginalized groups within policy-making spaces. In particular, we seek to examine the efficacy of NGOs in influencing government policy and legislation, focusing specifically on Uganda's emerging oil sector. In 2006, the Ugandan government announced the discovery of commercially viable quantities of oil and gas. While production was estimated to begin in the mid-2020s, it was estimated that the country's oil reserves could fetch over US\$2 billion per year or 12 per cent of the country's GDP (Vokes, 2012). Government plans suggested that with revenues from oil, the country was poised to transit from a low-income to upper middle-income country. The discovery of such large quantities of oil reserves and subsequent efforts to set up the legal framework to guide the nascent sector provide a rare window for a systematic analysis of NGOs' contribution in this area of natural resources governance. The chapter explores three related questions:

- What strategies are employed by NGOs in influencing government policy in developing countries?
- What outcomes do NGOs' policy advocacy efforts achieve?
- What factors influence NGOs' performance?

The chapter addresses these questions through examining the role of NGOs in policy advocacy in the oil sector in Uganda. The rest of the chapter is organized as follows. Section 2 begins with a brief review of the literature on NGO policy advocacy aimed at formulating the conceptual framework(s) that guide the study. This is followed by a discussion on the role of NGOs in natural resources governance in Section 3. Section 4 provides contextual information about NGOs and their operating environment in Uganda. Sections 5 to 7, respectively, focus on the three research questions to explore the role of Ugandan NGOs in the context of the oil sector and discuss the findings. The last section concludes the chapter and provides the overall answers to the research questions, as illustrated by the Ugandan case.

2 THEORIZING NGO POLICY ADVOCACY

This section has three broad themes corresponding to the research questions outlined above. It also summarizes the methodology employed.

2.1 The Strategies and Tactics Used by NGOs in Policy Advocacy

Policy advocacy is broadly defined as ‘any attempt to influence government decisions through both direct and indirect means, including contacting government, educating the public, and mobilizing at the grassroots level’ (Li, Lo and Tang, 2017, p. 103). It has the explicit goal of influencing the content of public policies and/or the decisions of any institutional elite (Onyx et al., 2010). Experiences from the developed economies of Europe and North America reveal an extensive repertoire of potential advocacy tactics that NGOs may use in their efforts to influence public policy (Almog-Bar and Schmid, 2014; Guo and Zhang, 2014). Scholars have begun to theorize what determines NGOs’ choice of tactics from the long menu. Clear, Paull and Holloway (2018) argue that the choice of the policy advocacy tactic is an outcome of interactions between two main variables – the positioning of NGOs regarding the state and the strategy or overall work approach of the organization. Positioning is in relation to NGOs’ ease of access to government officials. Here NGOs can broadly be considered to have an ‘insider’ or ‘outsider’ position (Mosley, 2011). Strategy relates to the long-range approach to advocacy preferred by NGOs (Almog-Bar and Schmid, 2014). Here NGOs can generally align themselves with cooperative or confrontational/adversarial approaches (Clear et al., 2018). This insider versus outsider positioning and cooperation versus adversarial approach produces four potential types of NGO policy advocacy strategies (Figure 25.1).

NGOs with ‘insider’ status tend to enjoy cordial forms of interaction with the state that we categorize as ‘collaboration’. Their issues are handled in a more diplomatic and professional manner, enabling NGOs to establish constructive working partnerships with government, and able to change things from inside the system (Almog-Bar and Schmid, 2014). This in turn facilitates access to policy-making spaces while protecting NGOs from state repression. Cooperative forms of interaction include invitations to official consultative meetings and membership to official committees like sector working groups.

It is also imaginable that ‘insider’ NGOs can at times take a hard-line approach. However, their ‘fights’ with government take the form of ‘behind closed doors’ negotiations or what Onyx et al. (2010) call ‘advocacy with gloves on’. Tactics here include sharing evidence that is critical to the official position of government through writing memos, lobbying to influence bureau-

	INSIDER	OUTSIDER
	<p>Collaboration</p> <ul style="list-style-type: none"> - Invitation for expert testimony - Membership on sector working groups and committees set up by government - Other invitations to closed spaces 	<p>Indirect/supplementary tactics</p> <ul style="list-style-type: none"> - Public education activities - Media advocacy - Research and policy reports released to the public - Social media advocacy
	<p>Negotiation 'behind closed doors'</p> <ul style="list-style-type: none"> - Direct lobbying of politicians and bureaucrats - Critical memos and policy papers shared in-house 	<p>Open Confrontation</p> <ul style="list-style-type: none"> - Contentious action e.g. protests and sit-ins - Legal advocacy/public litigation - Grassroots lobbying

Source: Based on Clear et al. (2018).

Figure 25.1 *Policy advocacy strategies of NGOs*

crats and/or legislators, and so on. Mosley (2011) argues that NGOs enjoy 'insider' status where they have expertise in the policy area and government officials are cognisant of this.

'Outsider' NGOs tend to be contentious in their work approach (Almog-Bar and Schmid, 2014). To draw the attention of power holders, they rely on confrontational tactics such as public demonstrations and protests, public interest lawsuits, and encouraging members to write or call policy makers. In less democratic contexts, however, this approach can attract reprisals from the state and withdrawal of official funding (Onyx et al., 2010).

To avoid state reprisals, NGOs in the position of outsider can use less aggressive 'indirect' tactics (Mosley, 2011), such as releasing research reports, information campaigns and social media engagement. Unlike their counterparts in the collaborative insider position, NGOs that rely on indirect tactics may not receive feedback on whether policy makers are considering their views. Overall, outsider tactics occur outside the formal policy spaces and focus primarily on shaping the climate around policy making (Clear et al., 2018; Li et al., 2017).

We are interested in documenting the combination of strategies and tactics that NGOs in Uganda employed in their oil policy engagements. Mosley (2011) argues that understanding these strategies can shed light on NGOs' level of access to government, the extent of their participation, and eventual performance. Evidence is mixed on the best strategy for bringing about policy change. Those who suggest that insider tactics are more effective claim that they give NGOs a chance to negotiate in direct communication with individuals in power (Clear et al., 2018). However, they also require expertise and connections to policy makers – resources that most NGOs in developing countries do not have (Mosley, 2011). Others are more critical

of the insider strategies, arguing that they expose NGOs to government co-optation (Onyx et al., 2010). Confrontation tactics such as protests and boycotts arguably increase the visibility of an issue and disrupt the status quo to coerce elites to take immediate action (ibid.). However, they are quite difficult to implement in authoritarian and semi-authoritarian settings (Abdel-Samad, 2017; Li et al., 2017). The indirect strategies are said to be the less effective. While they enable NGOs to raise policy issues among the general public, there is less control on whether policy makers adopt solutions suggested by NGOs.

2.2 Policy Advocacy Outcomes and Measurement

There is wide acknowledgement that tools for measuring outcomes of NGOs' policy advocacy are weakly developed (Almog-Bar and Schmid, 2014). Measurement is complicated by the fact that any policy initiative is likely related to the activities of numerous actors, agencies and organizations (ibid.). Hence, it is difficult to evaluate the differential contribution of each of these actors with certainty. To Mosley (2011), the goals of NGOs' policy advocacy are broadly defined, thereby causing further ambiguity with regard to outcomes.

Casey (2011) proposes a useful scale on which to locate the outcomes of NGO policy advocacy. The six-level scale has *access* at the bottom. According to Casey, at the very minimum, policy advocacy should allow the voices of previously excluded stakeholders to be heard. The second is *agenda*: here, powerful decision makers accept/support the desired policy changes. The third is *policy*: the desired change is translated into new legislation or regulations. The fourth is *output*: the new policy is implemented as proposed. The fifth is *impact*: the new policy has the intended consequences. The sixth is *structural*: the new policy is widely accepted as the new norm. To Casey's (2011) own admission, this model has not been tested empirically even in Western contexts where NGO policy advocacy is more advanced.

2.3 Factors Explaining Success or Failure of NGO Policy Advocacy

Literature points to four broad categories of factors to explain the outcome of NGO policy advocacy: the political context, the nature of policy issue, characteristics of NGOs involved and presence and capacity of policy coalitions. These are briefly discussed below.

The political context relates to the political, social and economic environment in which policy advocacy takes place. Scholars primarily point to the legislation and statutory codes that govern the activities of civil society groups. Zhang and Guo's (2012) study on Chinese NGOs attributes their ineffectiveness to the adverse legal and regulatory environment. They reported that advocacy-oriented NGOs were more heavily regulated and closely monitored by the authoritarian regime than their service-oriented counterparts. Evidence from African contexts confirm that an unfavourable legal framework delimits the range of activities in which NGOs can engage (Robinson and Friedman, 2005). Some research suggests that low socioeconomic development impedes the formation of strong NGOs (Casey, 2004).

The nature of the policy issue in terms of its political importance, technicality and the degree to which it is visible and exciting to the public are said to be critical factors. Policies that concern political issues of distribution of power, economic resources and authority are considered 'off limits' for NGOs to influence (ibid.). In addition, visible policies are said to attract more vested interests and thus are more difficult to influence (ibid.).

The characteristics of NGOs, including their ideology and culture, organizational capacity, amount of resources they control and membership, are said to be important determinants of their success (Robinson and Friedman, 2005). They influence the status of the organization and how it is viewed by officials and policy makers (Almog-Bar and Schmid, 2014; Robinson and Friedman, 2005). There is contradictory evidence regarding whether official government funding negatively affects NGO policy advocacy. Some research suggests a negative effect (Clear et al., 2018). However, new cross-country quantitative evidence suggests that government funding has a positive effect (Lu, 2018), especially because it allows them to use insider tactics (Li et al., 2017; Lu, 2018). Therefore, it is suggested that government funding only affects the tactics used by NGOs rather than the outcome of their advocacy effort (Mosley, 2011).

Availability and strength of the network(s) of other actors involved in the issue is also said to be an important predictor of policy advocacy success or failure. Robinson and Friedman's (2005) work on Ghana, South Africa and Uganda finds that alliances that manifest in terms of combinations of smaller groupings into larger organizations, and the creation of horizontal linkages and strategic alliances among similar types of organizations, can be politically efficacious in channelling claims and promoting democracy. Some researchers have suggested that the formation of coalitions on oil governance such as the Civil Society Platform on Oil and Gas (CSPOG) in Ghana helped to amplify the voice of NGOs (Debrah and Graham, 2015).

2.4 Study Methodology

We used the 'process tracing' methodology – which pays attention to the links between observed outcomes and possible causes (George and Bennett, 2005). This method involves identifying specific events and analysing their causal sequence (Collier, 2011). This helps to identify the key institutions and actors and link their actions and behaviours to observed outcomes. Drawing on this approach, the study focused mainly on how the process of enacting Uganda's petroleum laws, particularly the Petroleum (Exploration, Development and Production) Act 2013 and the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act 2013, unfolded. We argue that what transpired during the period 2010 when government drafted the laws and 2012 when parliament passed them had profound implications on NGO–state relations and subsequent strategies and tactics used by NGOs to undertake policy advocacy in Uganda. The chapter is based on the author's wide experience on Uganda's NGO sector, in-depth interviews with officials from ten leading oil advocacy NGOs, 14 members of parliament, five bureaucrats in central government, and four employees of international oil companies. Fieldwork was done between January and June 2014, although a review of official documents and media publications continued up to 2019.

3 THE ROLE OF NGOS IN OIL GOVERNANCE

Experience from many developing countries suggests that natural resource discoveries are often followed by stagnation in their social, political and economic aspects of development (Van Alstine et al., 2014). This phenomenon, the so-called 'resource curse', manifests itself in many aspects, including the strong association between oil and autocracy leading to the observation that 'oil and democracy do not mix' (Ross, 2001). The curse seems most prevalent in sub-Saharan Africa where the presence of oil is accompanied by high levels of poverty,

conflict and bad governance (Jensen and Wantchekon, 2004; Nkuubi, Wanyama and Brophy, 2014).

Few studies have systematically assessed the role of NGOs in addressing the 'resource curse'. Anecdotes from Ghana support the idea that NGOs could play a vital role. It is suggested that NGOs were able to ensure that strong legislation and institutions were in place before production began, they monitored the impact of oil extraction, and have so far been able to hold the key players involved accountable (Debrah and Graham, 2015; De Kock and Sturman, 2012). The current study seeks to examine the experience of Ugandan NGOs in the burgeoning oil sector.

In the Ugandan case, there was great apprehension among members of the NGO fraternity. Oil finds were announced at time when the country was consistently ranked as one of the most corrupt in Africa (Global Rights Alert, 2017). This encouraged NGOs' interest in advocacy for good governance in this sector. Several NGOs identified policy advocacy as a good place for making their contribution (Mbazira and Namatovu, 2018). They summarized their interest as follows:

[M]any stakeholders have a strong vested interest in promoting a solid legislative structure for the sector...[because] a robust legislative framework which provides transparency and accountability in the management of the sector is a first vital step to ensuring that Uganda gets a fair deal for its resources and ordinary Ugandan citizen's benefit. (Global Witness, 2012, p. 4)

To the best of our knowledge, no study has so far investigated the role of Ugandan NGOs with regard to their performance in oil-related policy advocacy. In the following sections we present the findings from our investigations. However, we first provide information on NGOs in Uganda and their operating environment to give context to the discussion that follows.

4 THE STATE OF NGOS IN UGANDA AND THEIR OPERATING ENVIRONMENT

Ugandan NGOs hatched from a voluntary religious enclave comprising a few relatively small-scale organizations dealing with welfare and relief activities in the 1970s into a sector of larger and more complex organizations undertaking community development and advocacy at national level. By 2018, over 13 000 NGOs were estimated to be operating in Uganda; their number was only 160 in 1986, increased to 3500 in 2000 and 10 000 in 2010 (USAID, ICNL and fhi360, 2018). However, this astronomical figure could be misleading as to the accurate size of the NGO sector. As of July 2019, government sources suggested that only about 30 per cent of NGOs in Uganda had valid permits. About 20 per cent of NGOs described themselves as either 'foreign' or 'international'.¹

The political context in which Ugandan NGOs operate is often described as a 'hybrid' political system characterized by both authoritarian and democratic tendencies (Tripp, 2010). The ruling elite is quite intolerant of alternative views, both from within the ruling National Resistance Movement (NRM)² ranks as well as opposition parties and advocacy NGOs (Wass and Musiime, 2013). This political environment attracts state repression against advocacy NGOs for trying to champion alternative voices (USAID, ICNL and fhi360, 2018). The government has put in place restrictive laws and policies to manage NGOs. The NGO Act was first crafted in 1989, amended in 2006, and then completely overhauled with a more stringent

version in 2016 (NGO Forum, 2018). Since the 2000s, there have been many suspected state-sponsored extra-legal incidents against NGOs, such as raids on their offices by security personnel, arrest and interrogation of NGO staff, equipment seizures and freezing of bank accounts (USAID, ICNL and fhi360, 2018, p. 242). Little wonder that, of the duly registered NGOs, only 12.6 per cent indicated that they existed to do some form of advocacy.³ It is important to note, however, that the government welcomes relief and welfare-oriented NGOs and has a laissez-faire attitude to those focusing on community development – agencies that do not directly threaten the position of the ruling elite (Bukenya, 2018).

Perhaps due to the high levels of poverty in the country, the majority of the Ugandan NGOs depend on external funding (Fafchamps and Owens, 2009; USAID, ICNL and fhi360, 2018). There are therefore questions over their legitimacy and whose interests they promote. NGOs are, for example, accused of promoting the interests of opposition groups. These sentiments are captured well in President Museveni's recent speech: 'In Africa, NGOs funded by foreign governments, actually give money to opposition players, give advice, [and] lie on their behalf etc.' (President Museveni's address to the country on 9 September 2018).⁴ Such a political context predicts a difficult working environment for advocacy NGOs. Indeed, some analysts have less optimism about civil society's progressive potential within the oil and gas sector in Uganda due to this (Sturesson and Zobel, 2015).

5 POLICY ADVOCACY STRATEGIES AND TACTICS USED BY NGOS IN UGANDA

In the late 2000s, preparations for formulating legislation on the oil sector started in Uganda. In May 2010, the government released the first draft of the Petroleum (Exploration, Development, Production and Value Addition) Bill for public review and comment. NGOs decried the 'tight ministerial control' and general lack of consultation exhibited in its drafting (Global Witness, 2012). This was not surprising, however, mainly because government had established enough capacity in the Petroleum Exploration and Production Department within the Ministry of Energy and Mineral Development and therefore felt no need for NGOs whose grasp of technical issues was suspect (Hickey and Izama, 2016). On their part, NGOs accused government of having a hidden agenda. NGOs also claimed that this draft was deficient in several areas but especially on governance arrangements relating to who negotiates, approves and terminates contracts with oil companies. Before the bill could proceed to parliament, government made structural revisions by splitting this draft into three bills to handle upstream, midstream and finance issues separately. It is important to note that Ugandan NGOs were not accorded the 'collaborative insider' position as per the framework presented in Section 2. NGOs set out to create avenues that would give them room to meaningfully contribute to shaping these laws. They found an opening through their engagement with parliament.

5.1 Behind Closed Doors with Parliamentarians

At a June 2010 symposium, organized by Advocates Coalition for Development and Environment (ACODE), Water Governance Institute and Africa Institute for Energy Governance (AFIEGO), members of parliament (MPs) were convinced that they did not understand the legal and operational rigors of the oil and gas sector yet it was their mandate to

make laws and provide oversight for good governance in the sector. MPs felt an urgent need to create a platform to help them build their capacity before debate on the petroleum bills started. The Parliamentary Forum on Oil and Gas (PFOG) was established for this purpose.

Through PFOG, MPs requested NGOs to provide the necessary capacity-building support. It was stated that PFOG would 'network with civil society organizations (CSOs) to collectively work together to see that the emerging Oil and Gas sector in Uganda becomes a blessing and not a curse'.⁵ PFOG was a broad cross-party working group that expanded the interest of the extractives sector beyond members of the Natural Resources Committee (NRC) – the committee officially mandated to oversee legislations concerned with oil and gas. NGOs had had fears that, since NRC mainly comprised ruling party MPs, it was likely to produce legislation that rubber-stamped the position of the executive. Activists at the centre of the PFOG initiative recalled that when time came to discuss the oil bill, in an unprecedented way, 'MPs put their parties aside and discussed oil legislation for Uganda which they rarely do in parliament'.⁶

NGOs undertook studies, wrote briefs and shared oil-related information with the MPs. For instance, the *Oil and Gas Laws in Uganda: A Legislators' Guide* by International Alert (Tumusiime and Banfield, 2011) was reportedly a useful reference point for legislators during the 2011 oil bills debate (Kahlmeyer, Lazard and Brusset, 2012). In 2012, Global Witness made an analysis of the draft petroleum bills to highlight the major gaps that MPs needed to give close attention to (Global Witness, 2012). The information came in handy because oil issues were technical and yet MPs had limited skills for undertaking research.⁷

Beyond the three NGOs that prompted the creation of PFOG, other NGOs such as International Alert joined to support the new initiative. International Alert signed a memorandum of understanding with PFOG to provide financial assistance to the PFOG secretariat, supporting exchange visits for MPs to other oil-producing countries such as the Niger Delta and Ghana, and generating oil-related evidence through periodic analysis and publications (Kahlmeyer et al., 2012).

Targeted assistance in drafting legislation

In February 2012, the government formerly tabled the Petroleum (Exploration, Development and Production Bill) 2012 and the Petroleum (Refining, Gas Processing and Conversion, Transportation and Storage Bill) 2012 in parliament. According to Uganda's parliamentary procedures, the responsible standing committee – the NRC – had 45 days to examine the two bills, consult with stakeholders, and suggest revisions before resubmitting them to plenary for a 'second reading' and vote. NGOs sought appointment with the NRC to present the 'views of people' with regards to petroleum laws. When the committee made its reports, NGOs would analyse these reports and recommendations with a view to identifying gaps. At this point they would decide whether to further engage MPs at individual level and/or the entire PFOG before the draft legislations were debated in plenary. Sometimes, MPs, on their own initiative, visited offices of NGOs to seek help. Representatives of one leading NGO on oil issues claimed, 'they often come in small groups of between three to five MPs. For instance, on Clause 9 about the powers of the Minister, MPs made a lot of back and forth consultations with us'.⁸

Field trips for members of parliament

NGOs facilitated dialogue meetings between MPs and the project-affected communities to enable legislators get first-hand experiences from the affected people. They expected that this strategy would enable MPs to appreciate their constituents' concerns. The Civil Society

Coalition on Oil and Gas (CSCO), for example, worked with MPs to organize more than ten meetings in the districts of Hoima, Buliisa and Masindi in 2013.⁹ Through such trips, MPs discovered that the government had not involved them in critical processes like the implementation of the Resettlement Action Plan (RAP) and the refinery (AFIEGO and Global Rights Alert, 2013). According to the then Buliisa MP, Steven Mukitale Biraahwa, the government hid information and deployed security organs to compel ordinary people off their land.

5.2 Indirect Advocacy

NGOs in Uganda also used what the conceptual framework in Section 2 identifies as the indirect tactics of advocacy. These are summarized below.

