

# Lessons for Democratic Transitions: Case Studies from Asia

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by Tom Ginsburg

**Tom Ginsburg** (tginsbur@law.uiuc.edu) is Visiting Professor of Law, University of Chicago; Professor of Law and Political Science; Director, Program in Asian Law, Politics and Society, University of Illinois, Urbana-Champaign. This article is based on his presentation to the Foreign Policy Research Institute's Asia Study Group in Philadelphia on May 1, 2007.

**Abstract:** [In an era when democratization is stalled or in retreat in many parts of the world, it is important to highlight the successful democratic experience of East and Southeast Asia in recent decades. Five consolidated democracies have emerged since the mid-1980s; only Thailand has seen some backsliding with the 2006 coup. The Asian cases provide insights into several major debates in the democratization literature, including the relative importance of culture, history, economic structure, and the optimal sequencing of political and economic reform. This article reviews these issues, with particular attention to the role of outside powers in underpinning democratization. Ultimately, the Asian cases offer evidence for optimism about the prospects of a Fourth Wave of democratization.]

A decade and a half ago, as the third wave of democracy was cresting, it seemed plausible to argue that freedom was becoming a global norm, making advances in every region (with the exception of the Arab world). Today, that wave is rapidly receding virtually everywhere. Most of the republics of the former Soviet Union have followed Russia into a stable pattern of authoritarianism; leftist populism is on the march in Latin America; and Africa's nascent democratic wave proved short-lived, as recent elections in Nigeria confirmed. In the Middle East there is also cause for concern, as democratic processes have produced Islamist electoral victories in Palestine, Egypt, Lebanon and Iraq, raising the specter of "one man, one vote, one time."

My thesis is a simple one: Asia should be at the center of the comparative study of democratization. Asia was at the forefront of the third wave, with important transitions beginning in South Korea, Taiwan and the Philippines before the collapse of the Soviet Union seemed possible. Outside of Europe, Asia is the only region in which a large set of consolidated democracies has emerged in the third wave. Because the Central European conditions were influenced by the strong pull of the European Union, the story there is somewhat *sui generis*. Asia offers the

best hope of understanding how consolidated democracies can emerge in other parts of the world without a liberal political tradition.

To some degree, the emergence of consolidated new democracies in Asia is very surprising. Asia has long been viewed in the West as possessing an inherently authoritarian political culture. As Hegel famously argued, in his *Philosophy of History*:

[T]he history of the world travels from East to West, for Europe is absolutely the end of history, Asia is the beginning . . . The East knew and to the present day knows that no one is free; the Greek and Roman world, that some are free; the German world knows that all are free. The first political form, therefore, which we observe in history is despotism, the second democracy and aristocracy, the third monarchy.<sup>1</sup>

Hegel's view resonates with a number of analysts of political culture in the twentieth century, who pointed to the lack of an indigenous history of democracy and a long history of authoritarian, hierarchical political thought in Asia. Although Confucianism, to take the most fully developed set of ideas about politics in East Asian tradition, has some features that can be seen as compatible with democracy and constitutionalism, these institutions did not develop locally and are thus transplants. The story of how Asian cases emerged as democracies may thus offer clues for general application.

This article first lays out the case that Asia's recent experience is important and briefly considers the history of Asia's new democracies. It then goes on to consider what these cases tell us about several important debates in the recent literature on democratization.

### **Asian Democracies During the Rise of Competitive Authoritarianism**

If the 1990s were the decade of democracy, the first decade of the twenty-first century can be seen as the decade of competitive or electoral authoritarianism.<sup>2</sup> Electoral authoritarianism refers to a system with the apparent trappings of democracy, such as elections and a nominally independent media and judiciary, in which channels for participation and accountability are manipulated and constrained to ensure dominance of one faction. From Iran to Venezuela to Zimbabwe, these regimes appear to be the norm—and the mere presence of elections should not fool the observer into thinking of these countries as full democracies.<sup>3</sup>

Compare the situation in Asia: Japan is about to enter its seventh decade of democracy under the American-drafted constitution, a success story even more stark in light of recent failures to impose democracy in Iraq. Korea is an OECD member

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<sup>1</sup> Georg Wilhelm Friedrich Hegel, *The Philosophy of History* (Jackson, MI: Colonial Press, 1899) pp.103-104.

