

***Political Dimension for Economic
Development :
A Research Design***

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A B S T R A C T

The development phenomena in Asia has primarily been understood in the pragmatic-pluralist paradigm in which statist views tend to be overlooked. Post colonial industrialization in NICs has been induced and facilitated by the government so that the role of the state is recognized as a crucial factor in economic development and accompanying social changes. The paper is basically a research design to compare the various forms of state power and their respective effectiveness in development of a number of selected Asian countries. This cross-national analysis is an attempt to classify the forms of 'state' in terms of the types of regime, executive leadership and bureaucracy; it identifies the nature of their relationship with development phenomena measured in terms of economic growth, distributive justice and dependence. The paper attempts to test two major hypotheses: that (1) strong civil or military authoritarian states tend to perform better than polyarchic or socialist states in economic growth but are not necessarily superior in distributive performance; and that (2) on the other hand, lenient civil or military authoritarian states and polyarchic states tend to perform better at improving distributive justice and in dispersing dependence in international relations.

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I. Introduction

The purpose of this work is to design a study for identifying the relational pattern between certain factors of political dimensions and economic development in East Asian countries.

The importance of the role of the political system, or the state, in economic development has been widely recognized, and in particular when it comes to developing countries, the political factors bear the prime importance in the post-colonial industrialization which became materialized mainly through policy mechanism.

Thus far, various development issues have been treated in different manners according to various theories espoused. Among others, pluralist and statist theories represent the extreme versions of the conception of political systems, economic development and their relationship. Even when the pluralists and the statist employ the same terms or indicators in an effort to explain the same phenomenon, their conceptual and theoretical implications are completely different. In other words, their difference is of a paradigmatic nature.

The pluralists assume that society as a whole is organized by interdependent institutional elements, while politics are organized by competitive interest groups which vie with each other for maximizing their own interests. According to them, the polity and economy are relatively autonomous so that the government plays no prime role in economic change. However, since they are interdependent in nature, certain associations are expected.

On the other hand, the statist, particularly those with marxist perspectives, posit that politics are essentially a matter of class politics where a hegemonic class rules over the state which in turn facilitates economic change to the benefit of the hegemonic class. Here the role of the government seems to be obvious and predetermined. The only question left is through which mechanism it performs its function.

It is, therefore, our first task to delve into these theories and their applications in terms of the relationship between political systems, their characteristics, and their effects on economic development. However, to understand how the theories view the issue under consideration is one thing, and to determine which theory is more

appropriate in explaining the relationship is another. Moreover, one may have to modify a theory or a conceptual model before applying it to specific cases since more often than not, theories and models are not sufficiently developed or flexible to be directly transferred to different contexts.

The specific objectives of this paper are, through a careful review of theoretical and empirical work on the topic, to identify the major factors of the political system which may have significant association with economic development in East Asia, and to construct a conceptual framework for analysis of the relationship.

II. Political Factors for Economic Development

There is a great deal of literature covering the relationship between political factors and economic development, and it is beyond the scope of this paper to review them all. The literature review here is confined to fourteen works, including empirical as well as theoretical studies, which were purposively selected in consideration of the two theoretical views, namely the pluralist and the statist. It is not always clear which theoretical standpoint a particular study takes unless specified, but it was possible to identify the theoretical inclinations of those studies reviewed.

First of all, let us examine which political factors were taken into account in the selected studies. As shown in Table 1, altogether nine factors of political dimension are identified to be associated with economic change. Though using exactly the same terms, working definitions and measurement of those factors vary considerably among researchers, they can be listed as (1) political party system, (2) power separation, (3) power structure (or representation), (4) political stability, (5) executive leadership and ideology (6) bureaucracy, (7) policy, (8) type of regime or government, and (9) the state.

A few researchers used a single factor to characterize the type of political system, but others adapted a set of factors either in an enumerative manner or composing a comprehensive scheme. When one uses the regime type or the state factor, it is usually the latter case.