Media advocacy

Action Aid Uganda was a pioneer in this area when it spearheaded the creation of a website and newsletter entitled 'Oil in Uganda' in March 2012. The site (<http://oilinuganda.org>) regularly provided information on the social, economic, governance and environmental dimensions of Uganda's oil, gas and mineral exploitation. The newsletter version was in the form of a quarterly print edition of excerpts of the major content on the website, targeting government officials and other stakeholders who were deemed to have limited access to the online version. The translated versions of the newsletter were also circulated across the oil districts. The purpose of this initiative, according to Action Aid Uganda, was to promote transparent, constructive and well-informed public and policy debate in the extractives sector. Key informants reported that close to 10 000 copies of 'Oil in Uganda' were distributed every quarter.

Public awareness

Oil-rich areas witnessed an influx of NGOs from the mid-2000s. A host of hitherto Kampala-based organizations opened up offices in these areas (see AFIEGO, 2012). Many indicated that they wanted to provide sensitization on land and human rights to residents (AFIEGO, 2013a). In a few instances, these NGOs hired legal minds to provide expert knowledge and advice. For instance, on 4 October 2013, AFIEGO and Global Rights Alert organized a day-long workshop with the project-affected persons in which prominent Kampala-based human rights lawyers, Nicholas Opio and Shem Byakagaba, were the main facilitators (AFIEGO and Global Rights Alert, 2013).

NGOs like AFIEGO commissioned research and organized dissemination meetings to persuade the government to sign up to the Extractive Industries Transparency Initiative (EITI) (see, AFIEGO, 2013b).¹⁰ EITI is a global standard, where member governments declare income they earn from their extractive industries and the companies operating in those countries also declare the payments they make to host governments (Sturesson and Zobel, 2015). NGOs argued that the process to join EITI should have started already so that, by the time oil production starts, clear accountability procedures are in place to safeguard oil revenue from being stolen (Black Monday, 2013).

5.3 Contentious Action

Despite their popularity and alleged effectiveness in developed countries, few NGOs in Uganda used tactics in this area. This was for the obvious reason that the Ugandan government

responded to this kind of expression with a violent crackdown on the organizers. For example, in November 2012, through the Uganda NGO forum, NGOs started a campaign dubbed 'Black Monday'.¹¹ The campaigners mobilized the public to dress in black every Monday as a way of sending a message of mourning to the government over the rampant corruption. While the campaign meant to protest the general theft of public resources, it had themes that touched on issues of bad governance in the oil sector. Police violently broke up the gatherings and detained many campaigners. This cowed them into changing strategy from public protests to disseminating information through the Black Monday newsletters.

Public interest litigation

A few NGOs used public interest litigation. This research uncovered two main instances where this was used. In the first instance, some NGOs used litigation as a strategy to advance the cause of project-affected communities. In 2012, the Advocates for Natural Resources and Development (ANARDE) filed a petition in the constitutional court contesting provisions of the Land Acquisition Act that it claimed had provisions that were inconsistent with the constitution. The case arose when one of the residents in Hoima district, Mr Asuman Irumba, complained that his land had been taken by the government's road agency before compensation. This was during the construction of one of the 'oil roads' called the Hoima–Kaiso–Tonya Road. On 8 November 2013, the court nullified a section of the law that gave government powers to take possession of citizen's land before compensation, citing violation of the right to property.

In the second instance, NGOs sought court action to compel the government to release oil sector-related information to the public. On 28 March 2012, AFIEGO, with support from Open Society Justice Initiative and various local NGOs, presented a case to the High Court in Kampala demanding the disclosure of production sharing agreements (PSAs) between government and oil companies operating in Uganda and a declaration that these are public documents that every citizen should have a right of access to. While their case was dismissed, the initiative caused the filing of PSAs in the parliament library.¹² However, government imposed strict instructions for accessing PSAs: only MPs could see them, they had to be accompanied by an official from the Clerk's Office, could not spend more than 45 minutes, and could not photocopy these documents.¹³ For NGOs, PSAs remained inaccessible.

6 OUTCOMES OF NGO POLICY ADVOCACY

As noted in the literature, the tools for measuring the success or failure of NGO policy advocacy are weakly developed. Using Casey's (2011) six-point scale yardstick, this section explores what NGOs in Uganda managed to achieve.

6.1 Access

NGOs influenced the creation of spaces like PFOG that enabled their contribution to drafting laws. In 2011, as the government was preparing to present the upstream and midstream oil bills, NGOs instigated a move that propelled them into a position where their role came to be recognized in parliament. They leaked evidence to some MPs that implicated three senior cabinet ministers, namely, the prime minister, Energy and Mineral Development minister, and

the Foreign Affairs minister, of accepting bribes to influence the awarding of oil exploration contracts to the oil company Tullow. This caused a storm in parliament and the developments were widely covered in the media. Outside parliament, NGOs used the occasion to state that the ‘resource curse’ they had been warning the country about was actually eminent if MPs remained complacent. While investigations into the bribery allegations eventually came to naught,¹⁴ the storm that was created helped to ‘move and shape the oil debate’ in Uganda henceforth.¹⁵ For instance, when government signed PSAs with Tullow on 3 February 2012, before supportive legal frameworks were in place, it became the subject of significant condemnation, especially due to government’s refusal to make the contents of the deal public (Ssekikubo, 2013). This further served to confirm NGOs’ claims of secrecy and lack of transparency orchestrated by government in the oil sector.

Besides acknowledging the opinion of NGOs, the MPs engaged during this research testified that NGOs equipped them with the knowledge and skills to handle their parliamentary work better. Some key informants claimed that had it not been for NGO interventions, MPs would probably have endorsed government positions without much debate.¹⁶ One of the vocal MPs, Ssemujju Ibrahim Nganda, in his weekly segment in *The Observer*, had this to say: ‘I want to confess that without their hard work [leaders of PFOG], research and contacts with civil society, especially ACODE, it would have been difficult for many of us to pick up both interest and knowledge in the oil sector’.¹⁷ In yet another article, in *The Observer*, Nganda attributed more than 70 per cent of his knowledge on the oil industry to the workshops and seminars organized by NGOs.¹⁸ Another MP explained how she worked with ACODE on the oil bill and that ‘most of the recommendations we came up with were because we had ACODE on our team’.¹⁹

6.2 Agenda

Casey’s (2011) second-level ‘agenda’ looks at whether the views suggested by NGOs were accepted and incorporated in the policy. According to key informants, NGOs suggested an estimated 98 amendments in the upstream bill, of which around 70 were considered.²⁰ MPs managed to push through some legal provisions on transparency and accountability as recommended by NGOs. In the original bills, the role of parliament in oil governance had been marginalized while the Energy minister was given disproportionate powers. NGOs, through PFOG, pushed for amendments on the Bill ranging from increasing punishments for companies that contravene contractual obligations, increasing parliament oversight in the sector, and streamlining the management of the National Oil Company, among others. Parliament was able to position itself as responsible for approving the board members of the planned Petroleum Authority and the National Oil Company. Relatedly, MPs rejected the government proposal to allow private individuals to own shares in the oil company. They instead suggested that the company must be 100 per cent government owned (Ssekikubo, 2013).

However, for many NGOs, the crux was Clause 9 – about the institutional arrangement for controlling oil business in Uganda. The president preferred the minister (whom he appointed and by implication controlled) to be in charge while the NGO tendencies preferred a multi-stakeholder arrangement with checks and balances from various organs of government. All NGO informants admitted that this was an important battle that they lost following President Museveni’s ‘whipping’ of his NRM parliamentarians (see Section 7). This clause gave the minister ‘insurmountable powers’ for negotiating, approving and terminating PSAs.²¹

The other issue was to have Uganda sign up to EITI. Despite frantic calls from NGOs, and provisions for this in the 2008 National Oil and Gas Policy, the government was reluctant to join EITI (Sturesson and Zobel, 2015). However, some glimmer of hope came in January 2019 when the cabinet endorsed the proposal allowing Uganda to join the EITI. Media reports attributed the government's change of heart mainly to direct pressure from government officials, civil society, MPs and donor agencies.²² According to *The Independent*, donors, particularly the EU, withheld funding to some ministries pending government's commitment to join the EITI. It is also claimed that oil companies originating from the EU were under obligation to only work with governments that are signed up to the EITI. As part of this commitment, the government has already constituted a Multi-Stakeholder Group to spearhead the process. The Multi-Stakeholder Group comprises 20 members drawn from ministries, departments and agencies, private sectors and civil society.²³

6.3 Output

On whether the policies are being followed, the impressions in Uganda so far are negative. A recent analysis reveals that while Uganda developed a legal framework with strong provisions for transparency and disclosure of information, there is a huge gap between specifications of the law and implementation (Bagabo et al., 2019). The report gives a low score of 45 per cent with regard to disclosure and publication of the details of the oil and gas contracts (Bagabo et al., 2019, p. 19). Another report by the Uganda Human Rights Commission (UHRC, 2014) reached a similar conclusion.

Casey's 'impact' and 'structural' levels that seek to examine if the new policy produced the intended consequences and if the policy is widely accepted as the new norm respectively, are difficult to be analysed within the current context of Uganda's oil sector. This is because the country is, as of 2020, yet to begin oil production. It is therefore unclear whether the government will prudently invest oil revenues.

7 FACTORS EXPLAINING NGO PERFORMANCE

From the previous section, it is evident that NGOs' engagement in oil policy advocacy in Uganda had minimal impact. This section examines the factors accounting for this state of affairs. As per the framework developed in Section 2, most of the challenges emanated from the external environment in which NGOs operated. However, NGOs also had serious internal weaknesses. To understand these factors, we need a quick recap on the key events in which NGOs were involved before distilling implications to their level of performance.

Given the corruption allegations against cabinet ministers discussed in Section 6, when the draft laws were presented in parliament, the debate was stormy. In November 2012, opposition MPs and some of their NRM colleagues disrupted proceedings during debate on the controversial Clause 9 of the upstream bill. The speaker advised that MPs needed to harmonize their positions on the contentious clauses and 'then come back to the house to have a quieter debate'.²⁴ The Advocates Coalition for Development and Environment (ACODE), which was closely following the developments, approached the Democratic Governance Facility (DGF) to finance dialogue events to bring together MPs. ACODE then organized a two-day intensive

residential workshop that attracted close to 250 MPs. A set of harmonized ‘very progressive amendments’ including ‘putting in parliamentary oversight, suggesting civil society oversight along the Ghana model, issues on transparency, environment and social protection’ were agreed upon ‘between all of the MPs there, across party’.²⁵ More significantly, the Energy minister, and other officials from the Ministry of Energy and Mineral Development were in attendance and agreed to the amendments.

When the MPs returned to parliament, the bill sailed through smoothly. Meanwhile President Museveni, who had been on a trip outside Uganda, returned after parliament had finalized this. Those close to him report that when he saw what parliament had proposed ‘he went nuts’. In particular, Clause 9, which he had carefully crafted to grant discretionary powers to the minister to negotiate and award contracts, had been watered down. The president bounced the bill back to parliament. But he also had to convince MPs – especially from his ruling party to reverse their earlier stand. It was a hard job for the president that involved up to eight NRM caucuses in a row, and ‘pulling his own guys out separately, bullying and begging them’.²⁶ After three weeks of consistent engagement the president got his way.²⁷ This was followed by the president’s infamous speech in parliament on 13 December in which he castigated NGOs and vocal MPs for serving foreign interests. The following day, a youthful NRM MP, Cerinah Nebanda, died of suspected poison. She had been one of the vocal MPs in PFOG who had criticized the president. Together with a few of her colleagues, they were branded ‘rebel MPs’ within NRM circles. In January 2013, the remaining four ‘rebel MPs’ were temporarily expelled from the party.

While the ‘rebel MPs’ successfully challenged their suspension in the Supreme Court, NGO activists observed that what happened to them nipped the willingness of other MPs to associate with them in the bud.²⁸ Since the NRM had a huge majority in parliament, 270 MPs in the house of 375, NGOs’ work became extremely difficult. Since then, NRM-leaning MPs started shunning NGO and PFOG activities as, for instance, reflected in the poor attendance of PFOG Annual General Meetings (AGMs). Out of the estimated membership of 200 MPs, only seven turned up for the 2013/14 AGM.²⁹ NGOs also had to change their approaches from directly organizing activities involving MPs to working through the Parliamentary Commission – the department officially charged with building the capacity of MPs.³⁰ Given this background, it is possible to identify the main factors that accounted for the weak performance of NGOs in shaping policies on oil in Uganda.

7.1 The Nature of the Policy Issue

Oil was a high-profile and topical issue for the Ugandan state. According to activists, President Museveni looked at oil as his ‘personal project’ and therefore preferred it not to be a subject of public discourse. The president repeatedly pointed out that ‘I am the one who discovered oil’ (Ssekikubo, 2013; Van Alstine et al., 2014). Unsurprisingly, the president and senior NRM officials politicized advocacy engagements of NGOs by indicating that these agencies were ‘working on behalf of foreign interests’ to ‘cripple or disorient the development of the oil sector’ (Museveni, 2012, p. 2). The president singled out NGOs like ACODE, National Association of Professional Environmentalists (NAPE), Global Rights Alert, Center for Constitutional Governance, AFIEGO, and the PFOG as some of the saboteurs. He vowed to stop them ‘by legal, political and media actions’ (ibid., p. 15).

What followed after such presidential outbursts was that several advocacy NGOs were subjected to dubious investigations from various government agencies (Burnett, 2012). The Bank of Uganda issued a memo requesting all financial institutions in the country to report on ACODE's financial transactions (Matsiko, 2012). The Central Bank's investigation of ACODE served to signal to other NGOs that 'If you don't check your ways, you are in trouble' (ibid.). Activists were also harassed, beaten up or held at gunpoint by security agencies for even benign work like overseeing the resettlement process in the oil areas (AFIEGO and Global Rights Alert, 2013; Nkuubi et al., 2014). In October 2013, Ms Kaliba Jeanne, RDC Hoima condemned NGOs for 'standing in the way of the projects and challenging the implementation process' (AFIEGO and Global Rights Alert, 2013). She ordered the arrest of individuals who she said were 'unreasonable in their actions [of] calling upon people to boycott the refinery project' (ibid).

7.2 Restrictive Legal and Regulatory Environment

The government imposed 'ad hoc regulations applicable only to organizations working on oil and gas and in the oil-rich region' (Mbazira and Namatovu, 2018, p. 77). These included requiring NGOs to get special permission before visiting communities in the oil region. These permits were issued by the Permanent Secretary (PS) of the Ministry of Energy and the President's Office (Van Alstine et al., 2014). Government officials in local governments were briefed by their superiors in Kampala to demand such clearances (Global Rights Alert, 2017). Even when NGOs tried to adhere to these requirements, it was extremely difficult for them to get authorization (Van Alstine et al., 2014). The challenge was that the PS had busy schedules that made processing of permits for NGOs less of a priority for him. NGOs were also expected to inform security agencies in advance of any community engagement. However, NGOs reported that even when they disclosed their activities, security agencies would still harass them. These developments meant that NGOs could not undertake activities like grassroots lobbying that were necessary to stimulate demand for policy making from the resource-affected citizens.

Later, the government updated the official law governing activities of NGOs with the introduction of the NGO Act (2016). Analyses of this act by NGOs and independent researchers came to a common conclusion that it was meant to tighten government grip on NGOs' activities from national through to local levels (Global Rights Alert, 2017; Mbazira and Namatovu, 2018; Nkuubi et al., 2014). Many NGOs became worried that if they engaged in activities that authorities interpreted as subversive, they risked having their operational permits not renewed. The NGO Act was accompanied by other restrictive laws such as the Public Order Management Act (POMA) 2013. POMA required that every entity organizing a public meeting in Uganda needed clearance from the police (Global Rights Alert, 2017). Commentators observed that POMA infringed on the right to freedom of peaceful assembly (Mbazira and Namatovu, 2018; Nkuubi et al., 2014). Its requirements meant that contentious actions like public demonstrations, said to be effective in bringing about policy change elsewhere (Onyx et al., 2010), were not permissible in the Ugandan setting.

7.3 Internal Organizational Weaknesses

When government announced oil discoveries in the 2006, several Uganda-based NGOs started engaging in policy advocacy activities in the sector. This study did not undertake a detailed assessment of the organizational capacity for NGOs involved. However, key informants described the majority of the organizations as having ‘absolutely no specialty...[and] absolutely no direction’.³¹ It was reported that they only joined oil policy advocacy because donors injected resources into this area.

Ugandan NGOs were also criticized for their defective work approaches. In particular, the reliance on workshops and seminars was a centre of controversy. Even though highly appreciated by some MPs for providing valuable information, some noted that they were expensive events and perhaps not the best medium of information dissemination. One MP candidly reported that many of his colleagues were more interested in allowances rather than the knowledge: ‘Workshops and seminars have become a source of livelihood to many of us in Parliament... A big percentage of MPs arrive on the payday (final day) of the workshop just to collect per diem and any other allowances’.³² In fact, it is the amount of resources that NGOs splashed on workshops that made senior NRM officials suspicious of the funding sources and funders’ intentions. President Museveni (2012) claimed that each participant walked away with between UGX1 million and 5 million (US\$300 to 1500 equivalent) in attendance allowances. The government suggested that NGOs were getting money from enemy countries that did not wish Uganda’s oil sector well. Approaches considered effective such as empowerment of grassroots communities to engage in self-advocacy – to have direct meetings with government officials and policy makers, prepare and submit their own policy recommendations, and speak directly to the media about their experiences among others (see Onyx et al., 2010) – were rarely encouraged by NGOs during the period under review.

Some key informants observed that NGOs were involved in ‘a lot of talk, workshops, press releases but rarely research’.³³ Others indicated that their public awareness campaigns did not generate visible public interest in oil: ‘as much as we toured around the country to mobilize people, they could not directly interpret oil to be part of their livelihood’.³⁴ Therefore, with a small resource base and limited contact with the constituencies they purported to represent, the prospects of NGO policy advocacy in Uganda were bound to be limited from the outset. It also remains to be seen whether Ugandan NGOs will maintain a longer-term commitment to oil advocacy since their initial attraction to the sector was driven by the presence of donor funding. As observed by Almog-Bar and Schmid (2014), long-term commitment to work on selected issues helps NGOs to acquire technical knowledge and build policy expertise.

7.4 Weak Coalition of Policy Advocacy NGOs

In 2008, NGOs formed the Civil Society Coalition on Oil and Gas (CSCO) to cater for the capacity-building needs of members (Van Alstine et al., 2014). CSCO also presented an opportunity for smaller NGOs to raise their profiles by associating with successful NGOs. Some small NGOs reported that at the time oil was discovered, they had not built the credibility required to interface with government on their own. The coalition also helped them to manage/share the political risks associated with oil governance advocacy. Some key informants, for example, reported that government could not close their NGOs since they fronted

their work through the network. In return, since it was not a formally registered entity, CSCO could not be closed as well.

While CSCO had these advantages, it was rife with frictions among its members. In particular, the big NGOs claimed that only a few members could make a positive contribution. According to one key informant, although CSCO had more than 50 member NGOs, only about five organizations could ably substantiate their role in the oil sector.³⁵ Several key informants also confessed that CSCO was a supply-side-driven initiative from donors rather than an outcome of a felt need for unity among Ugandan NGOs. For several informants, the main motivation for NGOs to join CSCO was in relation to gaining access to resources:

Many of the organizations came into this coalition thinking that they have better chances of getting access to funding. So, the big organizations know that they can take advantage because when the funding comes they become more like the big brothers. The small organizations know that they can't get funding because they can't convince donors on their own.³⁶

It also appears the coalition did not succeed in ensuring proper coordination and harmonization of activities of members. There were several examples of duplication such as the use of separate newsletters to disseminate information on oil and disjointed responses to government by different members, which suggested that NGOs did not have a united voice.

8 CONCLUSION AND WAY FORWARD

This chapter set out to analyse one of the claimed roles for NGOs in democratic consolidation – influencing government policy and legislation. Taking the case study of Uganda's nascent oil industry, the chapter has appraised how NGOs positioned themselves to play a central role in shaping the country's laws and governance arrangements. NGOs sought to achieve this by mainly working with parliament to formulate laws to regulate and manage the oil resource in an effective, transparent and accountable manner.

NGOs' achievements were minimal largely because their operations were closely controlled by the state through a strict legal framework, negative rhetoric from senior political leaders and an oppressive security apparatus. This finding confirms observations by other researchers about policy advocacy of NGOs in authoritarian contexts such as China (Li et al., 2017; Zhang and Guo, 2012) and African countries (Robinson and Friedman, 2005).

NGOs also had major internal weaknesses. They were unable to mobilize resources locally – hence their heavy dependence on donors, with its associated negative implications. The fact that they largely depended on foreign funding made the ruling elite question their legitimacy and accused them of peddling foreign interests. This observation reinforced that of Robinson and Friedman (2005), who reported that advocacy of NGOs that depended on donor funding had minimal policy impact. They explained that government officials were suspicious of foreign-funded NGOs and hence denied them insider access. NGOs' attempt to use contentious action confirmed the government's suspicion of their subversive tendencies. The state reciprocated by narrowing their civic space for analysis, critique and dissent (Nkuubi et al., 2014). This ultimately pushed NGOs into indirect methods, which, as predicted in the literature, are less effective (Mosley, 2011). The effectiveness of NGOs' work approaches, especially the use of workshops, was also questioned. The coordination among NGOs was weak, resulting in unproductive competition. Their coalition, CSCO, seemed like a marriage

of convenience for maximizing individual benefits as opposed to a genuine need among members for a united force.