<sup>2</sup> Andreas Schedler, ed. *Electoral Authoritarianism: The Dynamics of Unfree Competition* (Boulder: Lynne Reiner, 2006).

<sup>3</sup> Fareed Zakaria, "The Rise of Illiberal Democracy," *Foreign Affairs*, November 1997.

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entering its third decade of democracy; Taiwan would be in the OECD but for its international situation. Mongolia survived a bout of Putinism to remain as a consolidated democracy in the shadow of two authoritarian giants. With elections and a change in power in 2004, Indonesia has emerged as the leading consolidated democracy in a majority Muslim country. The Philippines has survived a coup and an attempt by the president to extend her term in recent years to maintain its institutional integrity as a democracy. Until its recent coup, Thailand enjoyed its longest period of uninterrupted democracy (at nine years) though its institutions were stretched by populist billionaire Thaksin Shinawatra. Malaysian semi-democracy may be healthier than it has been in decades.

It is true that inroads on the communist mainland have been less rapid than some had hoped. China sits atop a broad swath of unfree countries, from Myanmar through Indochina extending to North Korea. Some argue that even in China, civil liberties have improved significantly with two decades of sustained economic growth. A full evaluation of this claim and its implications is beyond the scope of the current article, but the possibility suggests that the lessons of the other democracies in the region may one day be applicable in the neighborhood. In any case, Asian authoritarianism is quite different from the “competitive authoritarianism” found elsewhere, in that it does not even have the formal trappings of democracy. The third wave never penetrated to socialist Asia (other than Mongolia) and so therefore never receded.

In short, Asia has seen the emergence of five consolidated democracies since the mid-1980s. Unlike any other region outside of Europe, there has been no backsliding or major reversals. This paper will consider the relevance of this experience for our understanding of democratization more generally. We begin by describing the cases briefly.

### *Taiwan*

Temporally, the first sign of the third wave in Asia emerged in Taiwan. In 1986, partly responding to the rise of China and the decision by Deng Xiaoping to develop a market-oriented economy, President Chiang Ching-kuo imitated a reform of the political system to expand political participation. His orientation was the paradigmatic goal of reunification with the mainland. Chiang believed that deepening Taiwan’s democracy would allow Taiwan to serve as a vanguard province for a democratizing China, as the mainland would learn from its experience. In a speech announcing these policies to the Kuomintang (KMT) party, Chiang promised to “initiate democratic constitutional government . . . return political power to the people; and make them entirely equal before the law.”<sup>4</sup> Shortly thereafter, opposition political parties were legalized. There followed a long period of transition during which opposition politicians made demands for reform, which

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<sup>4</sup> Linda Chao and Ramon Myers, *The First Chinese Democracy* (Baltimore: Johns Hopkins University Press, 1998).

were then co-opted and adopted by the liberalizing mainstream faction of the KMT. That faction itself became the vehicle of the remarkable leader Lee Teng-hui, who is known today as an extreme advocate of Taiwan independence. Lee used his remarkable political skills to transform the KMT party, leading to the end of martial law and the holding of new elections to replace the national assembly elected on the mainland forty years earlier. These changes paved the way for Taiwan's first democratic presidential election in 1996, in which Lee was elected for a four year term.

In 2000, Taiwan enjoyed what was arguably the first peaceful transfer of power among political groups in Chinese history, when Democratic Progressive Party leader Chen Shui-bian was elected president. This marks a crucial test in any democracy, and Taiwan passed it with flying colors. A period of divided government and constitutional stalemate has ensued.<sup>5</sup> Despite poor political performance by virtually all accounts, democracy is clearly entrenched for good.

### *The Philippines*

If Taiwan's democratization was gradual and peaceful, the ending of the regimes in the Philippines was hardly so. One month after Chiang Ching-kuo's speech, longtime Philippines strongman Ferdinand Marcos ran in an election against Corazon Aquino, widow of the longtime opposition leader whom Marcos had had assassinated in 1983. Marcos declared himself the winner, but a large contingent of protestors seized on international rejection of the results to initiate the famed "People Power" Revolution. The military withdrew its support and Marcos was sent to exile in Hawaii. Since the adoption of the 1987 Constitution, Philippines politics have been mired in scandal, corruption and two impeachment attempts. Whatever the level of performance however, democracy seems entrenched. A 2003 military rebellion was squelched, allowing for President Gloria Macapagal-Arroyo to serve out her first term. Another telling incident was Arroyo's subsequent effort to find creative ways to stay in power beyond her term ending in 2010. Arroyo proposed an amendment of the constitution that would effectively change the political system from a presidential system (with fixed terms for the chief executive) to a parliamentary one (in which she could hold office indefinitely). Though opposed in the Congress, Arroyo sought to utilize a constitutional initiative. However, the signature-gathering effort was cut short by the Supreme Court, which rejected the proposed amendments as unconstitutional.<sup>6</sup> The Philippines has thus withstood two significant tests of its democracy in the last four years: a failed coup and the rejection of a democratic leader seeking to use extra-constitutional means to extend her term.