Given this background it is fair to conclude that Ugandan NGOs have had minimal influence on policy and legislation and by implication minimal contribution to democratic governance. Within the Ugandan context, the performance of NGOs seemed to depend on the amount of space accorded to them by the state. The operating environment availed to them was quite restrictive. This is demonstrated by the increased government crackdown on advocacy NGOs and the dismissal of their basic rights such as freedom of assembly and association. Some have predicted that such a tense relationship between NGOs and government ‘will continue to sour as the country moves closer to commercial oil production’ (Nkuubi et al., 2014). Therefore, it is highly unlikely that even when production begins, NGOs in Uganda will be the force to either prevent or change the negative relationship between democracy and oil resources – the so-called ‘oil curse’ that has been documented in many African contexts.

In conclusion, the political context was the main factor that shaped the effectiveness of NGO policy advocacy in Uganda. A way forward for NGOs in semi-authoritarian contexts like Uganda seems to be around adopting strategies that seek to secure them ‘insider’ rather than ‘outsider’ position in government. Alliances with institutions of higher learning, especially universities, as opposed to opposition political parties, could be a useful starting point. This can help NGOs to escape state repression and improve the effectiveness of their policy engagement. Universities have a reputation as credible sources of evidence and perhaps they are less likely to be brushed aside as easily as NGOs.

NOTES

1. Database of NGOs with valid permits as of 31 July 2019.
2. The NRM is the party in power.
3. Database of NGOs with valid permits as of 31 July 2019.
4. New Vision (2018), ‘President Museveni’s address on national issues’, 9 September 2019, accessed 9 September 2019 at https://www.newvision.co.ug/new_vision/news/1485422/president-musevenis-address-nation.
5. Parliament of the Republic of Uganda (n.d.), ‘Parliamentary Forum on Oil and Gas’, accessed 2 February 2020 at <https://www.parliament.go.ug/page/parliamentary-forum-oil-and-gas>.
6. Interview with former ACODE activist, 28 February 2014.
7. Parliament of the Republic of Uganda (n.d.), ‘Parliamentary Forum on Oil and Gas’, accessed 2 February 2020 at <https://www.parliament.go.ug/page/parliamentary-forum-oil-and-gas>.
8. Indeed, the researcher, on one of the data collection trips, saw one of the active MPs on oil issues at the offices of a key oil advocacy NGO.
9. AFIEGO, 5 March 2014 and CSCO, 27 February 2014.
10. Also see, Ssekika, E. (2013), ‘Minister Kiwanuka assures nation on oil transparency’, *The Observer*, 3 September 2013, accessed 2 February 2020 at http://www.observer.ug/index.php?option=com_content&view=article&id=27321:minister-kiwanuka-assures-nation-on-oil-transparency.
11. Uganda National NGO Forum (2013), ‘The Black Monday movement as participatory democracy with self-direction’, 24 June, accessed 4 December 2020 at <http://www.ngoforum.or.ug/2013/06/24/the-black-monday-movement-as-participatory-democracy-with-self-direction/>.
12. AFIEGO (2013), ‘Oil case on the disclosure of production sharing agreements, 2012’, 21 November, accessed 4 December 2020 at <https://www.afiego.org/oil-case-on-the-disclosure-of-production-sharing-agreements-2012/>.
13. Interview with CSO activist, 5 March 2014.

14. In July 2012, following an investigation by the Uganda Police, parliament, Interpol and the UK Serious Crimes Office, the ministers were exonerated.
15. Interview with CSO activist, 28 February 2014.
16. ACODE activist, 28 February 2014.
17. Nganda, S. I. (2013), 'Why Museveni fears rebel MPs', *The Observer*, 17 April.
18. Nganda, S. I. (2013), 'Government spending more on workshops than on tourism', *The Observer* 30 July.
19. MP on 14 March 2014.
20. ACODE activist, 28 February 2014.
21. CSCO, 27 February 2014.
22. *The Independent* (2019), 'EITI : Uganda opens up to contract transparency', 6 February, accessed 17 January 2020 at <https://www.independent.co.ug/eiti-uganda-opens-up-to-contract-transparency-in-oil/>.
23. Oil in Uganda (2019), 'Hope as Uganda embarks on EITI signup process', 3 July, accessed 15 December 2019 at <http://oilinuganda.org/features/infrastructure/hope-as-uganda-embarks-on-eiti-signup-process/>.
24. Democratic Governance Facility (DGF), May 2014.
25. Ibid.
26. Ibid.; also ACODE, 28 February 2014; Lumu, D. T. and Kakaire, S. (2012), 'Oil Bill: NRM's winning formular', *The Observer*, accessed 17 January 2020 at <https://www.observer.ug/news-headlines/22553-oil-bill-nrms-winning-formular>.
27. New Vision, 6 December 2012.
28. DGF, May 2014.
29. PFOG, 13 June 2014.
30. ACODE, 5 February 2014.
31. Oil in Uganda, 2014.
32. Nganda, S. I. (2013), 'Government spending more on workshops than on tourism', *The Observer*, 30 July.
33. Conservation Efforts for Community Development (CECOD), April 2014.
34. AFIEGO, 5 March 2014.
35. CSCO, 16 April 2014.
36. CSCO, 28 February 2014.

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26. Democratic decentralization and local development: insights from Morocco's advanced regionalization process

Sylvia I. Bergh

1 INTRODUCTION TO DEMOCRATIC DECENTRALIZATION: DEFINITIONS, DRIVERS, PROMISES AND RISKS

1.1 Chapter Outline

Decentralization reforms have been undertaken around the world for about 45 years now, generating a significant body of literature. In this chapter, I will review a part of this literature and present some findings on the case of recent decentralization reforms at the regional level in Morocco. The chapter will emphasize the political economy drivers of decentralization reforms as the main explanations for the inconclusive evidence when it comes to local development.

The chapter is structured as follows. This first section reviews the main definitions, typologies, drivers, promises and risk. The second section conceptualizes the links between decentralization and local development. The third section introduces the Moroccan case and reviews the main characteristics in terms of governance, finance and regional planning. It also highlights the relationship between decentralization and deconcentration reforms there and argues that the latter significantly constrains the former's potential to make a positive impact in terms of local development. The fourth section concludes.

1.2 Definition and Typology

A short definition of decentralization is provided by Faguet and Pöschl (2015, p. 2; citing Faguet and Sánchez, 2013 and Manor, 1999): 'the devolution by central (i.e. national) government of specific functions – with all of the administrative, political, and economic attributes that these entail – to regional and local (i.e. state/provincial and municipal) governments that are independent of the centre within given geographic and functional domains'.

Devolution is also known as 'political' or 'democratic' decentralization. This is because devolution usually transfers responsibilities for services to municipalities that elect their own mayors and councils, raise their own revenues, and have independent authority to make investment decisions (Litvack, Junaid and Bird, 1998, p. 6). Traditionally, the literature distinguishes between two additional forms of decentralization: deconcentration and delegation (Parker, 1995, pp. 19ff; Rondinelli, 1999, p. 2). Deconcentration is the process by which the central government disperses responsibilities for certain services to its regional branch offices without involving any transfer of authority to lower levels of government (Litvack et al., 1998, p. 4). This is often considered the weakest form of decentralization (Rondinelli, 1999, p. 2). Delegation refers to a situation in which the central government transfers respon-

sibility for decision making and administration of public functions to local governments or to semi-autonomous organizations that are not wholly controlled by the central government but are ultimately accountable to it (Litvack et al., 1998, pp. 4–6).

Although it could be considered a dimension of ‘political decentralization’, fiscal decentralization is often mentioned in the literature as a separate form. It refers to ‘the set of rules that defines roles and responsibilities among different levels of governments for fiscal functions including planning and budget preparation, budget execution, revenue generation, the intergovernmental allocation of budgetary resources, and public sector borrowing’ (Boex and Yilmaz 2010, p. 4).¹ It is clear that if local governments are denied the tax-raising powers and intergovernmental transfers needed to make real use of their political and administrative authority and autonomy, then decentralization is likely to be ineffective (*ibid.*, p. 4).

1.3 Drivers of Decentralization Reforms

When it comes to the drivers for democratic decentralization reforms, we can distinguish two main currents in the literature. Some studies highlight ‘good governance’ arguments, while others emphasize political motives. A good example of the first current is Faguet (2014, p. 2) who writes:

At least in their intention, many decentralizations aim to reconstitute government – from a hierarchical, bureaucratic mechanism of top-down management to a system of nested self-governments characterized by participation and cooperation, where transparency is high and accountability to the governed acts as a binding constraint on public servants’ behaviour.

Indeed, decentralization reforms constitute a key pillar of the ‘good governance’ agenda promoted by neo-liberal public choice advocates and international donors such as the World Bank since the late 1980s, following the widespread disillusion with centralized and top-down development planning (Bergh, 2017, pp. 2–3).

However, it is now becoming evident that the lofty ambitions pronounced by national governments in official discourses often hide the underlying political motivations. The country studies in Faguet and Pöschl’s (2015) edited volume (including Bolivia, India, Pakistan, Philippines, China, and many more) show that ‘decentralization reforms are largely driven by motivations of political survival and consolidation of power’ (Faguet and Pöschl, 2015, p. 3). This confirms the earlier findings by several other scholars, including Bardhan and Mookherjee (2006, p. 32). Based on the in-depth study of decentralization reforms in eight countries from three different continents, Bardhan and Mookherjee (*ibid.*) found that in six out of the eight cases, the dominant motive was the challenge to the incumbent at the national level posed by competing political forces or regional interests. In other words, both in democracies as well as in non-democracies, ‘decentralization was a concession to regional interests or an instrument for securing legitimacy of the national government or for quelling separatist tendencies’ (*ibid.*). A secondary reason for decentralization reform was that it accompanied a transition in the national political system, either toward democracy or non-democracy. Bardhan and Mookherjee (*ibid.*) also found that only in the case of Brazil and South Africa did external crises, pressure from multilateral institutions, or ideological considerations play any role.²

The variations in political context, the exact nature of the political challenges faced by government or political leaders in power, as well as the multiple resistances by other stakeholders

explain the wide range in the design, nature, and extent of decentralization reforms that could be either ‘comprehensive or piecemeal, uniform or uneven throughout different regions of the country, and gradual evolution or big-bang reform’ (Bardhan and Mookherjee, 2006, p. 32).

Indeed, the political motives behind decentralization reforms mean that they are often not implemented as promised, or as laid down in the policy and legal framework. Faguet and Pöschl (2015, p. 4) thus argue that ‘partial and “cynical” decentralizations are widespread in which, for instance, spending responsibilities are devolved without decision-making autonomy, or opposition forces are merely divided into various powerless entities to facilitate continued rule by the centre’. The half-hearted decentralization of powers thus often results in structures which may ‘diverge widely from the original plan, let alone any theoretical ideal’ (ibid., p. 8). This insight builds on Rondinelli, Cheema and Nellis (1983) and similar studies (e.g., Devarajan, Khemani and Shah, 2009; Dickovich and Wunsch, 2014) that found that elaborate mechanisms of central supervision and control have largely neutralized decentralization (Faguet, 2014 p. 5; see also Falletti, 2005). Faguet and Pöschl (2015, p. 3) thus conclude that ‘decentralization may fail to enhance development because it never actually happens’.

Here, the idea of ‘decision space’, or local government policy discretion, is a useful tool for researchers to assess whether and to what extent this is the case. First coined by Bossert in a 1998 article, ‘decision space’ refers to the ‘local discretion allowed by central government for functions and sub-functions about financing, service delivery, human resources, and governance’ (Faguet and Pöschl, 2015, p. 8). This means that some decentralized systems will allow more choice (local discretion) over budgets and financing, while others will allow more such choice over hiring and firing (Bossert, 2015, p. 278). The level of discretion might, of course, also change over time. In addition, the actual practice of local officials is often not defined by the formal legal and regulatory rules, but rather reflects their ‘informal decision space’ in which they sometimes do not take advantage of the full range of choice or make more choices than they are ‘allowed’. Measuring this decision space can thus help to give a more nuanced (and dynamic) view of the real extent of decentralization reforms along sectoral and functional parameters, and therefore give a more realistic idea about what developmental impacts to expect from decentralization reforms. For example, for the health sector in three Latin American countries, Bossert finds clear evidence that decentralization has led to increased equity of allocations between richer and poorer municipalities (Bossert, 2015, pp. 280–82; Faguet and Pöschl, 2015, p. 12).

1.4 The Promises of Decentralization Reforms

Despite the considerable evidence that decentralization reforms might not actually be implemented to enhance development, but rather to help political leaders stay in power, let us briefly consider the main promises of such reforms at the theoretical level, as they are often invoked by these same leaders, and international donors promoting them.

As indicated in the quote from Faguet (2014) above, there are several ‘good governance’ outcomes expected to come from decentralization reforms, which are then thought to have a positive impact on socio-economic development as well as more transformative understandings of development, that is, in terms of empowering individuals and communities. First, by bringing government closer to the people, the loop of accountability is tightened between those who produce public goods and services and those who consume them (Faguet, 2014, p. 5). According to Faguet (ibid., p. 11), decentralization reorients accountability incentives down-

ward to voters because more public officials become beholden to more citizens. This includes allowing larger access to decision making for marginalized groups. Other political benefits of decentralization include the idea that elected local governments lead to increased levels of political competition in the country and provide alternative local routes to enter national politics. Finally, giving more autonomy to, for example, ethnic minorities means that political stability and national unity could be strengthened by appeasing fractious groups.

The fiscal federalism literature presents another set of expected benefits of decentralization reforms (see Boadway and Dougherty, 2018, pp. 6ff; World Bank, 2017, pp. 217ff). Since they are supposedly more aware of local conditions, local governments are expected to be more responsive to people's conditions, needs and available assets than central governments, and their interventions can be more flexible and innovative, and better targeted. In general, decentralization reforms are expected to enable the state machinery to reach a larger number of people with services and ensure potentially better fee payment, in turn reducing costs. They might also reduce administrative pressure on central bureaucracies and abuses of power. Last, local government may play an 'enabling' or facilitating role as regards other stakeholders such as the private sector and civil society organizations, to whom it can contract out the delivery of certain public services and who might provide them more efficiently.

Have the reforms delivered on these promises? What emerges from four decades of research is that 'decentralization both improves and worsens all of the promised outcomes, in different countries at different times, leaving us unable to draw broader conclusions' (Faguet, 2014, p. 10; see also Ahmad and Brosio, 2009, pp. 138ff; Bardhan and Mookherjee, 2006, p. 48; Local Development International, 2013; for a good overview of the existing empirical literature, see Rao, Scott and Alam, 2014).

1.5 The Risks of Decentralization Reforms

Indeed, along with some success stories, there is also a growing literature that points to the risks or negative effects of decentralization reforms (see Bardhan, 2002; Bardhan and Mookherjee, 2006; Boadway and Dougherty, 2018, p. 6; Crook and Manor, 1998; Faguet, 2014; Grindle, 2007; Rondinelli and Cheema, 2007; Smoke, 2001; Olowu and Wunsch, 2003).

For example, decentralized service provision is not always efficient for standardized, routine, network-based services. This has to do with the loss of economies of scale (e.g., preventing large-scale procurement). Most importantly, weak local capacity (in terms of human resources and institutions) may result in less effective and poor service delivery and/or policy making than under centralized provision. As mentioned above, reforms are often designed in such a way that the local government faces 'unfunded mandates', that is, the expenditure responsibilities of local governments are not matched by revenues devolved.

In federal systems, national coordination might become more complex, leading to increased regional disparity and growing apart. Indeed, decentralization reforms might institutionalize social or ethnic cleavages, and provide power and resource bases for separatist leaders, especially those in larger and wealthier provinces.

Finally, it may be difficult to enforce unpopular local policy such as tax collection (as face-to-face contacts prevail in smaller communities), and functions and funds may be captured by local elites. Corruption and political violence may thus also be decentralized and multiply (Fjeldstad, 2004, cited in Clark, 2018, p. 25; Prud'homme, 1995; see also Boko and McNeil, 2010). For example, in Indonesia, decentralization has offered regional elites new opportuni-

ties to expand and maintain patrimonial political networks (Hadiz, 2004; Schulte Nordholt, 2004, cited in Harriss, Stokke and Törnquist, 2004, p. 22; see also Murshed, Tadjoeeddin and Chowdhury, 2009).

2 CONCEPTUALIZING THE LINKS BETWEEN DECENTRALIZATION AND LOCAL DEVELOPMENT: SKETCHING A RESEARCH AGENDA

Despite these risks, Faguet and Pöschl (2015, p. 4) argue that decentralization can enhance (local) development in four ways, all of which deserve to be researched in more detail. First, decentralization can improve governance, mainly by enabling greater accountability of public officials to citizens, as well as more efficient or more responsive government outputs and outcomes due to being better informed about local needs (*ibid.*, p. 11). Second, decentralization can enhance development by creating competition among subnational governments. By publishing standardized, comparable information on the performance of all local governments, voters can assess and compare their own local government. This increases electoral pressures, which may make local officials responsive to constituents' needs. Faguet and Pöschl (*ibid.*, pp. 14–16) present evidence from China and the Philippines that such competition can indeed have positive effects.

Third, decentralization can enhance development by reducing clientelism. Findings from West Bengal seem at first glance to indicate the opposite – namely, that ‘in the short term, clientelistic appeals based on targeted benefits are electorally more effective than universalistic, long-term development investments and policies’ (*ibid.*, p. 17). However, there is also evidence that in the long term, improved education and health (which presumably comes about through decentralized service provision) will tend to undermine a clientelistic party's electoral support (*ibid.*).

Fourth, decentralization may lead to development through strengthening the state and national unity. Decentralization can strengthen the state in various ways: by limiting central leaders' authority and autonomy in the interests of increasing the institutional strength of the state as a whole; through the extension of the state's presence into remote areas (thus improving the perception of state responsiveness and enhancing the legitimacy of national governments); by strengthening political parties and the party system; over the longer term, through ‘social learning’, that is, the collective acquisition of knowledge, norms and practices, and trust among citizens living in the same place or interested in the same issues through interactions with local government. Decentralization can thus make the state more ‘democratically supple’ by providing strong incentives for group formation, leading to more state–society interactions and ultimately more state legitimacy (see Faguet and Pöschl, 2015, pp. 19–21 and 26–7 for details).

However, while these pathways may be quite convincing in theory, the evidence is rather sobering. In his review of decentralization reforms in ten African countries along four dimensions, Wunsch (2014, p. 2) concludes that the decentralization of legal authority to subnational governments and deconcentrated offices has been achieved in many cases. However, on the autonomy dimension (i.e., the extent to which subnational governments ‘may undertake actions without the permission of other levels of government’; *ibid.*, p. 10), the record is less convincing, as state authorities and dominant political parties exercise considerable control.

Similarly, despite local elections being held everywhere, accountability is mostly still upwards to actors at the centre, and capacity (resources and skills) remains a challenge. Based on these findings, Wunsch (*ibid.*, p. 2) argues that ‘decentralization in many countries in Africa exhibits a paradox: it can actually strengthen or entrench national-level actors, even as it changes little in governance at the local level’. Or in other words, ‘decentralization appears to have changed the *structure of government* more than the *quality of governance*’ (Dickovick and Beatty Riedl, 2014, p. 249; original emphasis).

Aalen and Muriaas (2018, cited in Demmelhuber, Strum and Vollmann, 2020) focused on four African case studies (Ethiopia, Malawi, Uganda and South Africa) and found that ruling regimes can actively manipulate decentralization both by institutional design (such as creating overlapping responsibilities; see Ahmad and Brosio, 2009, p. 136) and the management of elites and opposition. It is thus mostly the interests and influences of state-based and state-focused actors that drive decentralization reform pathways, rather than the reform’s effectiveness as a tool for development or democracy. This is also due to the relative weakness of independent private economic actors and civil society in many developing countries (Wunsch, 2014, p. 16).

Methodologically, the literature on decentralization reforms and their impacts has evolved over the last 30 or 40 years from consisting predominantly of country-level qualitative case studies by political scientists and anthropologists to econometric modelling by economists and policy analysts. However, as Faguet and Pöschl (2015, p. 2) argue, this ‘laudable quest for rigor leads technical studies to abstract away from the “details” of how policy reform actually works’. The inability to draw broader conclusions on the causal linkages between decentralization and (local) development also has to do with the lack of analytical studies based on household survey data. As Bardhan (2002, p. 200) concludes, ‘many of the studies are largely descriptive...and often suggest correlations rather than causal processes. Most of them are not based on household survey data, making the comparative impact of centralized versus decentralized programs on different socioeconomic groups of households difficult to assess’. Fortunately, there is also an emerging literature in which a deep knowledge of the institutions, history and culture of a country is brought to bear on both qualitative analyses at the level of a municipality or province combined with large-N econometric methods (Faguet, 2014, p. 9). In what follows, I aim to contribute a qualitative case study on regional decentralization in Morocco.