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<sup>5</sup> Tom Ginsburg, "Constitutional Choices in Taiwan: Implications of Global Trends," Taiwan Law Society, 2006.

<sup>6</sup> "Pro-Charter Groups to Appeal SC Ruling" *Philippine Daily Inquirer*, Nov. 8, 2006.

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### *South Korea*

In South Korea too, democratization was marked by a clear moment. South Korea's "people power" emerged in 1987, building a coalition of labor movements, student groups, and a middle class upset by the heavy-handed governance of the Chun Doo Hwan regime. In the face of massive protests, the government agreed to a democratic transition, based on a pact among elements of the military regime and the two major opposition parties. A new constitution was passed with a democratically elected presidency, limited to a single five-year term. Each of the three major protagonists in 1987 has now held that office. Even more remarkable, the current president is a former activist labor lawyer, Roh Moo-Hyun—a development that would have been unthinkable even in the early 1990s. Like the other cases mentioned above, democratic performance has not always been satisfying. Each of the four directly elected presidents has found his popularity drop significantly over the course of his term. Despite the significant performance issues, there seems to be no question that democracy in Korea is fully consolidated. The military is confined to its barracks, elections are vigorously contested, and Korea's courts have become major sites for the constraint of politics.

### *Indonesia*

While Indonesia is not yet a full consolidated democracy, it presents perhaps the most remarkable case in Asia. It is the largest country outside China in the region, predominately Muslim, and incredibly diverse and centrifugal in character. Governed for thirty-two years by the authoritarian Suharto, a Cold War ally of the U.S., Indonesia's regime appeared able to survive the new era until the advent of the Asian Economic Crisis in 1997. Then, an austerity program backed by the International Monetary Fund empowered his opponents, and when Suharto engineered another presidential term for himself, resentments within his Golkar party along with opposition protests forced him from office. Thus began the *reformasi* era, in which gradual constitutional reforms have been introduced to entrench democracy. Significant decentralization has occurred, and some of the country's lingering security problems, including the Aceh rebellion and the occupation of East Timor, have been resolved. The 2004 election of Yudhyono marked the first direct election of the chief executive of this era.

### *Thailand*

The Asian Economic Crisis also put pressure on other regimes in the region. In Thailand, it spurred efforts to complete constitutional reform, leading to the passage of the 1997 "People's Constitution" the most democratic of the country's 16 such documents to that point. The People's Constitution introduced a number of checks over the country's political institutions and was widely seen as a great advance to help tame the country's fractious politics and unstable coalitions.

Alas, the Constitution worked too well, and a large political party emerged under the control of controversial populist billionaire Thaksin Shinawatra, who used his base in the countryside and large checkbook to consolidate power and control the country's nominally independent oversight institutions. Massive demonstrations in 2006 and a remonstrance from the King forced Thaksin to resign, but he continued to serve in an interim capacity. In September 2006, shortly before new elections, the military staged a coup while Thaksin was out of the country. The military announced a rapid timetable of constitutional reform, to be capped off with elections this year. Nevertheless, the coup represents a setback for Thai democracy.

### *Mongolia*

Mongolia's story is perhaps most similar to the paradigm "third wave" cases in Central and Eastern Europe. A long-time puppet regime of the Soviet Union, Mongolia initiated rapid political reform in early 1990. By 1992, the country had a new democratic constitution, and has witnessed several rounds of free and fair elections since that time. As in Taiwan, when the longtime ruling party lost power, the newly empowered "democratic forces" proved ineffective at governance, leading to a rash of corruption scandals and the return of the formerly communist Mongolian People's Revolutionary Party. From 2000 to 2004, a Putinesque leader named Enkhbayar served as prime minister, reestablishing close relations with Russia and intimidating the opposition, but these tendencies never reached the levels found in Russia. Today, Enkhbayar is the president of the country, while the parliament is governed by a grand coalition of both major parties.

These vignettes demonstrate the diversity of democratization experiences in the Asian cases. They feature a broad array of initial conditions, including relatively homogenous countries (Mongolia, Korea) and more diverse ones (Indonesia). The cases had a wide range of previous non-democratic regimes, including Leninist (Mongolia), military-authoritarian (Philippines, Korea), party-based (Indonesia), and novel combinations of all the above (Taiwan). And their democratization dynamics were different, including mass-based protest (Philippines), pacted transitions (Mongolia, Korea), and gradualist negotiations (Taiwan).

### **Democratization Debates: Sequentialist vs. Universalist**

What do these cases tell us about democratization? In understanding how democracies emerge, social scientists have long been divided into those who emphasize the importance of preconditions and structural constraints, versus universalists who believe democracy is plausible virtually everywhere. Those in the first camp place greater emphasis on cultural bases of democracy, and can be traced back to at least Montesquieu, through Tocqueville and Weber. Those in the second

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camp draw inspiration from the enlightenment, the founding fathers, and Wilsonian idealism.

From the 1950s into the 1970s, the social sciences were dominated by modernization theorists who emphasized the importance of preconditions. Democracy was part of a package of institutions, parallel with industrialization in the economic sphere, that signified modernity. Crucially, modernization was not an inevitable process, but required deep cultural transformation. Democracy would only emerge after a long process of social transformation. This position resonated with Cold War imperatives, as it seemed to justify developmentalist imperatives and alliances with capitalist authoritarians. Development policy in those decades emphasized the importance of education to transform the social bases of political and economic development. Capitalist economics, however, were an essential element of the mix.

One prominent theory in this vein was Seymour Martin Lipset's hypothesis about the relationship between economic and political development.<sup>7</sup> Lipset believed that democracy was a product of social factors and economic preconditions, in particular the emergence of a strong middle class. The policy implication was that countries should focus initially on economic development; pressures for democracy would emerge naturally in due courses as the country developed.<sup>8</sup> This has led to some accusations of the apologia for authoritarianism. Nevertheless, there is some evidence that democracy may make the early stages of growth faltering and messy.<sup>9</sup> Powerful individuals and interest groups may use the nascent democratic process to their advantage, while the ability of the government to implement public-spirited reforms may be severely limited. So, in the early stages of growth, it may well be the case that an enlightened despotism is more efficient than a new democracy, though this is a large and controversial question.

Against these "sequentialists" are universalists, who believe that more political participation is always better. Proponents of this position argue that democracy is the result of universal strivings of man for freedom. None of the alleged prerequisites of democracy, such as a liberal political culture, a previous history of democracy, or levels of wealth, are really necessary, but rather ought to be understood as enabling conditions at best. The policy implications of this position are quite different from the other camp: instead of focusing on sequencing, with political liberalization following growth, one should support the extension of democracy abroad in a direct and immediate way.

These two positions have contrasting approaches to a number of issues that are quite relevant for contemporary debates over democratization, including the

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<sup>7</sup> Seymour Martin Lipset, *Political Man: The Social Bases of Politics* (Garden City, N.Y.: Doubleday, 1958).

<sup>8</sup> A recent book that emphasizes this pattern in the context of China is Randall Peerenboom, *China Modernizes: Threat to the West or Model for the Rest?* (New York: Oxford University Press, 2007).

<sup>9</sup> See, e.g., Adam Przeworski, Michael E. Alvarez, Jose Antonio Cheibub & Fernando Limongi, *Democracy and Development: Political Institutions and Well-Being in the World, 1950–1990* (New York: Cambridge University Press, 2000) (discussing political regimes and economic growth).

roles of culture and social structure, economic development, sequencing, history, and the potential role of outsiders. I will proceed thematically, considering what the evidence from Asia says about each issue.

1. *The Role of Culture.* Scholars both within and outside Asia frequently engage with issues of culture as a factor explaining political and economic performance there. This is understandable given the very different political and philosophical traditions in Asia and its relatively late encounter with the West. In the political sphere, culturalist approaches were consistent with longstanding essentialist views of Asia as authoritarian (represented by the Hegel quote earlier in this paper); these views were sustained by the long tradition of authoritarianism which was common to all countries in the region, not merely those in the Confucian tradition.<sup>10</sup>

Culturalist arguments are frequently criticized on the grounds that cultures are dynamic, making attributions of causality problematic: if one observes an outcome that was previously deemed to be incompatible with culture, the argument can be made that the culture has simply changed. This renders the arguments unfalsifiable. For this reason, a generation of social scientists have looked toward more institutional explanations of outcomes.