3 A CASE STUDY ON ‘ADVANCED REGIONALIZATION’ IN MOROCCO³

3.1 Introduction

Although Morocco has a long history of decentralization at the municipal (and provincial) level dating back to 1960, I focus here on the current decentralization reform at the regional level (the so-called ‘advanced regionalization’ reform), as it illustrates very well the importance of understanding the political economy of decentralization and its influence on the design of decentralization reforms, before considering its (potential or real) developmental impacts (Bardhan and Mookherjee, 2006, pp. 10, 14; see also Eaton, Kaiser and Smoke, 2011 and Local Development International, 2013). The 2011 reform reduced the number of regions

in Morocco from 16 to 12 and established directly elected regional assemblies to replace the previously indirectly elected ones, thereby creating a new political arena over which the various actors fight for influence. As opposed to the municipalities (whose competencies are limited to ‘mundane’ municipal services such as garbage collection), the regions now hold vast developmental responsibilities, which makes them a pertinent unit of analysis for this chapter (see Section 3.3 for more details). By choosing the case of Morocco, I also aim to fill a gap in the literature on decentralization that seems to consistently leave out North African countries in studies on decentralization in Africa (see, for example, Dickovick and Wunsch, 2014) despite many similarities, not least a shared colonial history.

The main features of the ‘advanced regionalization’ reform can be categorized into three areas: governance issues, finance and regional planning (see Bergh, 2016), which will be discussed in the following subsections. The case study will end with a discussion on the relationship between decentralization and deconcentration reforms in Morocco. The latter reform – currently ongoing as well – arguably determines the ‘advanced regionalization’ reform’s potential impact in terms of local development to a great extent. First, however, it is useful to give a short introduction to the background of the reform.

3.2 Background

Despite historically being the most centralized states in the world, debates on decentralization processes took place since the early 1990s in almost all states of the Middle East and North Africa region (Demmelhuber et al., 2020). In the wake of the so-called ‘Arab Spring’, decentralization reforms have gained momentum in the region (see Harb and Atallah, 2014). For example, based on its 2014 constitution, Tunisia held its first free local elections in May 2018. As Kherigi (2017, p. 5) points out, ‘the Arab Spring was partially a desperate cry for help by marginalized groups and regions against highly centralized political and economic systems in which all power is concentrated in a few hands at the centre’.

Like other countries in North Africa, Morocco suffers from marked spatial inequality:⁴ According to the OECD (2018a, pp. 5, 22), 60 per cent of its 34 million inhabitants live in urban areas that generate 75 per cent of the national gross domestic product (GDP). The city of Casablanca alone, with 5 million inhabitants, contributes up to 29 per cent to the national GDP. Rural areas, in contrast, tend to suffer from higher poverty levels, weak education and health indicators, lack of basic infrastructure, and continue to remain focused on agriculture, which is the sole job-providing sector in many rural regions (accounting for 80 per cent of rural employment). Under- and unemployment explain the large rural exodus and the growth of slums in urban areas. Social protests for better service delivery in marginalized areas have been occurring for decades, and these protests reached the major cities in February 2011, when young graduates and middle-class activists but also Islamists added political demands to the socio-economic ones (see Bergh and Rossi Doria, 2015).

It was thus no surprise that the king of Morocco (King Mohammed VI), in order to defuse the tensions, framed the 2011 constitutional reform mainly around decentralization reform, called ‘advanced regionalization’, enshrining the principles of administrative autonomy of local governments (*libre administration des collectivités locales*), and subsidiarity (Chapter 9, Articles 135–146; Royaume du Maroc, 2011). This reform had been on the domestic agenda before Morocco’s Arab Spring, as the Consultative Regionalization Committee (Commission Consultative de la Régionalisation – CCR) was appointed by the king in January 2010, but

Table 26.1 The regionalization process in Morocco

Local Development		
Phase I	1971	Creation of region without decision-making power
	1976	Municipal charter, framework for local authorities
	1992	Regions given local government status
Limited Regionalization		
Phase II	1996	Creation of regions with limited powers
	2001	Launch of programmes to promote regional development
	2002	Local authorities become centres for economic growth
	2004	First session of the Higher Council for Spatial Planning
	2006	Specific credit line in the national budget
Advanced Regionalization		
Phase III	2010	Consultative Regionalization Committee
	2011	Regionalization added to the constitution (Article 1)
		Regional Land Use Planning Schemes added to the constitution
	2015	Election of regional presidents, powers transferred and own budget allocated
	2015	Establishment of the fund for regions and the fund for interregional solidarity
		Adoption of 70 administrative legal texts to implement the reform

Source: Adapted from OECD (2018a, p. 13) by Francesco Colin.

its recommendations came out in early 2011 (CCR, 2011), coinciding with popular protests. Many of the recommendations were integrated into the text of the new constitution. However, it took until July 2015 before the new organic laws on the region, province and commune (municipality) were passed by parliament and published in the *Bulletin Officiel*, and their official French translation was delayed until February 2016 (Hoffmann, 2015, p. 5).

Table 26.1 gives a snapshot of the key milestones in the Moroccan history of decentralization, with a focus on the regional level (for details of municipal decentralization reforms since 1960, see Bergh, 2017 and Clark, 2018).

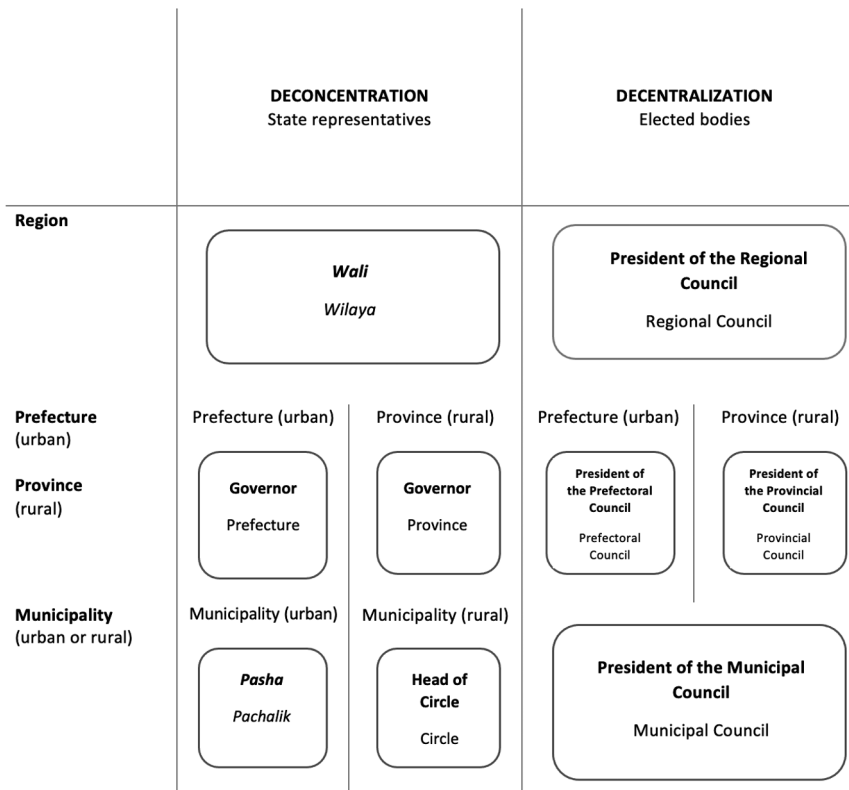
Broadly, the ‘advanced regionalization’ system still retains some of the centralized features of the state that were inherited from the French protectorate but seems to have been inspired also by the Italian, German and Spanish models, and the global trends towards decentralization and participatory local democracy more generally. With regard to the underlying rationale, it is clear the Moroccan reforms did not result from a popular demand for regional autonomy based on regional identity (except perhaps for Berbers in the North), but rather from the need to give the same offer of autonomy to all regions as for the Western Sahara, and also in order to strengthen the Moroccan position in the international negotiations on this issue. Getting external support for the recognition of Morocco’s claim on the territory of the Western Sahara has historically been seen as crucial to regime legitimacy and even survival (Bertelsmann Stiftung, 2009, p. 19; Bouabid and Iraki 2015; Ojeda García and Suárez Collado, 2015; Ottaway, 2013; Reifeld, 2014, p. 104; Suárez Collado and Ojeda García, 2015; Willis 2009, p. 233; see Conseil Economique, Social et Environnemental [CESE], 2016, p. 60 on the development plan for the so-called ‘Southern Provinces’).

3.3 Governance Issues in the ‘Advanced Regionalization’ Reform

As for the governance features, the reform included the reduction in the number of regions from 16 to 12, with directly elected regional assemblies replacing previously indirectly elected ones. The regions’ own competencies were substantially expanded to include economic development, vocational training and employment, non-farming rural development, regional transport, culture, environment, spatial planning and development, and partnerships. Shared and transferable competencies have also been expanded and clarified, although the principle of subsidiarity mentioned in the 2011 constitution has not been applied by the organic laws. The exact transfer of sector-specific competencies is still being discussed between the regional assembly presidents and the Ministry of the Interior and is expected to be implemented from 2019 onwards through contracts with the state (sectoral ministries), enabling differentiation between the regions based on their priorities and capacity (Gattioui, 2018). The regional *wali* (the governors of the administrative divisions [*wilaya*] appointed by the king and representing the Ministry of the Interior) no longer holds budget spending powers as before. These are now held by the (elected) president of the regional assembly. However, many observers believe that the *wali* nevertheless continues to be the focal point for all investment and development policies (Houdret and Harnisch, 2019). Indeed, the Ministry of the Interior (represented by the *wali*) still holds considerable powers of *tutelle*, that is, supervision/approval rights, including on all budget and spending decisions by the regional council (Article 116 in the 2015 Organic Law on the Region), although the regional assembly’s decisions can only be contested by the executive on legal grounds before the administrative tribunal (Bergh, 2016, p. 9). The *tutelle* as determined in the 2015 Organic Law is thus tighter than the 2011 constitution had led observers to believe.⁵ In practice, the degree of discretion that a regional president will yield over budgetary and planning decisions depends on his or her relationship with the *wali* and the Ministry of the Interior (interview with Ahmed Hadrani, Professor of Law at the University of Meknes, on 13 March 2019).

Figure 26.1 illustrates the parallel nature of the Moroccan administration: the ‘deconcentrated’ levels of the Ministry of the Interior (called ‘state representatives’) on the one hand, who are reporting more or less directly to the King, and the devolved, elected bodies on the other. The Moroccan case thus illustrates the argument made earlier – namely, that elaborate mechanisms of central supervision and control can largely neutralize decentralization.

The democratic potential of the reform is further limited by the fact that while regional council members are now directly elected, their presidents and vice-presidents are only indirectly elected by the regional council members (see Tafra, 2017 for a good overview of the regional representatives). As Houdret and Harnisch (2019, p. 950) point out, ‘the system of indirect election has led to several negotiations “behind the scenes”, with the result that the presidents appointed do not always reflect the majority of the direct electoral votes’. This is especially the case with the moderate Islamist ‘Justice and Development Party’ (PJD). While it won the 2015 elections, obtaining four times more seats than in 2009, it controls only two regions. The political parties agreed to stick to their national-level alliances when voting for these regional positions, which means that in some cases the presidents represent parties that only have a minority in the council itself, such as the regime-loyal PAM (Authenticity and Modernity Party). This probably illustrates the strong influence of the king and his allies in the democratic ‘game’ (Wenger, 2015, cited in Houdret and Harnisch, 2019, p. 950). The seat of



Source: Adapted from OECD (2018a, p. 11) by Francesco Colin.

Figure 26.1 New administrative organization of Morocco since 2015

president is also financially lucrative: a regional president earns up to MAD50 000 (Moroccan dirhams), the same salary as a minister (Ismaili, 2016).

Finally, the Organic Law on the Regions (Law 111-14, Articles 119–122) gives citizens the right to launch petitions and to influence the regional council’s agenda. The regional councils are obliged to respond to petitioners and to publish the minutes of the council meeting and its decision on the eligible petitions. This is expected to build citizens’ trust in their new regional governments and to foster a more participatory local development process, also addressing the demands of the protest movements who mobilized in 2011 (Bergh, 2016, pp. 9–10, based on World Bank, 2015, pp. 25–6; Hoffmann, 2015; interview with World Bank official in Rabat on 19 January 2016; interview with faculty member at INAU in Rabat on 21 January 2016). However, the exact modalities of citizen engagement outside of petitions (through participatory mechanisms and advisory bodies) are not defined in the Organic Law on the Regions, but are left to the regions to define in their internal statutes (Articles 116 and 117; see CESE, 2016, p. 27). This gives discretion to the regional councillors to name whomever they want in these bodies. In practice, this means that on the one hand, the seats in the advisory bodies are occupied by people co-opted by the regional council without taking into account the specifi-

cities of the civil society landscape in the region; on the other hand, often the role of chair of these bodies is taken up by the president of the regional assembly himself, further increasing his powers and undermining the participatory effect of these bodies (personal communication with Francesco Colin, PhD researcher at the International Institute of Social Studies, Erasmus University Rotterdam, 2 April 2019).

3.4 Regional Finances

In the area of fiscal decentralization, the intergovernmental transfers to the regions were expected to increase ten-fold over ten years to reach MAD10 billion (approximately 900 million euros) by 2021 (Abou El Farah, 2018). According to the OECD (2018a, p. 19), in the 2017 budget, regions were going to get 5 per cent of revenue from VAT and corporate tax and 20 per cent of revenue from tax on insurance contracts, in addition to the other grants from the state budget, amounting to a total of MAD5.2 billion. The regional budgets are subject to the new legal framework for local governments, which enshrines programmatic budgeting, performance management and financial controls, in parallel with the reforms at the national level (World Bank, 2015, pp. 25–6). An ‘Inter-regional Solidarity Fund’ has been established (though the allocation criteria were only published in December 2015), along with a ‘Social Improvement Fund’.

Surprisingly, and contradicting the widespread complaints among civil servants and civil society in general that local governments are poor, the OECD (2018a, p. 19) found that ‘funds made available to local government by the Treasury remain largely under-used (a total of around 33 billion MAD at the end of 2016 including 25.5 billion from previous years and almost 7 billion MAD across all subnational government in Morocco according to the latest accounts produced by the Treasury in 2017)’. These concern mostly funds allocated to the public investment budget, whereas operational expenditure (more than half of which is spent on payroll) has been largely spent. The problem is most pronounced at the municipal level: 65 per cent of these available funds belong to the municipalities, 18 per cent to prefectures and provinces and 17 per cent to regions. This is not surprising, as 77 per cent of subnational spending was carried out by (mostly urban) municipalities over the 2009–13 period (OECD, 2018a, pp. 19, 35). This underspending confirms my earlier findings and could be due to a conservative spending mentality that associates running deficits with bad management (interview with Ahmed Hadrani; and see Bergh, 2017, pp. 145–6 for other probable explanations).

Nevertheless, and compared to the amounts allocated by other government institutions (see next section), the regional level faces severe resource constraints. The regions’ incomes account for only 16 per cent of all local government income, and the government transfers represent only 5 per cent of government transfers to all local governments. It is thus not surprising that in 2013, the 12 regions only counted a total staff of 378 (CESE, 2016, p. 62, citing the National Court of Audit report for 2013).

The human resource capacity constraints may also explain why the regions seem unable to spend even the little money that they are getting. They had to carry over their 2016 and 2017 budgets as they were not able to spend them. In some cases, this is for political reasons (e.g., in the region Guelmim-Oued Noun, the coalition supporting the president collapsed, and the Ministry of the Interior had to step in). In terms of the implications for political accountability, these delays mean that at the next regional elections scheduled for 2021, citizens will have

a hard time measuring the impact of these devolved local governments, which will limit the possibility of real accountability even further (Tafra, 2018).

3.5 Regional Planning

To properly gauge the potential developmental impact of the newly decentralized structures (the regions), it is useful to review the institutional landscape which has emerged over the years and which de facto delimits the regional assemblies' decision space, especially in the area of regional planning and investment decisions.

In terms of regional planning, the regional councils who were for the first time directly elected in the September 2015 elections, decided on their own 2016 budgets and six-year Regional Development Plans (RDPs). To implement these, they were supposed to then agree on programming contracts with the Ministry of the Interior and deconcentrated sectoral ministries (though not all sectoral ministries have regional offices yet). According to Moroccan academic Ahmed Hadrani (interview on 13 March 2019), ten out of the 12 regions had completed their RDPs by this date. They need to be approved by the Ministry of the Interior before they can be implemented (see Article 115 in the Organic Law on the Regions). According to El Aissi (2018), the ten RDPs include investment projects worth almost MAD400 billion over six years. This amount is obviously far beyond the regions' means and the Ministry of the Interior will therefore have to review all the plans to comply with the regions' budgets.

As per the provisions in the 2015 Organic Law, Regional Project Implementation Agencies (AREPs) have been established (in all but the region of Marrakech-Safi) under the leadership of the president of the regional assembly in order to manage the regional projects and to strengthen the implementation capacity of the regional governments. Their budgets are autonomous but funded by subsidies from the regional budgets (Bergh, 2016, pp. 9–10; interview with Ahmed Hadrani). However, as Houdret and Harnisch (2019, pp. 947–8) point out, in three regions, these institutions still compete with the already existing and powerful Regional Development Agencies (Agences de Développement Régional), which are used to channel important sums to strategically relevant border regions under centralized government control. They include the Eastern (Oriental) region (bordering Algeria), the North (including the Rif region) and the South (including the Western Sahara). At the time of writing, there was talk of shutting them down (see also Boumahrou, 2018 and Walter, 2017). Similarly, since 2002, every region has its own Regional Investment Centre (Centres Régionaux d'Investissement – CRI) under the leadership of the regional *wali*. The Court of Audit recently described them as 'empty shells' and their reform is currently being discussed, but it seems that the *wali* will retain a major role in running them and in coordinating regional investment (Hallaoui, 2018; see also the new National Charter on Administrative Deconcentration discussed below).

Another potential source of confusion and overlap are the Regional Spatial Planning Schemes (RSPSs) developed since 2009 by the ministry responsible for spatial planning issues, the environment, city planning and housing, and which cover a 25-year period to ensure the coherence of sectoral strategies (implemented by deconcentrated sectoral ministries' offices; OECD, 2018a, p. 12). Currently, the new regions are responsible for developing and updating their Regional Spatial Planning Schemes. As the OECD (2018a, p. 13) points out, 'the development and updating of the RSPSs by the regions raises the question [of] aligning them with regional development plans and municipal action plans'.

The backdrop to regional planning is the fact that most public investment is still being done by state-owned companies and agencies (Entreprises et Etablissements Publics – EEP), such as the Tangiers-Med port project (completed in 2007) or the Noor solar energy project near Ouarzazate (completed in 2016; OECD, 2018a, p. 15; OECD, 2018b, p. 241). Local authorities (at all three levels) accounted for only 7 per cent of total public investment expenditures in 2016 (CESE, 2016, p. 63–4).

On top of this, several other development programmes exist that target municipalities, provinces and/or regions, such as the National Initiative for Human Development (INDH), set up in 2005 and currently in its third phase (with a total investment of over MAD37 billion; for a critical analysis see Bergh, 2012 and Marei et al., 2018). The National Program on Social and Territorial Disparities in Rural Areas is another royal initiative, launched in 2015 and implemented by the Ministry of the Interior, which targets 24 290 villages and rural localities to benefit from 20 800 projects by 2023. Interestingly, regional councils contribute 40 per cent or MAD36 billion (of a total MAD50 billion budget; OECD, 2018a, pp. 23–4). It is likely that this contribution was not decided by the councils themselves, but rather imposed by the Ministry of the Interior. Keeping in mind the figures cited above, this also does not seem to leave much room for additional spending by the regions on their own priorities.

There is also a host of sector-based strategies with a territorial impact – for example, the Green Morocco Plan 2008–2020 (for agricultural development), for which the Ministry of Agriculture has developed regional agricultural plans, mostly in partnership with the regional *walis*, with the presidents of the regions taking a back seat. A similar picture emerges for the Industrial Acceleration Plan, which includes regional hubs, pilot regions in the 2030 Energy Strategy, the Road Strategy 2035, and the National Strategy for Professional Training (see OECD, 2018a, pp. 16–17 for a complete listing). As the OECD (2018a, p. 17) rightly observes, the implementation of sector-based strategies ‘in the context of advanced regionalization raises questions about their different time-horizons, their convergence with the different approaches and actions that structure them, the evaluation of their impact on territories and their coordination with regional development plans’. A further complicating dynamic is the involvement of international donors in supporting both the sectoral strategies as well as the ‘advanced regionalization’ agenda.⁶

Interestingly, the region does not have any authority over the provinces and communes – the three separate organic laws (deliberately?) leave room for confusion, power struggles, ambiguity and interpretation. As I argued elsewhere (Bergh, 2016, p. 10), this may allow the king to play the role of arbiter between various power centres and interests and significantly reduces the scope for accountability between levels and towards the citizen. However, the organic law specifies that the RDPs will determine the development plans at the other levels. In the 2015 Organic Law on the Commune, the former ‘Municipal Development Plan’ is now called ‘Commune Action Plan’, which could imply that the commune’s role is no longer strategic but only to execute (regional development) plans (Bergh, 2016, p. 10; see Royaume du Maroc, 2016 on Organic Law 113-14, Article 78).