While a full consideration is beyond the scope of this paper, it should be clear that, whatever else they do, the Asian cases should put to rest the notion that democracy is a uniquely Western or Judeo-Christian phenomenon. As democracy has spread from wealthy Japan to middle income countries like the Philippines and Indonesia, it has encountered many new cultural environments. In religious terms, Asian democracies are predominately Buddhist (Mongolia), Christian (Philippines) and Muslim (Indonesia). South Korea and Taiwan are more divided in religious terms, but also vary from syncretist Taiwan to evenly divided but confessional South Korea (with Buddhists and Christians accounting for roughly equal shares of the population). Democracy has adjusted to each of these very different environments.

If cultural *origins* are not a barrier to democracy, what about other features of Asian political culture? Certain commonalities can be found even across the diverse range of countries that make up the region. In the mid-1990s, Asian politicians and scholars integrated these to propagate the notion of “Asian values.”<sup>11</sup> It was asserted that Asians valued consensus over conflict, duty over rights, and the group over the individual. Asians, it was asserted, were more comfortable with hierarchy than notions of equality. (Similar arguments are made by the PRC apologists today.) Much has been written wrestling with this argument. It is interesting to note, however, how the wind has been taken out of the sails of the Asian values proponents. Its two greatest exponents were Lee Kuan Yew of

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<sup>10</sup> Lucien Pye, *Asian Power and Politics: The Cultural Dimensions of Authority* (Cambridge: Harvard University Press, 1985).

<sup>11</sup> Daniel Bell, *East Meets West: Human Rights and Democracy in East Asia* (Princeton: Princeton University Press, 2003); Joanne R. Bauer and Daniel A. Bell, *The East Asian Challenge to Human Rights* (Cambridge University Press, 1999); Kishore Mahbubhani, *Can Asians Think?* (Singapore: Times Editions, 2004).



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Singapore and Mahathir Mohamad of Malaysia, hardly disinterested observers. The five countries we focus on belie the claim, usually self-serving, that Asian cultures had a fundamentally different approach to democracy. One might today turn the question around to the erstwhile defenders of paternalist autocracy: if Asian values are incompatible with Western-style democracy, how can one explain the five cases discussed here?

2. *Social Structure: Heterogeneity.* Beyond essential cultural elements, there are social structural issues that form potential prerequisites for effective democracy. One theme which is important in this regard is the role of ethnic homogeneity. Ethnic heterogeneity is often seen as a challenge for democracy, in the sense that it divides politics and presents intractable issues incapable of resolution through politics. Iraq is only the most recent case illustrating the challenges of democracy in a multiethnic society. Of course, it is not heterogeneity per se that presents a problem: very diverse societies such as India can sustain democracy precisely because internal society is too divided to permit permanent dominance of one group. Rather, the most difficult configuration seems to result from a large but not too dominant majority of one group facing one or more other groups significant enough to play a spoiler role. In such a configuration the majority has difficulty making credible commitments to protect minority rights and interests. The minority, in turn, has incentives to make maximalist demands.

Northeast Asia's democracies can be seen as relatively homogenous. Japan and Korea are the paradigmatic nation-states, which relatively homogenous national populations (thought not as homogenous as sometimes imagined). Mongolia has a small Kazakh population concentrated in the West but is basically a homogenous country for present purposes. Taiwan's ethnic identity is a complex matter, but the vast majority considers themselves as some type of Chinese—and the main ethnic cleavage between mainlander and Taiwanese is quite fluid.<sup>12</sup>

Southeast Asia's more diverse societies have rendered ethnic politics more visible and more complex. Malaysia's configuration, closer to Iraq's in percentage terms than it is to Japan's, along with an earlier history of anti-Chinese pogroms, may explain why mild authoritarian controls on public discourse are still considered necessary. The Philippines and Indonesia, roughly 90 percent Christian and Muslim respectively, are both internally diverse societies, in which intercommunal tensions have been a problem in the past.