While there is no space here to discuss all the regional planning tools and other government programmes and examine how they affect the ‘decision space’ of decentralized government structures in detail, we can draw two tentative conclusions. First, there is a plethora of territorial planning approaches at the regional level which are near impossible to coordinate in an effective way so as to reduce overlaps. Moreover, the status of the RDPs is likely to be quite low, compared to the sectoral plans and national programmes. It could also be the case

that other priorities not in the RDP become more urgent. For example, in case of drought, the region might want to fund subsidies for affected farmers.⁷ In other words, the RDPs are probably only weakly taken into account by government stakeholders, if at all. Second, when it comes to fiscal autonomy, the regional council's budget allocated by the national budget law pales in comparison with the amounts invested into local development by other government bodies, which are only indirectly within the sphere, or even outside of, the democratic control of devolved local governments.⁸

3.6 The Relationship Between Decentralization and Deconcentration Reforms

Apart from serving as a good example of 'partial' or 'cynical' decentralization reforms, the Moroccan case also illustrates another important point that is not often found in the (academic) literature – namely, that without a parallel deconcentration reform, its developmental impacts are likely to be limited. Regional (elected) institutions can arguably only create 'regional hubs', in which public and private investment is channelled in a coordinated way to fund priorities that have been jointly identified by state and society representatives, when they can directly work with their counterparts in deconcentrated regional directorates of line ministries (such as the Ministry of Agriculture, or Public Works). If, on the other hand, every (budgetary) decision in these regional directorates depends on prior approval by central-level civil servants, regional institutions will not be able to play such a coordinating role in an effective way. Houdret and Harnisch (2019, p. 948) observe that this imbalance has led to 'power-struggles, bargaining and often opaque decision-making procedures'. This is why deconcentration is sometimes called 'the corollary of successful decentralization' (OECD, 2018a, p. 40).

A cross-government steering committee was set up in 2014 to set out principles and support measures to gradually embed devolved government by encouraging government departments to delegate as many of their competences as possible to regional directorates. However, these still do not have the necessary autonomy or budgets to make decisions without recourse to central government. The long-awaited National Charter on Administrative Deconcentration was finally approved and published at the end of 2018 (and in the *Bulletin Officiel* in French on 3 January 2019; Royaume du Maroc, 2019). It has the legal standing of a decree, which means that it still needs further implementing laws to apply some of its provisions (interview with Ahmed Hadrani).

Its main innovations are that joint regional sectoral offices will be established that will be shared by two or more ministerial departments (Article 10), and that their directors will have budget-holding powers (as well as hierarchical authority over sectoral offices at the province level; Articles 17 and 12, respectively). They can thus conclude contracts with the regional institutions. However, it is striking that the regional assemblies as well as the PDRs are not mentioned at all in this charter. For example, according to Article 30, the president of the regional assembly will not be a member of the new Regional Coordination Committee (which will meet at least monthly – Article 32), but rather, it is the *wali* who is in charge of regional convergence (and who gets to set the agenda for the committee meetings). For good measure, a new administrative structure called General Secretariat for Regional Affairs will be established, headed by a General Secretary for Regional Affairs, appointed by the Minister of the Interior and working under the *wali*'s authority, seemingly without any formal links to the elected regional assembly (Article 33). Contrary to the Organic Law on the Region, the PDR is not taken as the main reference when it comes to regional planning, but the charter

instead refers to ‘Schémas directeurs de la déconcentration administrative’ to be elaborated by ‘government authorities’ for each sector (valid for three years), which will define the exact responsibilities, financial and human resources, as well as objectives and performance indicators of the deconcentrated regional offices (see Section II of the charter).

From the Moroccan case study, we can thus conclude that, given the complex legal and institutional backdrop, the developmental impact of the newly created regions and their assemblies is hard to identify. We could even argue that the way in which the advanced regionalization reform is being designed constitutes a trap for elected representatives. The strong central state involvement in regional planning over which the elected representatives do not have much control means that they will most likely not be able to fulfil their electoral promises, as projects will be delayed, or simply not funded (see CESE, 2016, p. 21).

4 CONCLUSIONS

In the first and second sections of this chapter, we reviewed the main promises and risks of decentralization reforms. There are a fair amount of wishful thinking evident here, as many of the conceptual linkages and theories of change are not actually thought through very well. For example, why would devolution be more likely to lead to economic development and stability than deconcentration and delegation, given that the latter two ‘may offer greater personnel and institutional capacity, opportunities for coordination, economies of scale, and consistent enforcement of the rule of law’? (Connerley, Eaton and Smoke 2010, cited in Wunsch, 2014, p. 3). Most importantly, we have found substantial evidence for ‘partial’ decentralization to be the norm, that is, while the legal framework might give local governments significant autonomy and responsibilities, in reality these same local governments are constrained by resource constraints, very limited fiscal autonomy, and are used as bases for clientelism. Furthermore, the case study on Morocco has served to corroborate the finding by Wunsch (2014) based on the in-depth study of ten African countries, that devolution reforms are hardly ever ‘the only game in town’, and that they are very often mixed up with elements of deconcentration and delegation reforms (Wunsch, 2014, p. 4). I would argue that the precise nature of this mix determines whether decentralization reforms can have a positive developmental impact or not.

In line with my earlier argument (Bergh, 2018, p. 3), it could be said that the ‘advanced regionalization’ agenda in Morocco represents an exercise in ‘upgrading authoritarianism’ (Heydemann, 2007), as it provides new spaces for political competition through elections, while at the same time maintaining the power of the *makhzen*, the power structures surrounding the king. This upgrading is achieved through the clever creation and use of legal ambiguities, the launch of a host of competing programmes and planning tools, and the establishment of more powerful parallel (deconcentrated, sectoral) institutions. Morocco is not a unique case in the region, as Harb and Atallah (2014) point out. Concerned about maintaining their power bases, central leaders in many Arab countries at the same time pay lip-service to decentralization policies (as a way of securing donor support and projecting an image of being in a ‘democratic transition’ phase), while also finding ways to prevent their full implementation. Regime elites can thus benefit politically from undertaking decentralization reforms, knowing that subnational elections and decentralized revenues generate relatively low risks to their power (Dickovick and Beatty Riedl, 2014, p. 254).

It seems that even the World Bank, one of the main proponents of decentralization reforms around the world over the past 30 years, is now recognizing that the main drivers for such reforms are political rather than a desire to bring government closer to the people as part of benevolent ‘good governance’ reforms. In what I believe reflects a major change in institutional thinking, the *World Development Report 2017* (World Bank, 2017, p. 219) states that ‘decisions to decentralize (or recentralize) are primarily politically motivated and involve bargains among multiple stakeholders in which technocratic criteria often take a back seat. Outcomes reflect the relative bargaining powers of competing interests, mediated by the existing political institutions’.

To sum up, this chapter aims to contribute to this *Handbook* by reviewing – at least a part of – the vast literature on decentralization, its definitions, drivers, promises and risks. With regard to the linkages with local development, the chapter explains the dearth of conclusive evidence by referring to the paradox of decentralization, that is, the notion that it often strengthens the position of national-level actors, while not bringing about many changes in local governance.

In terms of a future research agenda, I suggest that while political decentralization (or devolution) reforms provide a fertile ground for researching state–society relations, we are better advised to turn our gaze to deconcentration and delegation reforms (in which much more substantive resources are decentralized to non-elected offices, and which include local public–private partnerships), if we want to understand how local development comes about.

NOTES

1. This definition is based on the ideas of key thinkers in fiscal federalism: Richard Musgrave (Musgrave, 1959; Musgrave and Musgrave, 1973), Mancur Olson (1969), Dennis Rondinelli (1982) and Wallace Oates (1972).
2. However, as Boex and Yilmaz (2010, p. 2) observe, during the 1990s and under the so-called Washington Consensus, ‘major decentralization reforms were often pursued (implicitly or explicitly) with the purpose of reducing the size of the (central) public sector’.
3. This section is mostly based on Bergh (2016) and Bergh (2018); see also Ojeda García and Suárez Collado (2015) for an excellent account of the advanced regionalization reform as proposed by the Commission consultative de la régionalisation Royaume du Maroc (CCR) (2011).
4. See Ministère de l’Economie et des Finances, Direction des Etudes et des Previsions Financières (DEPF) (2015) for an innovative study by the Ministry of Finance that mapped these inequalities through the lens of access to human rights.
5. See Article 145 of the 2011 constitution, which only says that the *walis* and provincial governors ensure the application of the law, implement governmental regulations and decisions, and exercise an administrative control, which seems to point to a *posteriori tutelle*, whereas the Organic Law of 2015 includes many more *a priori tutelle* provisions.
6. I thank Daniele Rossi Doria (PhD researcher at the International Institute of Social Studies, Erasmus University Rotterdam) for this point, which, however, lies outside the scope of this chapter (but see also Bergh, 2016).
7. I thank Ahmed Hadrani for this point.
8. Even at the national level, not all public expenditures are approved by parliament, and budget transparency is very low. According to the Bertelsmann Stiftung (2018, p. 12), ‘the 2015 Open Budget Survey, which provides a score of how transparent public budgets are in various countries, awards Morocco a classification of “minimal” transparency, the second worst classification after “scant or none.” Morocco has been continuously in this classification since 2008’.

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PART VIII

DEMOCRATIC DEVELOPMENT AND THE ENVIRONMENT

27. Representation, citizenship and the public domain: choice and recognition in natural resource decentralization¹

Jesse Ribot

1 INTRODUCTION

Elected local governments have been legislated in many countries, but local democracy has rarely been implemented in practice. In some countries, higher-scale intervening agents – central governments, international development agencies, large non-governmental organizations (NGOs) – choose to foster these elected local governments. In most cases, however, such agents disempower elected local governments or avoid them in favour of a plethora of parallel institutions, such as local NGOs, private businesses, local offices of line ministries, customary authorities, religious leaders, project-created committees, or participatory processes disarticulated from legally established elected local institutions. The consequent weakening of elected local government generates a local institutional pluralism in which identity and interest-based forms of inclusion are cultivated over residency-based citizenship. Often, the result is that local people cannot demand that their needs and aspirations be served by government – since their elected local government lacks the powers to respond. This choice to empower non-democratic local institutions appears to be fragmenting local communities into competing and conflicting identity and interest groups. Through these institutional choices, the ‘public domain’ – that is, the material resources and decisions under public control – is being enclosed and de-secularized.² Additionally, citizenship – which I define as the right and ability of people to shape the politics that govern them – is being narrowed.

Substantively, democracy is the accountability of leaders to the people (see Moore, 1997). This requires having leaders with enough discretionary powers to make holding them accountable worthwhile and citizens equipped with the means to hold them to account (Agrawal and Ribot, 1999). One of the major challenges for building effective local or decentralized democracy is to furnish elected local authorities with sufficient and meaningful discretionary powers to enable them to be responsive to their populations. Meaningful discretion in the hands of leaders will provide local populations with the motivation to engage as citizens. This chapter provides some theoretical background along with case examples aimed at the eventual development of ‘institutional choice’ guidelines to ensure that government, development agency and large-NGO policy and project interventions support rather than hinder fledgling local democratic government.

While this chapter is about local democracy in general, it provides examples from decentralized decision making over natural resource use, especially in the forestry sector. Natural resources provide a sharp lens with which to view local democracy because, unlike other sectors where standard cookie-cutter practices can be more readily set, the environment varies enormously across time and space, thus requiring continuous attention to local context

and the tailoring of interventions to the local situation. This place-based specificity requires local–local and local–national negotiated decisions about environmental use, preservation and management. Further, rural districts generally depend on natural resources – land, forests, pastures, lakes and rivers – for subsistence and market production. Therefore, these resources are an important part of the public domain over which elected local authorities decide, and in which citizens can engage with representatives. Thus, it matters that every user – institution or individual – engage with representative local governments about natural (and any other) resources used in their districts. To be responsive and worth engaging, it matters more generally that elected local governments have sufficient discretion over their ensemble of powers (executive, legislative and judicial), rather than having earmarked budgets or functions commandeered by higher authorities.

The choice by higher-scale intervening agents over the local institutions to partner with and empower shapes three key dimensions of local democracy – representation, citizenship and the public domain. This chapter explores the origins and effects on local democracy of the power transfers to an emerging mix of local institutions. In particular, it focuses on transfers and non-transfers by sectorial bodies and the instrumental programmes of states and other intervening organizations. I argue that: (1) these sectorial powers are more important than the fiscal transfers on which analysts of decentralization tend to focus; (2) transfers being made rarely create discretionary spaces under representative authorities; and (3) without discretionary power in the hands of representative local authorities there is no representation or citizenship, no local democracy, and no reason for local people to engage as citizens.

The theoretical framing of this chapter is based on what I call the *choice and recognition* framework (Ribot, 2003, 2007). It addresses (1) the logic behind local institutional choices; and (2) the effects on local democracy of choosing or ‘recognizing’ different kinds of local authorities under what are called ‘decentralization reforms’. ‘Institutional choice’ (a term I am taking back from the new institutional economics) refers to the choice of the locus of authority (actors or institutions). I use the term ‘choice’ to attribute agency and therefore responsibility to government and international organizations for their actions. Governments and international organizations manifest their choice of local authorities by transferring powers to them, conducting joint activities or soliciting their input. Through their choices, they transform the local institutional landscape.

I use the term ‘recognition’ from the literature on identity politics and multiculturalism (see Fraser, 2000; Kymlicka, 2002; Taylor, 1994). In that literature, recognition denotes affirming and thus empowering recognized identities. The opposite of this is *misrecognition* (i.e., when negative attributes are applied to categories of people), which can have a negative and disempowering effect (see Faye, 2015a). I apply ‘recognition’ to authorities and institutions rather than to individuals or their cultures and identity groups to show how acknowledgement affirms and empowers – and transforms – institutional hierarchies. Recognition of a particular mix of institutions has effects. The chosen, or recognized, mix of local authorities shapes representation, citizenship and the public domain. Different forms of local authority imply different development and equity outcomes. Knowing why particular choices are being made helps to relate their outcomes back to the project and policy design process. Understanding their effects helps to identify approaches most likely to strengthen local democracy while serving the needs of local people and broader developmental objectives. Using the word ‘choice’ helps us to identify the parties responsible for and capable of creating (or destroying) the conditions for local democracy.

The next section sketches the widespread fettering of local governments through choices that fail to recognize local democracy. It is followed by a section on the ‘politics of choice and recognition’, which serves as the theoretical framework of the chapter, and on criteria for examining their effects on local representation and belonging. Illustrations are drawn from the natural resource sector.

2 POSSIBILITY VIA RECOGNITION

The vast majority of studies of democratic decentralization focus on why it is promoted and legislated, or on its effects on service delivery efficiency or equity (e.g., Bardhan and Mookherjee, 2006). Some scholars are, however, beginning to focus on local democracy outcomes of democratic decentralization (Ece, Murombedzi and Ribot, 2017; Faye, Haller and Ribot, 2018; Harriss, Stokke and Törnquist, 2004, p. 4; Ribot, Chhatre and Lankina, 2008) and some on its role in higher-scale democracy (Chhatre, 2008; Grindle, 2007). Of the many decentralization reforms across the developing world, few are implemented in a manner that could add up to local democracy. ‘Hence, the benefits predicted by economists, political scientists, and management specialists as consequences of decentralization provide a palette of possibilities, not of realities’ (Grindle, 2007, p. 178). There are, of course, good reasons why it is difficult to establish local democratic authorities (Agrawal and Ribot, 1999; Ece et al., 2017). Although there are now many elected local governments in place, they rarely hold the powers (the discretionary resources and freedoms) that would enable them to respond to local needs and aspirations, or that would link local demand for infrastructure and services into a relationship that could be called democratic.

Local democracy forms and crystallizes around meaningful discretionary powers. As Grindle (2007, p. 17) found in Mexico, although constrained, local arena political competition was growing and significant and political competition had grown around the new resources provided under decentralization. In her study, civil society was able to organize, make demands for investments and receive responses from local government (pp. 125–7). In general, however, local democracy is limited by the lack of resources and poor downward accountability. In natural resource sector decentralizations, Ribot (2004) found in a 15-country comparative study that local actors either hold significant powers but are not democratic, or they are accountable to their population but hold no significant powers. Similar results were found in a 13-country study of the role of local government carbon forestry and climate adaptation interventions (Ece et al., 2017). Neither power without downward accountability nor accountability without powers can be labelled democratic.

Many battles take place over whether to decentralize, how to structure new decentralized local governments, and what powers to transfer to them. A lot of attention is focused on fiscal transfers from central government – how much and with what stipulations. Yet, new fledgling local elected governments are imbued with or starved of powers through decisions made elsewhere. The allocation of the most significant powers is often exercised by sectorial ministries, donors and well-funded NGOs. These institutions allocate or withhold important powers, such as the power to decide who has access to resources and markets, who has labour opportunities, who receives training and who gets construction contracts. Transfers made by line ministries and other higher-level intervening institutions are extremely important and largely ignored by analysts of decentralization owing to their focus on fiscal transfers. Line ministries often

withhold powers from elected local governments; often, they work with or allocate powers to parallel institutions. They regularly use technical arguments – that expertise is required for the exercise of authority over their sectors – to retain powers or to allocate them to institutions they can control (Faye, 2015b).

Transfers to non-government bodies, which often take place in the name of decentralization, are not decentralization. They should be labelled as privatization, participatory or empowerment approaches, NGO and civil society support, social funds or community-driven development (Pritchett and Woolcock, 2004; Ribot, 2003). Each approach empowers different kinds of local institutions or authorities, with potentially different democratic and distributional outcomes. Because of support for and proliferation of local institutional forms, fledgling democratic local governments often receive few public resources or powers and must compete with a plethora of new local institutions (Manor, 2004; Namara and Nsabagasani, 2003; Poteete, 2007, p. 16). Democratic local government is rarely given the means – discretionary authority, technical support, equipment or finances – to represent or to engage local people in public affairs (Crook and Manor, 1998; Ribot, 2003). Numerous cases in natural resource management illustrate this kind of local government fettering (see Bandiaky, 2008; Hara, 2008; Ribot and Oyono, 2005; Toni, 2007; Xiaoyi, 2007),³ while a few show that central government or external actors have successfully – even if not wholeheartedly – promoted greater local representation (Chhatre, 2008; Grindle, 2007, p. 176; Ito, 2007; Lankina, 2008; Larson, 2008). Most elected local governments are fettered by a lack of recognition from above that makes them irrelevant from below.

Recognition is key. Individuals and groups seek recognition (in the sense of acknowledgement); similarly, leaders and their institutions seek to be recognized in the numerous arenas in which they operate.⁴ The ‘politics of recognition’ literature (starting with Taylor, 1994) provides a framework for exploring the means and effects of one actor recognizing another. This recognition can be consummated through transfers of some form of power to a given authority or individual. The relationship established by such a transfer does not just affect the binary relationship between the higher-level actors and subnational authorities; the state, donors or international NGOs recognize and are recognized by the local actors they seek to partner with or empower – in a kind of ‘contract’ that links authority and authority (Sikor and Lund, 2009, p. 1). That act of mutual recognition and the sharing or transfer of power – or even the harnessing of these actors as extensions of the state, donors or international agencies – subsequently reshapes the relationship between the empowered actors and the populations they interact with or whom they dominate and rule (for example, the ‘dual mandate’ of Lugard, 1926; see also Chanock, 1991).

States and national and international institutions are constantly engaged in recognizing new and existing authorities around the world – creating, strengthening and weakening them. In the process, they are producing and destroying different forms of authority and those authorities’ reign over their constituent populations. Such recognition is at the heart of reforms called ‘decentralization’. The recognition literature provides some insights into the effects of choices on the authorities they recognize. To leverage these insights, I shift the focus of the recognition debates in two ways: (1) from the recognition of *culture* and *identities* to the recognition of *authority*; and (2) from Taylor’s view of recognition as enfranchisement to a more ambiguous view of recognition having positive and negative consequences for democracy.⁵ I find that critiques of Taylor’s concept of recognition by Fraser (2000), Markell (2000), Povinelli (2002) and Tully (2000) shed light on the enfranchising and disenfranchising effects of recognizing

different kinds of authorities. As shown below, the recognition literature provides conceptual tools for analysing the production of democratic local authority under democracy 'decentralization' reforms.

3 THE POLITICS OF CHOICE AND RECOGNITION

This section outlines an analytical framework for evaluating the enfranchising potential of forms of local authority, broken into discussions of the politics of choice and the effects of recognition.

3.1 The Politics of Choice

In practice, designers of democratic decentralization are choosing (1) powers to transfer; (2) means by which to make those transfers; and (3) local institutions (ostensibly democratic local government) to receive powers. Each choice has an effect on the relationship between higher and lower authorities and between those lower-scale recipient authorities and their constituents. It has an effect on whether needs and aspirations are heard and can be responded to. In very few reforms are appropriate and sufficient discretionary powers transferred to local institutions that are not private or dependent on and accountable to higher-scale authorities. In most transfers to elected bodies, few powers of significance are transferred other than mandates – which are often underfunded. Although the choice of powers to transfer and the means of transfer affect local empowerment, I focus on the issue of which local institutional interlocutors are being chosen and why. Power transfers and the inclusion of local institutions in power sharing or in significant decision making are viewed as the material means of institutional choice and recognition.

Under democratic decentralization reforms, the public justifications for the choices of local institutions vary widely. They include efficiency and equity arguments, democracy arguments, pro-poor agendas, the virtues of civil society, the superiority of community-based and/or indigenous systems and the advantages of direct participation. Lurking beside the public justifications are other interests such as donor pressure, fear of loss of power and authority, fiscal crises, political crises, maintaining privilege or cultivating political constituencies. Understanding the rationale behind institutional choices can shed light on ways to influence decentralization policy processes. Understanding the effects of recognition helps to identify approaches most likely to foster dynamic and articulated local democracy.

There are multiple ways to explain institutional choice. Ostrom (1990) makes a public choice argument that the mix of institutions reflects the aggregate aspirations of individuals maximizing their own good. Bates (1981) shows that political actors select authorities and institutions to meet their own narrow economic and political interests. Törnquist (2004, p. 211) notes that local institutional arrangements can be chosen to circumvent party and political clientelism. Some authors show that local institutions have a role in choosing themselves and imposing themselves on emerging opportunities and decision-making processes (Boone, 2003; Eckert, 2006; Gaventa, 2002; von Benda-Beckmann and von Benda-Beckmann, 2006). Clearly, all these processes are in play. The 'choices' made by these actors may be mere political calculation, as Bates would argue, but they reflect the relations in which they are embedded that generate the motives and intentions of actors.

Chhatre (2008), Toni (2007) and Ito (2007) describe how, in India, Brazil and Indonesia respectively, the policies and decisions of higher-level authorities, with or without the influence of local citizens, result in the creation, selection or appointment of specific authorities and/or enable local actors to engage or capture new opportunities (also see Hara 2008 on Malawi, not developed here). In Himachal Pradesh, India, legislators chose to work with *panchayats* because local people had opted to use the *panchayats* as a channel to influence the state's environment minister. Local people chose *panchayats* for their political connections and their emerging powers under decentralization reforms. Chhatre describes this political 'virtuous circle' linking people to *panchayats* and *panchayats* to legislators as 'political articulation' (Chhatre, 2008).

In Para, Brazil, donors and central government avoided local governments, arguing that local government was dominated by elite interests (such as ranchers and loggers) and were not worth working with. Toni (2007) describes how mayors and councillors were side-lined by donors even in the exceptional localities where candidates from the pro-poor ruling party were elected. Donors' mistrust of local authorities precluded their working through these bodies; NGOs were given preferential treatment and resources. Although Fundação Viver, Produzir e Preservar (FVPP), an NGO representing some 100 grassroots movements, cared about the interests of the poor, Toni questions the degree to which FVPP is a 'grassroots' body. He points out that FVPP, which is allied to the ruling party, is used by the government as a 'paid service sector' provider and is accountable primarily to bodies within the government (also see Resosudarmo, 2005). Donors choose NGOs, arguing that they want to cultivate civil society and social capital. Toni also shows that the view of the Ministry of the Environment and donors that local governments lack capacity is not reflected in practice in agriculture and forest management.

In the Bandung district of Java, Indonesia, powers and resources were successfully transferred to popularly elected district governments, opening new opportunities to influence policy and its implementation at the district (*bupati*) level (Ito, 2007). There has been a clear opening of space for political competition in which village heads have gained a significant influence in district electoral politics. Despite advances resulting from this decentralization, Ito (2007) shows that the civil society approach to local democracy chosen by the district heads is excluding poor and marginal populations from democratic decision making. The result is investments that serve elites while ignoring the demands of the poor. The *bupati* and district bureaucrats justify working with elites on grounds of efficiency – getting the work done. Rather than a broad cross-section of civil society working with local government in a voluntaristic and broad-based manner, aligned participants are selected and cultivated. The chosen civil society organizations do not represent a broad cross-section of local society. The alignment of district government with elites reduced public participation, hemming in the public domain by reserving public decisions for a narrow elite. Ito (2007) argues that the stratifying effects of the choices of the *bupati* were obscured by the positive civil society discourse of international development institutions.

In these cases, local institutions, and the forms of representation, belonging and public space they produce, emerge through policy choices. The dilemmas and choices faced by policy-making elites are critical to understanding policy change (Grindle, 2007, p. 3). Bates's (1981) notion of 'institutional choice' is useful for bringing attention to the motives and actions of the central authorities crafting decentralizations and, in the process, shaping the local institutional landscape. Bates (1981) argues that governments *choose* among policy options based on

political utility. For example, they choose to create allocative and rent-seeking opportunities that will help them to consolidate their own political and economic power. Although motives and intentions are driven by relationships, researchers can still follow Bates's approach. Researchers can unpack the explicitly expressed and implicit logics that actors within governments and international organizations use to 'choose' their local interlocutors.

Recent research on climate-change adaptation and carbon forestry found that many forestry projects, including the United Nations 'Reducing Emissions for Deforestation and Forest Degradation' (REDD) programme, choose not to engage with or recognize existing elected local government authorities (Ece et al., 2017). Many environmental projects work with hereditary customary chiefs who may be unaccountable and abuse their powers. Projects often work with project-created local committees even when there is elected local government with jurisdiction over resources. Donors and development agents and other implementing agents and large NGOs often explain that they circumvent local democracy because it is slow, inconvenient or time consuming. Other project-implementing agents just speak of democracy but do not implement it in practice; in lieu of democracy, an image of participation and representation is produced and performed. Hence, recognition is important for the well-being of local democracy – yet it is a very political environment and the choices being made, including the choice to avoid democracy, are reasoned choices.

Forestry and other natural resource implementing agencies and agents tend to privilege their instrumental aims or their projects – such as trees planted or forests cordoned off – over the procedural or representation aims of democracy (Ribot et al., 2008). To do so, and for other reasons, it is not a surprise that researchers observe that projects design accountability so that local implementing agents and beneficiaries are upwardly accountable towards the project organizers and institutions rather than downwardly accountable to the people (Adjei, 2015; Chomba, 2015; Karambiri, 2015; Mbeche, 2015). Local democracy can be a threat to projects, such as REDD, that aim to commercialize forests for profit; when projects turn forests into commodities for profit, many people will resist profit by few; so to achieve their goals, projects can be motivated to, and often do, circumvent and weaken democracy (Faye, 2015a, 2015b). There are certainly many other layers in the motives of central government and other institutions, such as line ministries, for choosing to work with customary authorities or NGOs rather than with the elected local authorities who represent the people. They are all certainly easier to control and manipulate than are elected representatives. These are all part and parcel of the politics of choice.

3.2 The Effects of Recognition and its Absence

Governments and international organizations usually emphasize development outcomes when promoting decentralization, and many also give high billing to participation and democracy outcomes. In addition, they often evoke improved environmental management or other sectoral efficiency. But the results of their institutional choices on development, the environment or the emergence and consolidation of local democracy usually differ from the stated objectives or expected outcomes.⁶ How can we analyse whether the mix of recognized institutions is helping to establish, strengthen or consolidate local democracy?

The 'politics of choice and recognition' framework extends the discussion of recognition to institutions. Like the recognition of culture or individuals, the recognition of local institutions or authorities confers power and legitimacy and cultivates identities by providing forms of

belonging. The choice of local authorities or organizations by government or international agencies is a form of recognition. Recognition strengthens the chosen authorities and organizations with resources and backing, reinforcing the forms of belonging these local institutions engender and the identities of their members. In doing so, recognition shapes three key aspects of democracy discussed below: representation, citizenship and public domain.

Representation

In recent decades, many institutions have been created or cultivated with the purpose of increasing popular participation and empowerment in planning and decision making (Fung, 2003; Fung and Wright, 2003).⁷ While increased participation may have democratic characteristics by bringing a broader cross-section of the population into decision making, participatory processes are often neither representative nor binding (Mosse, 2001). Following Manin, Przeworski and Stokes (1999), democratic representation occurs when leaders are both responsive and accountable to the people. Accountability is achieved through positive and negative *sanctions*, and is a defining characteristic of democracy. Responsiveness requires leaders with *powers* – the discretionary power to translate needs and aspirations into policy and policy into practice (Pritchett and Woolcock, 2004; Ribot, 2003). So, to be democratic, institutions must be representative: accountable to the people and empowered to respond.

In decentralization and other local development interventions, outside authorities choose to work with, and therefore recognize, local authorities. In doing so, they cultivate these authorities, strengthening and legitimating them. But, how representative are the chosen institutions? In current decentralizations – even those called ‘democratic’ – governments and international donors are largely choosing to avoid elected local government in favour of other institutions (see Bandiaky, 2008; Hara, 2008; Manor, 2004; Toni, 2007; and, for exceptions, see Lankina, 2008). This choice is critical in that it deprives local elected authorities of the powers transferred to the local arena while empowering alternative or so-called ‘parallel’ authorities. Empowering local line ministry offices, NGOs, customary chiefs and private corporations can de-legitimate elected local authorities while legitimating parallel bodies. Elected local government is forced to compete and struggle with other local institutions for the legitimacy that follows from control of public decisions and service delivery.

Representative local authorities can be strengthened through recognition (Lankina, 2008). They may be weakened, however, if (1) they receive too little power to be effective (Bandiaky, 2008; Hara, 2008; Larson, 2008; Spierenburg, Steenkamp and Wels, 2008; Toni, 2007); or (2) parallel institutions overshadow or pre-empt their ability to serve the public interest (Bandiaky, 2008; Hara, 2008; Toni, 2007). Manor (2004) describes the democracy effects of underfunded local governments with a mandate to manage natural resources operating in an arena with overfunded environment committees. Transferring public powers to parallel authorities in the local arena can take powers away from, and produce competition with, democratic local government. That competition can be divisive (Toni, 2007) or it may lead to more efficiency and better representation all around (Chhatre, 2008; Ito, 2007). It can undermine the legitimacy of local democratic authorities while producing conditions for elite capture, or it may produce a pluralism of competition and cooperation that helps establish and thicken civil society and articulation between society and government (Chhatre, 2008; Lankina, 2008).⁸

Analyses of the recognition of cultural authorities (those authorities based on cultural identities, such as customary chiefs, ethnic or religious leaders, etc.) provide insights for analysis of democracy outcomes. Fraser (2000, pp. 108–11) argues that Taylor’s recognition of specific

‘misrecognized’ groups, ‘insofar as it reifies group identities...risks sanctioning violations of human rights and freezing the very antagonisms it purports to mediate’. Further, Fraser (ibid.) argues that privileging culture and identity diverts attention from material and social bases of distribution, potentially reinforcing material injustices.

The empowering of customary or indigenous authorities illustrates these points. The desire to privilege ‘misrecognized’ cultures often drives international development interventions. Across sub-Saharan Africa, Southeast Asia and Latin America, for example, ‘indigenous’, ‘customary’ and ‘traditional’ authorities are making a political comeback (Geschiere and Boone, 2003; Larson, 2008; von Benda-Beckmann et al., 2003). This re-emergence is at least partly cultivated from above – a result of government, donors and international NGOs recognizing the authority of chiefs and headmen. The re-emergence of customary authority is so widespread and takes so many forms that it must also be attributed to particular local histories reshaped by global changes that give new life to traditional forms of belonging and identity (Engelbert, 2002). Of course, not everything indigenous is ‘good’. Many of the indigenous governance systems, when analysed as political systems rather than being viewed as cultural forms, would be labelled autocratic, despotic, oppressive, patriarchal, gender biased or gerontocratic. Some indigenous cultures condone and continue forms of servitude and slavery. But, when we call them ‘indigenous’, it is as if suddenly the nature of authority and governance is obscured behind a fog of cultural relativism.

Clearly, authority should not be legitimized just because it is labelled ‘democratic’, ‘customary’ or ‘indigenous’, nor should power over the public domain be transferred uncritically to NGOs or private bodies. Whereas elected local governments are often scrutinized, the terms ‘culture’, ‘private’ or ‘NGO’ should not provide protection from political analysis – even if these authorities are locally ‘legitimate’ or considered ‘authentic’ (see Ntsebeza, 2005). To avoid double standards, cultural and political authorities as well as civil society, community and private leaders should be viewed in the same critical light. This critical equity provides a starting point for a dialogue among cultural and political stances. All local authorities need to be evaluated for how they represent people, encourage citizenship and produce an engaging public domain.

Institutional choices effect representation as well as project outcomes. In the most practical sense, researchers have found in forestry programmes that when local people are not represented in decisions over forestry interventions they disengage from projects (Jusrut, 2015; Kijazi, 2015; Mandondo, 2015), and that when communities disengage from interventions, they often resist or sabotage projects (Adjei, 2015; Kijazi, 2015; Mandondo, 2015; Nakangu, 2012). When local people are not represented in decisions over forestry interventions, elites are more able to capture benefits (Jusrut, 2015; Kijazi, 2015; Mandondo, 2015). Forestry interventions often lead to elite capture of project benefits and create conditions for formation of new elites that remain unaccountable to local people (Baruah, 2015; Eteme, 2015; Jusrut, 2015). The long-term result of failed representation is that the instrumental aims of environmental programmes – conservation or sustainability – are undermined.

Citizenship

Citizenship is the ability to make demands on government. Recognition of different kinds of authorities and organizations entails different forms of belonging (Bandiakya, 2008; Lankina, 2008; Larson, 2008; Toni, 2007). Under democratic authorities, belonging is inclusive of those who reside in a jurisdiction – residency-based citizenship. In liberal democracies, citizenship

is usually associated with entitlement to certain civil, social and political rights irrespective of one's identity and interests (Sparke, 2004). But, 'rather than merely focusing on citizenship as legal rights', Isin and Turner (2002, p. 4) argue that 'there is now agreement that citizenship must also be defined as a social process through which individuals and social groups engage in claiming, expanding or losing rights'. Citizenship has come to be a process of being politically engaged and shaping the fate of the polity in which one is involved (Isin and Turner, 2002).

Power transfers to local interlocutors both empower and legitimize them as authorities – providing a material basis for their ability to authorize. Hence, there are also contracts between authorities of different scales such that one recognizes the other and, in the process, produces the other's authority. In return there is some presumption that the acts of a lower-level authority will be recognized by the higher-scale authority and will promote its vision and agenda. Empowering a local authority gives it a role and resources, making it worth engaging, giving people a reason to belong and to exert influence – to act as citizens. Authorities that are open to influence foster citizenship, whereas those that impose their will and are less inviting of engagement may produce subjects.⁹

Different kinds of authorities confer diverse rights and recourse, being accountable to the population to varying degrees. Under some authorities, people are citizens, with rights and recourse; under others, they are managed as subjects (Mamdani, 1996). Citizenship emerges where there are empowered authorities, which are worth engaging with and are open to engagement (i.e., downwardly accountable). Choosing the locus of authority establishes, strengthens or weakens citizenship. Where public resources are channelled into private bodies or autocratic authorities, the scope for citizen engagement is diminished. In short, the choice of authorities matters for the enabling or production of citizen demand.

Bandiaky (2008) shows how institutional choices by donors and the Forest Service deepen existing gender, class, political and ethnic hierarchies in the Malidino Biodiversity Community-based Reserve project in Senegal, while weakening elected local authorities. Decentralization and forestry laws in Senegal give elected local governments (rural councils) the right to manage natural resources. The project, however, circumvented the rural councils, creating 'village committees' led by village chiefs, imams and village elite 'wise men' to manage the reserve. This circumvention marginalized and weakened the elected rural council. The project addressed gender by assigning elite women to administrative committee positions, such as treasurer, and by giving fictitious 'paper' positions to elite family women. In turn, these elite women allocated project positions and resources to women in their families and ethnic groups. Male committee leaders, mostly from the ruling Socialist Party, also excluded opposition party members from reserve benefits. The Forest Service appointed an elected Socialist Party rural councillor as the reserve president, who allocated project food assistance to his extended kin and Socialist Party members. The reserve presidency allowed a private individual to use public powers to further his political agenda (as in Bates, 1981). The project enclosed the reserve in the service of one identity group, a political party and associated families, excluding the larger citizenry and reproducing gender inequalities in the process.

The public domain

Without powers, no authorities are worth influencing – even if they are accountable. A 'domain' is something that is dominated by an authority. The public domain consists of the powers (resources and decisions) held, or citizen rights defended, by a public authority. It is the set of political powers with regard to which citizens are able and entitled to influence

public authorities. Retaining powers in the public domain maintains and reinforces public belonging in, and citizen identification with, the public authorities and with other citizens in the polity. Conversely, privatizing public resources and powers to individuals, corporations, customary authorities or NGOs diminishes the public domain. Such enclosure shrinks the integrative space of democratic public interaction. Without public powers there is no space for democracy, there is no ‘public domain’ for citizens to engage in.

In Senegal, for example, Hesseling (n.d.) observed in the 1970s that, although the local government was elected, the state had given it too little power to have a meaningful relationship with local populations, noting that they had nothing to offer. There was no public domain, no citizenship and no democracy. A 1996 decentralization law and 1998 forestry law gave elected rural councils considerable authority over forest exploitation and management. But, because the Forest Service never allowed the councils to exercise these powers, the elected authorities remain powerless and frustrated that they cannot respond to local needs. The foresters (supported by forest management projects of the United States Agency for International Development (USAID) and the World Bank) created committees – often headed by traditional authorities – to manage the forests rather than allowing the councils to exercise their legal rights (Bandiak, 2008; Faye, 2006). There is still little they can offer their communities, and community members do not engage them on forestry matters (Larson and Ribot, 2007; Ribot, 2009).

In decentralizations, the choice to allocate public powers among multiple interest and identity groups may enclose the public domain and fragment society into interest- and identity-based forms of belonging by taking those powers from public authorities. The privatization of public powers to NGOs and other private bodies is a form of enclosure. When actors receiving these powers are customary or religious authorities, this enclosure constitutes a de-secularization of powers. These acts diminish the domain of integrative public action, undermining residency-based belonging and citizenship. A public domain is a necessary part of representation and of the production of citizenship. It is the space of integrative collective action that constitutes democracy. For decentralization to produce benefits in terms of equity, efficiency and democratization, it is essential to retain substantial public powers in the public domain.

In Mexico, citizens were able to organize and demand benefits when local government had new resources with which to offer services – this created new spaces of citizen engagement (Grindle, 2007, p. 175). This is the kind of space – one of meaningful and sufficient discretionary powers – that intervening agents must create if local democracy (the responsiveness of local authorities to the people) is to take root.

4 DISCUSSION AND CONCLUSION

The institutional choice and recognition framework has been used for comparative multi-case research to interrogate the effects on democracy of the recognition of local institutions and authorities (elected local government, pluralism, privatization, NGOism, support for customary chiefs); the results are summarized in Ribot (2004), Ribot et al. (2008) and Ece et al. (2017). There are also guidelines for using the choice and representation framework for research (Ribot, 2016) and for policy (Ribot, 2017). By examining the effects of choosing these different institutions in decentralizations, researchers examined the propositions that: (1)

the support given to local authorities privileges and strengthens them – whether their constituencies are residency, identity or interest based; and (2) when governments and international agencies empower local authorities, they are enforcing upon the members of the groups the particular forms of comportment, accountability relations, belonging and beliefs of the chosen authorities. The cases cited in this article from the Ece et al. (2017) comparative study provide some preliminary data on the ways institutional choices are made within decentralization reforms and how they shape representation, citizenship and the public domain.

The findings of the first set of cases evoked in this chapter have been reinforced by many since (see Ece et al., 2017). In the core cases, those covered by Ribot (2004) and Ribot et al. (2008), governments of India, Brazil, Indonesia, Russia, Guatemala, Benin, Senegal, Malawi and South Africa have launched processes ostensibly designed to enable local people to govern their own affairs (Ribot et al., 2008). In all these cases, central government, donors or development professionals proclaimed a belief in democratic local government. This belief seems to have at least partly driven choices in India, Indonesia, Russia and Guatemala. In Brazil, Guatemala and Malawi, however, mistrust of local government compelled politicians, government agencies and donors to choose alternative local authorities. Mobilization of a union social movement in Brazil and an indigenous social movement in Guatemala, instrumental management objectives in Malawi, Benin and Senegal, belief in civil society in Brazil, Indonesia and Senegal, and a line ministry's support for group rights in South Africa drove the choice towards parallel local authorities. The outcomes of these choices were mixed. Recognition of local government in India, Indonesia, Russia and Guatemala helped local governments to become relevant and more representative. In Brazil, Malawi, Benin and Senegal, the circumvention of elected local government channelled resources into deconcentrated project committees and other private civil society organizations. In South Africa, recognition of collective private rights produced a democratically chosen ethnic leader.¹⁰

The empowerment of local governments in India and Indonesia illustrates how democratic competition shapes the political articulation of citizens with the state (see Chhatre, 2008; Ito, 2007). Whereas in India citizen engagement is broad based, in Indonesia engagement is between the state and a narrow elite. This narrow engagement followed from a selective civil society approach to local democracy in which policy makers choose or cultivate an elite, state-allied civil society. Ito (2007) shows the limits of a civil society approach to local democracy and development in Indonesia; increasing competition to influence decentralized public office could, over time, generate incentives for the elite to expand social inclusion, providing opportunities to poor villagers to influence policy. As Chhatre (2008) argues, competitive elections at many levels over time and several electoral cycles are needed for articulation to trickle down to the most marginalized sections of society.