Still, it is worth reflecting on the Indonesian case. The successful "unity in diversity" formula promulgated since independence seems to have been effective in creating a nascent sense of Indonesian national identity. This formula, along with its *pancasila*, official Indonesian themes of unity, religiosity and nationalism, substituted for demands that the state become explicitly Muslim in character. Early in Indonesia's economic and political transition in the late 1990s, there were a series of

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<sup>12</sup> Melissa Brown, *Is Taiwan Chinese? The Impact of Culture, Power and Migration on Changing Identities* (Berkeley: University of California Press, 2004).

pogroms against the Chinese. Some saw a portent of racial hatred and ethnic conflict.<sup>13</sup> In fact, however, Indonesia has settled into a significant peaceful pattern of intercommunal relations, in which the state's commitment to democratic tolerance is strong.

In short, the Asian cases remind us that ethnic homogeneity may be a helpful condition for democracy to thrive: but it is not a necessary one.

3. *History.* A recent trend in the social sciences is arguments tracing a range of social and economic outcomes to very long run processes. Economists such as Daron Acemoglu have traced development outcomes to earlier patterns of colonial settlement—with resource extracting colonialists setting in place very different institutional structures than those interested in settling populations in the colonies. William Easterly goes back even further to look at geographic endowments from centuries ago as the primary determinant of contemporary differences in wealth across nations. In the legal sphere, four prominent economists have argued that legal differences and economic performance are traceable to a single factor, the origins of the legal system (usually established by colonialism).<sup>14</sup> In their account, the English legal tradition provides institutional underpinnings for the rule of law—something even non-democratic Singapore and Hong Kong can demonstrate.

The East Asian tradition sheds some light on these debates. First, there is the intriguing possibility that Japanese colonial tradition—which established competent and relatively uncorrupt state structures in Korea and Taiwan—is in fact conducive to economic development. Combined with the Lipset thesis, this would imply that the authoritarian Japanese colonial institutions actually laid the basis for subsequent democracy, by setting up institutions that facilitated economic modernization. This position is no doubt controversial and deserves further exploration. But, focused as they are on Europe, the mainstream scholars working in this area have paid too little attention to the developmental implications of Chinese and Japanese institutions.

Even among those countries not colonized by Japan, the Asian cases may contribute something to the debate. Indonesia and the Philippines, colonized by the Netherlands and Spain, respectively, provide examples of democracies emerging among two colonial traditions that are not usually associated with positive outcomes in this research.

4. *The Role of Economics.* The Asian cases seem to provide a good deal of support for the Lipset thesis, emphasizing the importance of sustained economic growth as the basis for social and ultimately political transformation. The global poster children for modernization theory may be South Korea and Taiwan. In both societies, authoritarian developmentalist regimes obtained some degree of legitimacy

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<sup>13</sup> Amy Chua, *World on Fire* (New York: The Free Press, 2003).

<sup>14</sup> Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer and Robert Vishny, "Law and Finance," *Journal of Political Economy* 106: 1113-55 (1998).

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from sustained economic growth for many decades. Eventually this growth produced a broad middle class that grew increasingly uncomfortable with paternalistic arguments for political guidance by elites. In both countries, but particularly in South Korea, it was only when the middle class joined in coalition with other regime opponents that democratic reforms occurred.<sup>15</sup>

It is at this point that considerations of economic structure come into play, beyond questions of sequencing. The key to Asian growth is that it was broad-based and shared with the populace. The leaders of the developmentalist states provided social goods, such as housing, pensions, health care and education, that made clear their commitment to sustained growth.<sup>16</sup> They were thus able to parlay economic growth into legitimacy because they shared most of the wealth, with the partial exception of Marcos in the Philippines. Even in Suharto's Indonesia, in which the family of the dictator profited enormously through corrupt transactions, growth was somewhat broad-based (lacking the traditional landlord class of the Philippines).

The Asian economies were famous for their export orientation. This is a strategy broadly followed by China today, though with greater emphasis on foreign investment in the Chinese case. Export orientation in the Asian cases was facilitated by the fact that, in the cases of South Korea and Taiwan as well as Japan, it was the only plausible route for resource-poor economies. Northeast Asia was blessed with few natural resources. Now that we are more aware of the pathologies of the "resource curse" that has afflicted economies with concentrated wealth in natural resources, it is understandable why the paucity of resources in Northeast Asia could become an advantage. To be sure, there are plenty of countries with low resource bases that fail to develop. But the combination of effective development of human capital and efficient deployment of physical capital made the difference in East Asia.

The lesson for the political economy of democratization is that it is not growth alone, but the type of growth that matters. The Lipset hypothesis does not exclusively emphasize growth per se—it is the *social* bases of democracy that are crucial. Growth can facilitate the transformation of the class structure but only if growth is widely shared, with a broad social base. More narrow distributions are associated with autocracy and the resource curse, as well as a constant threat of political instability.

5. *The Role of Outsiders.* The Korean and Taiwan cases are also important for understanding an underappreciated factor, namely the role of outside powers. It was crucial that both Korea and Taiwan during their authoritarian periods were sustained as part of the U.S. Cold War umbrella. Without minimizing the very real human rights abuses perpetrated by these regimes, the US influence was moderating overall. In addition, it played a role in the timing of the democratization episodes. When Park Chung Hee kidnapped Kim Dae Jung in Japan in 1973, U.S. Envoy

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<sup>15</sup> There are of course, counterexamples. Singapore has been able to maintain its authoritarianism despite very high levels of wealth. Outside Singapore, modernization theory seems to work in Asia.

<sup>16</sup> Hilton Root and J. Edgardo Campos, *The Key to the East Asian Miracle: Making Shared Growth Credible* (Washington, DC: Brookings Institution, 1996).

Philip Habib is believed to have delivered a strong message of protest that is credited with saving Kim's life. Later, Undersecretary Gaston Sigur delivered a crucial message as middle class protests spread against Chun Doo Hwan's rule in the middle 1980s—the United States would not tolerate another Kwangju massacre. This intervention, along with the fact that Korea was preparing to host the 1988 Summer Olympics, moderated the regime's response to protests. The point is not that the United States is somehow primarily responsible for the ultimate democratization that occurred. Rather, the policy of engagement with the regimes during the authoritarian period gave the U.S. credibility to nudge things forward at crucial junctures.

The U.S. connection was also important as a locus for exiles and a transmitter of ideas and values. Many native Taiwanese leaders spent time in the United States as students, and sometimes later as exiles. The United States thus provided a safety valve, in which pressures in the political system could be temporarily relieved. More importantly, large numbers of Taiwanese and Koreans over two or three generations undertook higher education in the United States. It is hard to calculate the precise influence this had on democratization, but in my view it was substantial. Academic exchange to engage elites is a crucial component of any engagement strategy.

The Japanese case is worth a brief mention in the context of foreign influence. Obviously the U.S. security umbrella provided an important benefit to Japan, relieving it of the need to fund its own security during the crucial years of postwar reconstruction and growth. It did so in another, underappreciated way as well. By providing security, the United States made the Japanese constitutional bargain plausible.<sup>17</sup> The Constitution itself was famously authored by Americans, most of whom had very little knowledge of Japan, in a little more than a week in early 1946. Nevertheless, the Constitution has survived un-amended for six decades, quite a rare achievement for a document that was imposed by an outside power.

Part of the reason the document has been stable is that it provided a balance between the political forces that emerged on the left and right. The great demand of the Japanese left was the preservation of Article 9 of the 1946 Constitution, the so-called “peace clause” renouncing the right of Japan to maintain armed forces. Of course, this clause was reinterpreted creatively to allow the use of some forces, but Japanese military capabilities and posture were indeed limited by virtue of the constitutional provision. This meant that the left had an important reason to abide by and observe the constitutional bargain—the possibility of a right-wing led amendment process terrified them. The right, in turn, dominated postwar government, as the Liberal Democratic Party (LDP) ruled uninterrupted from 1955 to 1993 (and again after 1996). Although many in the LDP wanted to amend the constitution to abandon Article 9 and exercise a more muscular foreign policy, the

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<sup>17</sup> This argument is elaborated more extensively in my article, co-authored with Zachary Elkins and James Melton, “Baghdad, Tokyo, Kabul, . . . : Constitution-Making in Occupied States” *William and Mary Law Review*, January 2008.

mainstream faction within the Party did not push this position, and the U.S. presence meant that they did not need to. In short, the constitutional bargain was a stable one, in which the right governed but was restrained by the constitution and the US presence. The left, though never in government, preferred the 1946 bargain over an uncertain bargaining process for a new constitutional arrangement.