The selective civil society approach was also used in project implementation by the forestry and fisheries departments in Senegal, Malawi and Benin, where projects produced civil society committees composed of hand-picked local actors aligned with project objectives. In these cases and the Indonesia case, civil society approaches are used to selectively empower class, party, ethnic and gendered allies, reproducing and entrenching existing social stratification. This civil society approach is not enabling all groups within society to influence governance on an equal basis. In Brazil, however, the state chose an arguably pro-poor local union movement as its institutional ally, and in Guatemala the self-selected indigenous leaders did effectively protect the interests of their marginalized population. Where civil society emerged from social movements, it appears that a civil society approach is effective at broad-based

representation and serving interests of the poor. Similarly, in Chhatre's (2008) Indian case, a locally constituted social movement against a forestry project articulated broad-based representation through local government – the *panchayat*.

Democratic deepening is shaped by the way 'unequal social relations and uneven institutional environments impinge upon the exercise of citizenship' (Heller et al., 2007, p. 627). In most of the case studies, transferred powers – whether discretionary or merely the implementation of mandates – follow the contours of the existing divisions and inequalities shaping national and local politics. In Himachal Pradesh, India, the powers took on the contours of balanced political competition (Chhatre, 2008). In Para, Brazil, they divided along party lines. In Bandung, Indonesia, they articulated via class divisions (Ito, 2007). In Guatemala, they fractured along indigenous and settler-integrationist lines (Larson, 2008). Where few discretionary powers are transferred, as in Benin and Senegal, project funds and interventions still flow along lines of traditional ethnic and gender hierarchies (Bandiaky, 2008; Mongbo, 2008). Agrawal and Gupta (2005) argue that decentralization can exacerbate existing socioeconomic inequalities unless decentralization programmes are specifically biased towards disadvantaged groups, rather than being formally neutral in their design and implementation. Bandiaky (2008) also shows that gender biases are not addressed by gender-neutral projects and argues in favour of skewing recognition towards women and other marginalized groups.

The cases reviewed for this chapter show that the distributive aspects of recognition are not solely local. Mechanisms are needed to ensure that marginal populations can engage in their own governance. Local and central governments play roles in ensuring both the inclusion and the empowerment of marginal groups. In Indonesia, the choice of elite civil society is biasing distribution by channelling investments towards elite interests (Ito, 2007). In Guatemala and South Africa, however, it appears that marginal populations are being served by their own local institutions, and in South Africa that success came with the support of the central government's Commission on Restitution of Land Rights (Larson, 2008; Spierenburg et al., 2008). When does local authority or local democracy serve the poor? Are Crook and Sverrisson (2001) right that local democracy does not serve the poor unless there is a central mandate to do so? How significant is Foster and Rosenzweig's (2004) research showing that democratic local governments in India are more pro-poor than autocratic local authorities, or Heller et al.'s (2007) findings that all categories of respondents – including farmers, unions, scheduled castes and women – found improved service delivery following democratic decentralization reforms? Clearly, democratic decentralization can serve the poor, but targeting women, low castes and underprivileged groups with focused attention on biased hierarchy is probably a necessary complement to any local authority if local democracy is to redress entrenched inequity (also see Bandiaky, 2008; Crook and Sverrisson, 2001; Heller et al., 2007, p. 629; and Mansuri and Rao, 2003, pp. 11–14).

Recognition of representative authorities can provide for representation of diverse interests. Recognition of non-representative authorities, in contrast, can subject individuals to the cultural or ideological vagaries of those authorities. Many struggles for recognition and many acts of acknowledgement uncritically recognize non-representative authorities. Rules are not easily contestable when the chosen authorities are non-democratic and when the choice of those authorities is imposed by inaccessible higher authorities. The central irony of the common practice of recognizing cultural authorities – chiefs, indigenous or ethnic leaders – in the name of freedom or democracy is that this recognition can constrain the very contestation that makes a society free and democratic.

Criteria are needed to judge the likely human rights and material equity effects of choosing particular authorities. Fraser (2000, p. 115) proposes the ideal of ‘participatory parity’, by which all citizens and citizen groups, regardless of identity, must have equal opportunities to participate in democratic institutions. In the institutions chosen by governments and international organizations, inclusive parity is not always evident. The chosen authorities are enabled to recognize other actors as authentic, or to discipline those they consider inauthentic. They are able to determine who belongs and who does not. In the cases explored in this chapter, the chosen actors are shaping who belongs and benefits – they are choosing by gender, migrant status, indigeneness, ethnicity and interest. Recognition is enabling cultural and non-cultural authorities, which can in turn shape the boundaries of inclusion and determine which decisions are made by a broad public and which are to serve individual and collective private ends. To produce and maintain the ‘opportunity’ for equal inclusion will require the production of a meaningful public domain with a built-in bias in favour of poor and marginal groups.

Neither accountable authorities without powers nor the devolution of power without popular accountability constitute local democracy. Without powers there is no reason for local people to engage as citizens – no reason for them to make demands on local government. Without accountability there is no means for people to engage as citizens – no channels through which to make those demands. The production of citizenship is predicated on a meaningful mix of both. Simple guidelines for policy and project design and implementation, as well as for monitoring and evaluation, are necessary to ensure that interventions support representation, citizenship and the development of a public domain.

The common framework for the design and evaluation of decentralization, which characterizes it as a combination of administrative, political and fiscal transfers, has little analytical purchase. Administrative and political decentralization are about *who* receives powers (appointed or elected bodies), whereas fiscal decentralization is about the kind of power received (finance). Indeed, fiscal power is only one kind of power among many, including executive, legislative and judicial powers. It is misleading insofar as fiscal power is only one executive resource and is relatively minor compared with other executive functions such as the allocation of jobs and access to resources. By focusing on the fiscal element alone, the framing occludes other powers that are much more important. Furthermore, these categories tell us nothing about the elements that constitute decentralization. No analytical causal relations are evoked by these three incommensurate categories.

Analytically, decentralization can be defined by local actors, the powers they hold and their accountability relations. It is the accountability relations that help us explain different outcomes of the exercise of powers.¹¹ Actors, their powers and their accountability relations are the basic analytical elements of all forms of decentralization. The core question of any decentralization analysis is whether the choices being made by legislators and other intervening agents are resulting in a configuration of actors and powers and accountability relations that can be expected to lead to improved outcomes.

Democratic decentralization is, in its most basic form, the process through which central actors choose to transfer meaningful discretionary powers to local actors and are accountable to a broad cross-section of the local population (Agrawal and Ribot, 1999). Meaningful discretion in the hands of downwardly accountable local authorities creates a public domain, while making citizenship meaningful and possible. Training attention on the logic of institutional choice and its effects on the institutions that it recognizes can help us to understand how and

why local democracy is created or hindered and how we can promote democracy outcomes – the creation of a public domain, representation and engaged citizens.

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NOTES

1. This chapter is an edited version of Ribot, J. (2013), ‘Representation, citizenship and the public domain: choice and recognition in democratic decentralization’, in Joakim Öjendal and Anki Dellnäs (eds), *The Imperative of Good Local Governance: Challenges for the Next Decade of Decentralization*, Tokyo: United Nations University Press, pp. 93–120. Copyright 2013 by the United Nations University. Reproduced with the permission of the United Nations University. Please consult the original to obtain the complete argument and references.
2. In contrast to Habermas’s (1991) focus on the discursive domain of public interaction, I emphasize the material basis of authority, that is, the powers (resources and domains of decision-making) over which citizens can interact and attempt to influence public decisions. This is why I call this space of democracy the “public domain”.
3. Cases discussed in this chapter are from Ribot et al. (2008).
4. I use the term “recognition” following Taylor (1994) and Fabian (1999). The term here is simplified to “acknowledgement”; however, I chose to use “recognition” owing to the useful critiques of Taylor to be addressed later in this chapter.
5. Including instances where the authorities being recognized are created by those recognizing them.
6. Despite the extreme difficulty in establishing links between institutional arrangements and development or ecological outcomes, a body of data is emerging (Conyers, 2002; Foster and Rosenzweig, 2004; Heller, Harilal and Chaudhuri, 2007; Mansuri and Rao, 2003; Phelps, Webb and Agrawal, 2010; Ribot, Treue and Lund, 2010).
7. Fung (2003) writes on the participation of civil society and of people within civil society in processes of decision making. He does not, however, seem to view representative forms of government as sufficient or even necessary to the democratic processes.
8. This is not to deny the importance of competition between public and private agencies or local governments for efficient provision of public services (see Lankina, Hudalla and Wollmann, 2008).
9. Engagement does not have to be invited. Resistance is also a form of engagement that is used to confront imposed authority. Resistance too is part of the production of citizenship – the ability to influence governing authorities.
10. In a conflict with central authorities over management of a wildlife reserve, the Makuleke used national laws to establish a Communal Property Association to manage their land collectively. The association included the entire Makuleke community and elected its leadership. They elected their traditional chief as chairperson (Spierenburg et al., 2008).
11. Indeed, all institutions are defined by the accountability relations in which they are embedded. I call an institution “democratic” if it is accountable to the population it serves. I call it “administrative” if it is accountable upwards to a higher authority. I call it “private” when an individual or institution is not accountable with respect to a certain domain of action.

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28. Democracy, ideological orientation and sustainable development

Peter Söderbaum

INTRODUCTION

There is a monistic tradition in science connected with positivism to expect clear-cut ways of defining concepts and to think in terms of one theoretical perspective or paradigm as the best, perhaps even the ‘correct’ one. Paradigms may change but this is thought of in mutually exclusive ‘paradigm shift’ terms (Kuhn, 1970). This monistic tradition is challenged by approaches that are more open in conceptual and paradigmatic terms. There are so-called ‘contested concepts’ (Connolly, 1993) especially in social and political sciences. ‘Democracy’ in the title of this chapter is one contested concept and ‘sustainable development’ another. Paradigms may similarly in part be complementary, rather than mutually exclusive, suggesting that thinking in terms of ‘paradigm coexistence’ (Söderbaum, 2000, pp. 29–31) can be rewarding. Within the scope of paradigm coexistence there may still be a ‘shift in dominant paradigm’. But exclusive reliance on one paradigm, while protecting it from competition, is regarded as a questionable strategy.

Why this pluralistic approach to concepts and paradigms in economics and other social and political disciplines? A first response is that there is a good chance that creativity and learning will thrive if students approach problems from different angles. A second set of arguments has to do with the ‘fact’ that values and ideology are always involved in social science research and education. This becomes particularly clear in studies of development or progress, as argued by Gunnar Myrdal:

Valuations are always with us. Disinterested research there has never been and can never be. Prior to answers there must be questions. There can be no view except from a viewpoint. In the questions raised and the viewpoint chosen, valuations are implied.

Our valuations determine our approaches to a problem, the definition of our concepts, the choice of models, the selection of observations, the presentation of conclusions – in fact, the whole pursuit of a study from beginning to end. (Myrdal, 1978, pp. 778–9)

Myrdal continues by arguing that value issues should be dealt with as openly as possible. In the case of economics, central to this chapter, we are dealing with a close to monopoly position of neoclassical theory, a theory (like other theories) that is specific in value or ideological terms. The discipline of economics is defined in a specific way where consumers and firms are regarded as the main agents in the economy. Specific ideas of rationality and efficiency are suggested for consumers, firms and society at large. Actually, neoclassical theory with its micro and macro parts can be understood as a narrative or worldview that each one of us as actor can embrace or try to keep at a distance. We will return to this and demonstrate that there are alternative conceptual frameworks that differ with respect to ideological orientation. Again, the main idea is not to abandon neoclassical theory but to enrich the dialogue about

development issues through additional viewpoints or perspectives. While each scholar may have specific preferences concerning conceptual framework or school of thought, he or she need to respect the views of representatives of other schools.

The next two sections deal with the concepts of democracy and sustainability. This is followed by a discussion about how a democracy-oriented economics that differs from mainstream neoclassical theory can be articulated. An attempt is also made to identify indicators of a functioning democracy. Listening to visionaries in a situation of serious challenges is finally recommended.

ON THE NATURE OF SUSTAINABILITY ISSUES

Democracy is a system of fair governance where actors in society together can deal with various upcoming problems and conflicts of interest. How can we approach trends of unsustainable development? A first step is to discuss the nature of sustainability issues such as climate change, biodiversity loss or pollution of land and water systems:

- Sustainable development should be understood as a *multidimensional* process and potentially concerns *all kinds of activities* in society. In 2015, the United Nations sanctioned 17 Sustainable Development Goals (SDGs), with sub-goals advocating a broadening of our ideas of progress (and the lack of it) in society. In my understanding, the goals are qualitative, quantitative or visual and no attempt is made to dictate the relative importance of each goal (in comparison to focusing on single quantitative objects as in the case of gross domestic product [GDP] or the Human Development Index).
- Sustainability issues are complex also in the sense that *inertia* in different forms and many kinds of dimensions are involved. Irreversibility, lock-in effects and path dependence need to be considered, and decision making is best understood as a multiple-stage process. Physical dimensions are, of course, important, as in climate change processes or land use changes, but inertia is also relevant for ecosystem services, biodiversity loss, pollution processes or impacts on human health. Actors may cognitively be locked into specific habits of thought. Also, power relationships and institutional arrangements can be discussed in terms of inertia.
- Impacts of human activities are often *uncertain*, suggesting that different attitudes to risk become relevant. We may need a ‘philosophy of cautiousness’, for example (Harremoës et al., 2002).
- The quest for sustainable development raises issues of *ethics and ideology*. In fact, sustainable development understood in a specific way can be regarded as an ideology to be compared with GDP-growth ideology or other ideological orientations. Sustainable development normally includes equality issues and other concerns of social justice. What are the impacts on indigenous populations of a specific investment project, for example?
- The quest for sustainable development raises issues of *institutional arrangements* in present society. Are joint stock companies compatible with the UN-sanctioned SDGs? Are universities – for example, departments of economics – facilitating the achievement of specific SDGs? Is the so-called Nobel Prize in Economics helpful or does it represent a barrier to the achievement of SDGs?

It is clear that sustainability is a multifaceted issue. Hopefully, democracy, as we know it, will be helpful in finding constructive moves towards sustainable development (SD). Could democracy be further strengthened to better deal with the problems ahead? Is it the behaviour of specific actors that should be scrutinized – for example, actors in powerful positions?

DEMOCRACY AS A CONTESTED CONCEPT

Democracy literally means ‘rule by the people’. As explained in Wikipedia (accessed 25 August 2018), a distinction is made between ‘direct democracy’ where ‘the citizens as a whole form a governing body and vote directly on each issue’ and ‘representative democracy’ where ‘the citizens elect representatives from among themselves’. A majority rule is used as part of voting procedures but there are normally ways to protect minorities in the form of ‘certain individual rights, e.g., freedom of speech and freedom of association’. Such rights can be part of the constitution of a nation. In this Wikipedia text it is added that ‘democracy is a system of processing conflicts in which outcomes depend on what participants do, but no single force controls what occurs and its outcomes’.

While there is a considerable agreement about the meaning of democracy there is also some ambiguity. Many elements are involved and the difference between societies that exemplify democracy and those that are non-democratic is not always clear-cut. One attempt to clarify such differences is to make a distinction between ‘weak’ and ‘strong’ democracy. Pointing to the opposite of democracy is another way of clarifying its meaning. There are two cases of concentration of power. One is ‘political dictatorship’ where the final decisions depend on the will of one or a few individuals and another is ‘technocracy’ where power is largely in the hands of experts. This tension between experts on the one hand and citizens or politicians on the other is, as we see it, also relevant for societies that claim to be democracies.

There is, of course, often a difference between democracy in theory and in practice. Even societies close to dictatorship (or technocracy) may engage in window-dressing in attempts to appear as democracies. While manipulating the outcome of elections and other governance processes, the societies may still exhibit some elements of a democratic society.

Democracy should finally not be understood in static terms. Just as democracy can be weakened in a particular society, it can also be strengthened. And democracy in a society can vary between different fields of policy and decision making.

At issue now is whether our chances of being successful in relation to sustainability can be improved if democracy is approached in a partly different way. It is here argued that the conceptual framework of mainstream (neoclassical) economics has its limits in relation to advocacy of a strengthened democracy. A version of ecological and institutional economics will be presented as an alternative.

COMPETING IDEOLOGICAL ORIENTATIONS IN INTERPRETING SUSTAINABLE DEVELOPMENT

Sustainable development (SD) became a key phrase with the so-called Brundtland Report, *Our Common Future*. SD was defined as ‘the kind of development that meets the need of the present without compromising the ability of future generations to meet their own needs’

(World Commission on Environment and Development, 1987, p. 43). A main idea is that inter-generational equity has to become a consideration in decision making and politics. We have a 'common future' and 'only one earth' at our disposal. With the report, sustainability became an issue at the United Nations level and the most recent example of concern at the international level is the previously mentioned 17 SDGs sanctioned in 2015 with the connected 2030 Agenda (United Nations General Assembly, 2015).

It should be made clear that issues that are now connected with SD have been the subject of dialogue and action nationally and internationally for a long time. In 1972, a UN conference was organized in Stockholm 'on the Human Environment' where principles of environmental management were identified and brought together in a declaration (United Nations, 1973). There have been many precursors in the sense of environmental activists and environmental movements. Rachel Carson's book *Silent Spring* (1962), where impacts of the use of pesticides were questioned in relation to biological diversity, is one, and Barry Commoner's emphasis on ecosystems in *The Closing Circle* (1971) is another.

Among less visible attempts to influence international dialogue and politics at an early stage is K. William Kapp's book *The Social Costs of Private Enterprise*. Kapp should be understood as an institutional economist (Kapp [1950], 1971; 1976) critical of neoclassical attempts to deal with environmental problems and has therefore been largely neglected among mainstream economists. Another economist, Ignacy Sachs, advocated the terminology of 'eco-development' in the sense of 'ecological development' (1984) while I referred to 'Ecological imperatives for public policy' (Söderbaum, 1982). Later, an International Society for Ecological Economics (ISEE) was formed. The papers presented at the first conference in Washington DC are documented in *Ecological Economics: The Science and Management of Sustainability* (Costanza, 1991). A transdisciplinary journal *Ecological Economics* is published by the ISEE and since the 1990s a number of regional associations exist. As I see it, the journal *Ecological Economics* is an important step forward compared to the previous situation with environmental economics journals limited to the neoclassical paradigm. But contributors to the journal largely refer to and are limited to positivism as theory of science and many do not agree with the idea mentioned above that value neutrality is an illusion (von Egan-Krieger, 2014) and that values and ideology are always present. Very little criticism of the present political economic system and of transnational business corporations can be found in the journal. Those of us who are members of the editorial advisory board are responsible for this. But one should perhaps not regret that more than one tradition can be identified within ecological economics. One option is to distinguish between a US tradition of ecological economics and another more radical European tradition.

It is clear that development is not one thing. There are competing ideas of progress and development. Actually, in a democratic society we have political parties and politicians who differ with respect to ideological orientation. The same argument holds for citizens or actors in different roles. In a democracy we are expected to respect such differences. To illustrate this I will make a distinction between three simplified descriptions of ideological orientations and ways of understanding sustainable development. Each one is somehow related to our ideas about economics as a discipline:

- *Business-as-usual ideology*. Emphasis is on indicators that have been dominant for some time. 'Sustainable growth' in GDP terms at the macro level and 'sustainable monetary profits' in business are two examples. It is believed that with a focus on these kinds of

indicators, it is possible to also solve other kinds of problems. This simplistic interpretation is largely made legitimate by neoclassical economic theory where GDP growth is regarded as the main objective at the macro level and monetary profits in business at the micro level. Other considerations are downplayed or neglected.

- *Modernization ideology.* Some of those influencing and controlling the agenda of political parties have at least in part internalized the seriousness of environmental and other sustainability issues. They may call for modification and modernization of the simplified ideas according to the business-as-usual ideology above. They may realize that sustainable development cannot be reduced to the monetary aspect and make reference to corporate social responsibility and the Global Reporting Initiative (GRI), for example. They may also increasingly understand that our ideas about development are ideological in kind. This modernization interpretation can, as I see it, so far be regarded as the mainstream understanding of SD in a country like Sweden.
- *Ideology of radical transformation.* According to this understanding of SD, the business-as-usual and the modernization versions are not enough. Environmental and sustainability indicators have to be taken seriously – for example, the existence of irreversible processes and of institutional arrangements that systematically degrade ecosystems, natural resources and human health. The present political-economic system with its institutional arrangements is no longer outside scrutiny. Are the laws regulating business companies appropriate in relation to sustainable development, for example?