Indonesia is a case that illustrates the limits of foreign involvement. As Suharto's regime faded, the United States was very slow in recognizing developments and urging him to go.<sup>18</sup> Indonesia's remarkable transformation was clearly the result of local conditions; but the United States has played an important if underappreciated role after the fall of Suharto by providing much technical assistance to newly emerging democratic structures. In this sense, it has played a role in democratization, even if it had nothing to do with the democratic moment itself.

These examples, along with the Eastern European cases, suggests that outsiders can play a role, by providing resources, ideas and strategies, but that ultimately it is up to local actors to make democracy work. Ambitious attempts to promote democracy are important—and it would be a real shame if the Iraq disaster leads to a turn away from such work. But the fact is that such activities must be modest in character and confront the real limitations about what is possible.

6. *Sequencing.* There is a much debate in the democratization literature on the sequence and timing of various steps in the democratization process. Should one adopt a constitution before elections? Focus on state building before political liberalization? When should the rule of law be strengthened? Theoretical arguments abound in favor of many different approaches. These debates have been spurred by recent research suggesting that, in some circumstances, rapid political transition toward democracy could lead to ethnic conflict<sup>19</sup> and war with foreign powers.<sup>20</sup> Many have argued, as a consequence, that the rule of law and effective state capacity were important preconditions for effective democratic functioning.

The important cases of Korea and Taiwan do not provide much insight here, precisely because both *did* have strong state apparatuses, with relatively high quality independent legal systems, well before democracy was introduced. These were part of the legacy of Japanese colonialism, an understudied phenomena that nevertheless left significant influence on these societies. State capacity in Southeast Asia was also *relatively* high, say compared with subsaharan Africa, but court systems were not as strong. No doubt, the presence of strong state capacity to deliver social services and conduct economic policy did help to make democratization relatively successful. But the weakest Asian states, such as Cambodia, which is just emerging from failed state status, are not democracies and not likely to become democratic in the near future.

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<sup>18</sup> Thomas Carothers, "The Sequencing Fallacy," *Journal of Democracy*, January 2007, at p. 21.

<sup>19</sup> Chua, *supra*.

<sup>20</sup> Edward Mansfield and Jack Snyder, *Electing to Fight: Why Emerging Democracies Go to War* (Cambridge: MIT Press, 2005).

The sequencing argument assumes that autocracies can build up state capacity, much as the developmental state literature suggested that autocracy could help economic growth. Particularly in the early phases, demands on democratic regimes may outstrip capacity to provide them. Demands for patronage are also more transparent and more abundant in democratic regimes, and this can render effective state building a great challenge. However, the assumption that autocratic state building is always possible is not borne out. It is true, of course, that in cases Meiji Japan and Kemalist Turkey state-building was effective,, but there are plenty of dictatorships that did not engage in state building or did not succeed if they tried.

In my view the key variable is the presence of external threats that encourage state formation. Meiji Japan, perhaps the world's leading historical example of rapid industrialization and state formation, was spurred by very real threats from European powers. Korea and Taiwan saw both state capacity and economic growth as key strategies to maintain independence from external threats. In both Korea and Taiwan, the threats were existential—they faced hostile neighbors that claimed to be the sole legitimate government of the nation, and offered alternative models of how to define and govern society. These threats, in turn, put pressure on elites to reduce corruption of the state apparatus. One need only contrast KMT governance on the mainland, which was corrupt and ineffective, with the party's rule on Taiwan to understand how the more dire security situation forced the party to produce cleaner and more effective government on the island.

## **Conclusion**

The Asian cases provide a number of insights into current debates over democratization. Supposed prerequisites, such as a prior democratic history or a liberal political tradition, do not seem to be required to develop consolidated democracies. This should offer optimism about the prospects of a future “Fourth Wave” of democracy. On the other hand, there is substantial support for the Lipset hypothesis in the Asian cases. The caveat is that the type of growth seems to have been at least as important as the fact of growth, and this points us back toward favorable internal conditions of economic structure. The Northeast Asian economies turned relatively resource-impooverished environments into significant advantages; the Southeast Asian economies did not squander what resource wealth they had.

What factors lead to such fortuitous decision-making on the part of elites? A strong theme in the present discussion has been the role of the international environment. Cold War conditions provided a security umbrella and a framework for extensive American engagement that no doubt had a significant impact. To be sure, democratization occurred in some cases despite, not because, of American pressure. But the broader importance of having a democracy-supporting foreign policy seems to be a clear lesson from these vignettes, and one that is particularly timely in the current historical moment.