A DEMOCRACY-ORIENTED ECONOMICS

It is assumed here that ‘democracy’ in an academic context is not regarded as something outside departments of economics, belonging to political science or other disciplines. Democracy is even made part of the definition of economics: economics – which should rightly be renamed ‘political economics’ – is about ‘multidimensional management of limited resources in a democratic society’ (Brown, Söderbaum and Dereniowska, 2017, pp. 22–3). The term ‘political economics’ is preferred to ‘economics’, acknowledging a consciousness about involvement of value or ideological issues. ‘Political economics’ was the name of the discipline until the birth of neoclassical economics in about 1870 when economists began to assume that value neutrality was possible and meaningful. Reference to ‘multidimensional’ in the definition of economics is in accordance with the 17 SDGs. ‘Democracy’ is understood as a matter of fairness in relationships between actors in the economy. A ‘democracy-oriented economics’ can then be understood as follows:

- Democracy is made part of the definition of economics. Mainstream or ‘neoclassical’ economics is political economics. Alternative or complementary schools of thought in economics also represent cases of ‘political economics’.
- ‘Ideology’ or ‘ideological orientation’ (‘mission’) are proposed as a central concepts for individuals and organizations as actors in the economy. Political parties often refer to their respective ideology or ideological orientation. It is here assumed that all actors refer to their ideological orientation or mission in the sense of ideas about means–ends relationships. Ideology is about where you are (present position), where you want to go (future positions) and how to get there (strategy).

- An individual is understood as a political economic person (PEP), that is, an actor guided by his or her ideological orientation. A socio-psychological frame of reference with concepts such as role, relationship, perception, cognition, motive, power, dissonance, and so on, is used in attempts to understand the individual in his or her cultural and other contexts.
- An organization is understood as ‘political economic organization’ (PEO), that is, an actor guided by its ideological orientation or rather ‘mission’. Business companies exemplify PEOs but there are other organizations as well in the economy, such as public-interest organizations and state- or municipality-controlled organizations.
- The economy is understood in terms of actors situated in their physical, social and institutional context. The actors with their ideological orientation, mission or agenda are inter-related through networks. Networks of market relationships are a subset of all networks. ‘Trust’ between actors is an important characteristic of relationships and networks and each actor is dependent on other actors and cannot refer exclusively to self-interest. Issues of ethics and justice are regarded as relevant.
- The role of the economist is one of ‘illuminating’ policy issues and decision situations in relation to actors who differ among themselves with respect to ideological orientation. Conclusions will then be conditional in relation to each ideological orientation considered. Reference to optimal solutions can only be made in situations where politicians as well as actors affected and concerned agree about relevant objectives and connected ideological orientation. Thus, a consensus about ideological orientation may exist but is regarded as exception.

Parts of the argument so far are summarized in Table 28.1. The mainstream ‘technocracy-oriented’ and the ‘democracy-oriented’ perspectives are compared with respect to ideas about science, paradigm in economics and ideological orientation.

Table 28.1 Tensions in economics between technocracy-oriented and democracy-oriented perspectives

	Mainstream Perspective (Technocracy Oriented)	Alternative Perspective (Democracy Oriented)
Role of science	Positivism: objectivity (claimed neutrality), the scholar is standing outside, testing hypotheses	Also subjectivity: the scholar is unavoidably a political actor among other political actors
Paradigm in economics	Neoclassical theory: economic man and profit-maximizing firm assumptions	Institutional ecological economics: political economic person and political economic organization assumptions
Ideological orientation	Neoliberalism: focus on markets, privatization and the claimed efficiency of business organizations	Potential ideological orientations include those that focus on specific interpretations of ‘sustainable development’

Source: Modified after Brown et al. (2017), p. 2.

WHY DEMOCRACY-ORIENTED ECONOMICS?

Judging from the situation in Sweden, there is a tendency in public dialogue in newspapers and elsewhere to downplay or avoid matters of perspectives with connected institutional and power issues. Specific policy proposals and decision alternatives are certainly discussed openly but, as previously maintained, the arguments are framed within the scope of business-as-usual or

modernization thinking. It is often believed that there are technical solutions that actors can normally agree about to every conceivable problem.

A language where ‘ideology’ is involved also opens the door for more radical changes in political economic system. And I believe that present unsustainable trends can only be systematically counteracted if radical changes in institutional arrangements are considered and sometimes implemented.

It may be argued that the word ‘ideology’ is connected with political parties and refers to thought patterns or narratives such as (specific versions of) socialism, social democracy, liberalism, conservatism, communism and fascism (Eccleshall et al., 1994). But as citizens we are expected to understand politicians and political parties in such terms of ideological orientation. Politicians turn to us with their respective ideological orientations, hoping that their policy alternatives will be supported. This suggests that when responding to their policy proposals in one way or other, we as citizens are also guided by something that can be referred to as ideological orientation.

Since present trends are unsustainable in serious ways, climate change being one example, present problems need to be approached at different levels, including the level of perspectives and ideology. Is economic growth ideology all that is needed? Will neoliberalism with its emphasis on markets, self-interest, privatization, entrepreneurship and technology be helpful? What about social democracy (Berman, 2006)? Do we need a green ideology (supported by a green economics) and how can we approach the issue of articulating such an ideological orientation?

I have chosen to refer to ‘ideology’ rather than other terms since ideology clearly refers to a means–ends philosophy and is already an established term in political science and political dialogue. But there are other terms as well, such as worldview, vision and narrative. The main idea is to get away from the assumption of value neutrality in neoclassical economics and instead encourage engagement in analysis of values and ideology. Thus, attempts to clearly articulate value, ethical and ideological issues are recommended. How do the ideological orientations of specific actors or groups of actors differ? Democracy is strengthened by listening to many voices and respecting different viewpoints. Actors presumably learn from each other and each ideological orientation – established ideologies included – is potentially contested.

OPTIONS AT THE LEVEL OF PARADIGM IN ECONOMICS

What kind of economics are we looking for? There must be alternatives to mainstream neoclassical theory. And paradigms can be expected to differ with respect to relevance for sustainability policy and more generally for understanding sustainability issues. The idea is to socially construct an economics helpful in attempts to get closer to sustainability or sustainable development. As everyone can understand, this is not a value-neutral position. And we are not primarily interested in explanations of how individuals and organizations actually behave in present society. We are leaving neoclassical ideas of meaningful research behind in favour of a different approach. As part of a pluralist philosophy we are, however, not denying that something can be achieved on the basis of neoclassical theory and method. But we believe that a different conceptual framework and language, described as an ‘institutional version of ecological economics’ or ‘sustainability economics’ (Söderbaum, 2008), can add to our understanding and facilitate movements toward sustainable development.

Table 28.2 Illustration of differences in conceptual framework and language between mainstream neoclassical economics and institutional sustainability economics

	Mainstream Neoclassical Economics (Technocracy Oriented)	Institutional sustainability Economics (Democracy Oriented)
View of individual	<i>Homo oeconomicus</i> (utility-maximizing consumer)	Political economic person (PEP) (guided by ideological orientation)
View of organization	Profit-maximizing firm	Political economic organization (PEO) (guided by mission)
View of economics	Ideologically closed idea of efficient resource allocation	Ideologically open ideas of efficiency and resource management
View of decision making	Optimization	Matching, appropriateness, pattern recognition
Approach to sustainability assessment	Cost–benefit analysis (CBA)	Positional analysis and other multicriteria methods
Relationship between actors	Markets	Non-market and market
Market	Supply and demand of commodities, labour and capital	Social (and power) relationship between single (and networks of) PEPs and PEOs
Progress in society	Growth in GDP	Ideologically open and multidimensional measurement. Interpretations of SD among ideological options

Source: Adapted from Söderbaum (2017), p. 12.

Options at the level of paradigms are illustrated in Table 28.2. Parts of the table have already been explained. In what follows, the focus will be on the right-hand column.

The level of the state is certainly relevant for policy and politics in relation to sustainable development. But politics rather begins with individuals and organizations as political actors in a democratic society. PEPs and PEOs play a key role and they interact in networks. Reference can be made to ‘network governance’ (Sørensen and Torfing, 2008). And, as suggested in Table 28.2, networks can be of a market or non-market kind, or both.

Standardized ideas of efficiency as in neoclassical cost–benefit analysis (CBA) where the analysts refer to ‘correct prices’ for each impact are avoided in a democracy-oriented society where there is normally a degree of conflict between ideological orientations. The analyst needs to be open-minded in relation to differing ideological orientations. This will be further developed in the next section where positional analysis is presented as an alternative to CBA.

Decision making is no longer exclusively regarded as a matter of optimal solutions. A broader approach is advocated where each decision maker’s ideological orientation is matched against the multidimensional impact profile of each alternative considered in the decision situation. As previously argued, optimal solutions become relevant only in the special case of consensus about objective or ideological orientation among those affected and concerned.

ASSESSMENT OF DEVELOPMENT PROJECTS IN A DEMOCRATIC SOCIETY

Neoclassical economists recommend the use of CBA for investments in infrastructure such as roads, railways, airports, seaports, dams, solar panels or other energy systems. CBA is a highly technocratic approach built on specific ideas of correct monetary values or prices to be applied

Table 28.3 *Role attributions connected with CBA and positional analysis (PA) respectively*

	Cost–Benefit Analysis (Technocracy Oriented)	Positional Analysis (Democracy Oriented)
Analyst	‘Expert’ on values and CBA method	‘Facilitator’, expert on PA method and dialogue
Stakeholder	Essentially passive. May be asked about ‘willingness to pay’	Is encouraged to express opinions and take part in dialogue
Concerned citizen	Silence will facilitate analysis and decision process	Is encouraged to express opinions and take part in dialogue
Politician	Expected to accept the authority of analyst and the results of analysis	Decisions are based on the ideological orientation of each politician who is thereby made responsible for her or his behaviour

when aggregating impacts of specific investment projects. A specific ideological orientation emphasizing actual and hypothetical market prices is applied. The best or ‘optimal’ alternative is then identified based on this specific ideological orientation and politicians or other decision makers are expected to accept the expert recommendation. Actually, the CBA method attributes specific roles to decision makers and others affected or concerned (Table 28.3).

Neoclassical economists who recommend CBA assume that there is a consensus in society about the values and ideology built into CBA. But why should this particular ideology be applied and not some other ideological orientation? Ezra Mishan, himself a textbook writer on CBA (1971), later (1980), realized that the assumption about consensus is not realistic. He pointed more specifically to the fact that an increasing part of the population are concerned about environmental issues and not willing to trade environmental impacts against other impacts according to a rigid idea of correctness. Dictating correct values and pointing to one single claimed optimal solution is not the best way to approach ideological conflicts in society. At issue then is if it is possible to consider more than one ideological orientation in sustainability assessment.

Positional analysis is based on the idea that politicians (or other decision makers) should know as well as possible what they are doing when voting in decision situations. Since politicians in a local municipality or national parliament normally differ with respect to ideological orientation, they also differ with respect to the kind of impacts they focus on. Some wish to vote for sustainable development in a radical sense, others may advocate and be content with business-as-usual policies.

This calls for a *many-sided illumination of a decision situation* with respect to:

- ideological orientations that appear relevant among politicians and other actors affected or concerned;
- alternatives of choice; and
- impacts.

The idea is no longer to refer to one single ideological orientation (or objective function) and find out one single best alternative. No attempt is made to reduce all kinds of impacts to one dimension. The monetary trade-off philosophy of CBA is abandoned in favour of multidimensional impact studies. Each ideological orientation is articulated (if possible, in cooperation with actors that advocate the specific ideological orientation) and made the basis of conditional conclusions in the form of rankings of alternatives, for example.

Multidimensional thinking here means that non-monetary dimensions are not being considered as being less 'economic' than monetary dimensions. Monetary and financial impacts are certainly part of the analysis but there is an emphasis on non-monetary 'positional thinking' in terms of positions, states or stocks pointing to situations at points in time. The idea is to consider multiple stages of decision making and make distinctions between decisions and impacts that are reversible and irreversible. Environmental impacts such as some land-use changes or CO₂ pollution are irreversible or difficult to reverse. This emphasis on various forms of inertia (reversibility, lock-in effects, path dependence) is not part of the CBA framework where a trade-off philosophy is applied in the sense that all kinds of impacts can be traded against each other in monetary terms.

Only the main features of positional analysis have been presented here. A more exhaustive presentation is given in the book *Positional Analysis for Sustainable Development* (Brown et al., 2017). It should be added that PA is not the only approach to decision making that departs from CBA. There are other multidimensional or multicriteria approaches as well and some refer to systems analysis (Clayton and Radcliffe, 1996). The orientation toward a strengthened democracy is perhaps the feature that distinguishes PA from other alternatives to CBA.

LISTENING TO VISIONARIES

As argued in this chapter, present development trends are unsustainable at many places and sometimes also at a regional and global level. In this situation, business-as-usual or modernization strategies are not enough. We need to discuss policy options also at the level of perspective. The mainstream neoclassical paradigm in economics and the connected mainstream neoliberal ideology may be part of the problems faced rather than any solution. Present institutional arrangements are made legitimate through mainstream economics education and neoliberalism. If we need new indicators of progress, we must consider alternatives at the level of paradigms in economics and ideological orientation. A democratization of economics is necessary, and pluralism is the way ahead (Söderbaum and Brown, 2010). The close to monopoly for neoclassical theory and method at university departments of economics can no longer be defended.

In her book *The Blockage: Rethinking Organizational Principles for the 21st Century*, Eva Kras repeatedly argues that we need to 'listen to visionaries' (Kras, 2007). Other ecological economists (Jakobsen, 2017) similarly suggest that we need to consider options at the level of philosophy and ideology. Already the titles of books indicate possible directions for thinking in terms of alternatives to the mainstream. At an early stage, Hazel Henderson wrote a book entitled *Creating Alternative Futures: The End of Economics* (1980). David Korten focused on a future *When Corporations Rule the World* (2001) while Noreena Hertz referred to what she saw as *The Silent Takeover: Global Capitalism and the Death of Democracy* (2001). More recently, Naomi Klein points to the challenge of capitalism versus the climate in her book *This Changes Everything* (2014).

Attempts have also been made to bring together a number of non-mainstream persons in a book to articulate *Alternatives to Economic Globalization* (International Forum on Globalization, 2002). To further illustrate my point of a need to discuss worldviews I will cite a paragraph from Vandana Shiva's book *Earth Democracy*:

Living democracy is the space for reclaiming our fundamental freedoms, defending our basic rights, and exercising our common responsibilities and duties to protect life on earth, defend peace and promote justice. Corporate globalization promised that free markets would promote democracy. On the contrary, the free market of global corporations has destroyed democracy at every level. At the most fundamental level, corporate globalization destroys grassroots democracy through the enclosure of commons. The very rules of globalization, whether imposed by the World Bank and the International Monetary Fund (IMF) or the WTO, have been written undemocratically, without the participation of the most affected countries and communities. Corporate globalization undermines and subverts national democratic processes by taking economic decisions outside the reach of parliaments and citizens. No matter which government is elected, it is locked into a series of neoliberal reform policies. Corporate globalization is in effect the death of economic democracy. It gives rise to corporate control and economic dictatorship. (Shiva, 2006, p. 6)

Each one of us as actors react in one way or other to the worldview expressed by Vandana Shiva and her ideas about democracy. This brings us to an attempt to further clarify different aspects of democracy.

INDICATORS OF A FUNCTIONING DEMOCRACY

Democracy is a contested term, as previously maintained. It has furthermore been argued that a distinction can be made between ‘weak’ and ‘strong’ democracy and that it is possible to strengthen democracy in some situation and context and also to weaken it. Facing a degree of complexity and ambiguity, an attempt is made here to exemplify ways of strengthening/weakening democracy at various (interrelated) levels. Four levels have been identified:

- the level of perspectives;
- the level of actors and their behaviour;
- the level of decision making and accounting;
- the institutional level.

In general terms it can be argued that democracy is about actors being informed by listening to many voices, about transparency and visibility. Stakeholders (interested parties) as well as concerned actors are involved.

At the *level of perspectives*, paradigm in economics (or paradigms more generally) has been discussed as well as ideological orientation. Pluralism and paradigm coexistence was recommended as strengthening democracy while monopoly for one paradigm in university economics education goes against democracy. When it is understood that each paradigm is specific in value or ideological terms then the present close to monopoly position of neoclassical theory can no longer be defended. It should be observed that this weakness in democracy terms is also valid for so-called Western democracies. But democracy may function well in other respects in these countries.

The willingness to study ideological orientations alternative to that of neoliberalism appears limited in many circles. Neoclassical economics (with its ideology) and neoliberalism are protected and, as I see it, this market fundamentalism is one of the major threats to the attainment of the UN SDGs.

Possibilities to strengthen/weaken democracy can also be discussed at the *level of actors*. Actors may be open-minded or rather closed in relation to normal principles of democracy. Actors at university departments of economics, as an example, may be eager to protect the

neoclassical monopoly and their professional positions. Actors in the media may openly encourage dialogue or they may protect mainstream neoliberal ideology. *Dagens Nyheter*, one of the main newspapers in Sweden, gets many proposals for contribution to debate and in my experience systematically avoids questioning the so-called Nobel Prize in Economics or other threats to the main market ideology.

At the *level of decision making and accounting* there is a multiplicity of ways of manipulating the information available to politicians or other decision makers. Analysis can be based on one single paradigm and method with connected ideology as in the case of CBA. Methods more open in relation to differences of ideological orientation such as PA are more compatible with democracy.

Thus, limiting attention to one single ideological orientation (or objective function) is a way of manipulating a study. Focusing on only one alternative of choice (or only on alternatives that are very close to each other in kind) is another way of manipulating. Emphasizing only one kind of impact – for example, monetary impacts – also exemplifies manipulation. We are back to the purpose in PA to illuminate an issue in a many-sided (rather than one-sided) way.

Existing accounting systems at the national and business levels are monetary in kind. New laws and regulations of corporate reporting are desperately needed (Brown and Dillard, 2014, 2015; Brown, Dillard and Hopper, 2015). Business accounting must become compatible with a pluralistic society and democracy.

Finally, the functioning of democracy depends on single institutions and *institutional arrangements locally, nationally and globally*. Unwillingness to reconsider international institutions, as alluded to by Vandana Shiva in the above citation, is one example. The World Bank, IMF and WTO were designed in a period when sustainable development was not part of the agenda. The World Trade Organization is based on neoclassical trade theory with its simplifications and does not go well with the UN SDGs or the definition of economics advocated in this chapter. Problems are accentuated when focus is on transnational corporations – for example, those active in the oil industry (Bode, 2018).

The Bank of Sweden Prize in Economics in Memory of Alfred Nobel is another institution that can be challenged in relation to sustainable development. The role of the prize, especially in the latest decades, has been to further strengthen the power position of neoclassical economists and the ideology of neoliberalism.

The different elements and aspects of democracy are, of course, interrelated. When a nation takes steps toward political dictatorship, as appears to be the case, for example, with China, Russia and Turkey these days, then all levels of the democracy/dictatorship institutional infrastructure are affected. This is why international dialogue about democracy and how it can be strengthened these days is so important.

A word of optimism may still be justified: even nations taking steps in the direction of dictatorship will hopefully at some stage recognize that there is a need for open debate and rule of law for security reasons. A nation such as China today, being close to dictatorship, can learn about environmental threats and other security challenges from the dialogue going on in the more democratic nations. If China succeeds in its transnational power aspirations, there will be no whistle-blowers available when things go wrong. Journalists or other actors who point to problems are easily neglected, if not imprisoned. Just as business companies need new accounting systems, performance of nations in democracy terms also needs to be monitored and discussed.

CONCLUDING COMMENTS

Individuals as actors differ about ideological orientation and ideas about progress and development in society. There are even differences for one single individual depending on context and decision situation. But there are also similarities among individuals in a specific community. While there is considerable inertia at the level of the individual (e.g., cognitive and emotional commitments) and her or his context (institutional arrangements in the form of a political-economic system that is not easily changed), there are also possibilities for political action and change. In this chapter I have pointed to tendencies of elite actors and others to stay within mainstream views of economics perspective and ideological orientation.

While something can be achieved through mainstream initiatives, we should not forget that present unsustainable trends have come about during a period when neoclassical economics as paradigm and neoliberal ideology have been dominant. These perspectives have been – and still are – largely protected by elite actors. Alternatives to the mainstream need now be articulated and made part of research, education and public dialogue. I have presented here an institutional version of ecological economics as being relevant for this continued dialogue.

Rather than neoclassical theory and method as a technocracy-oriented approach, a democracy-oriented economics is advocated. The exclusive focus on markets is replaced with assumptions about political economic persons and political economic organizations that interact. Ideological orientation is a key concept and one-dimensional monetary trade-off analysis is avoided in favour of a multidimensional and ideologically open approach to assessment of projects more in line with the 17 UN SDGs. Non-monetary impacts are regarded as ‘economic’ as monetary ones.

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