Our next concern is in what ways these political factors are

Table 1. Political Factors in Relation to Economic Development Indicated in Selected Studies

	Political party	Power separation	Power structure	Political stability	Executive leadership & ideology	Bureaucracy	Policy	Regime or gov't type	State
Rostow	x	x	x	x	x				
Adeiman & Morris	x	x		x		x	x		
Holt & Turner						x	x		
Spengler						x			
Hoselitz						x	x	x	
Dick	x								
Cohen								x	
Rueschemeyer & Evans						x			x
Amsden							x	x	
Johnson						x	x	x	x
Zysman					x	x		x	
Offe						x	x		x
Berg-Schlosser	x	x	x		x			x	
Keman								x	

- Notes: a) The regime type is classified in terms of polyarchy or democratic (competition), socialist, civil authoritarian corporative and military, and connotes variables such as the participation, freedom of opposition, etc.; the power structure is operationalized in terms of personalistic, collective and representative.
- b) The power separation refers to both horizontal and vertical division including the degree of centralization/ decentralization.
- c) Bureaucracy is mentioned with respect to competence in resource management, policy implementation, etc.
- d) Policy refers to both mechanism and substances, and also includes economic institution.
- e) The notion of state includes autonomy and capacity.

claimed to be associated with economic development. It is frequently hypothesized that in less developed countries (LDCs), the characteristics conducive to economic growth are: a one-party dominating system rather than competitive or semi-competitive systems; a centralized power structure especially with one strong leader; a stable government; a competent, strong bureaucracy; and an authoritarian regime. However, some studies claim controversial findings on empirical bases, as will be further reviewed in the next section.

So far, we have reviewed previous studies disregarding their theoretical disposition. Some interesting distinctions between the pluralists and the statisticians are found when they are compared with regard to the way in which specific political factors are related to economic development. In the first place, we find that the two groups of studies are distinct in the selected factors which are considered to be associated with economic change. As indicated in Table 2, such factors as political party, power separation and political stability are much more favored by the pluralists, while the regime type and the state are almost exclusively used by the statisticians. On the other hand, leadership, bureaucracy and policy factors are relatively evenly emphasized by both groups.

Secondly, it is also noted that economic development is differently conceptualized: the pluralists tend to view it almost identically with materialistic growth which is eventually conducive to an enhancing of distributive justice; the statisticians seem to be primarily interested in distributive justice or the possibility of class disparity widening as the capitalist economy expands as foreign dependence is deepened in the LDCs.

Moreover, in the analysis of variables, the two groups seem entirely different from each other. The pluralists normally assume a set of explanatory variables having equal weight and thus easily compose a regression model which overlooks qualitative interaction among the variables. On the other hand, the statisticians emphasize the qualitative aspects of the political system and its relationship with the economy. Methodologically speaking, these two perspectives bear their own limitations, and there are respective efforts to overcome these limitations. The pluralists attempt to arrive at a composite indicator for the political system character, and the statisticians attempt to incorporate some conventional research strategies adopting

Table 2. Comparison between the Pluralist View and the Statist View on Political Factors

	Pluralist (Rostow, Adelman & Morris, Holt & Turner, Spengler, Hoselitz, Dick, Cohen)	Statist (Rueschmeyer & Evans, Amsden, Johnson, Zysman, Offe, Berg-Schlosser, Keman)
Political party	2(1)*	(1)
Power separation	2	(1)
Power structure	1	(1)
Political stability	2	-
Excutive leadership and ideology	1	1(1)
Bureaucracy	4	4
Policy	3	3
Regime or government type	2	5
State	-	3

* Numbers in the parentheses indicate factors used for composing another comprehensive index.

empirical indicators that would define the nature of the state.

Figure 1 compares the two theoretical views to show the basic distinctions in the conceptual framework in terms of the relationship between the political system and economic development.

Arrows in the figure imply the major impact flows among political, economic and societal elements: the state, or the government, plays an important role in economic development and is conditioned by social structure, the character of which is differentially conceived by the two views: and economic development in turn contributes to changes in social structure. Although the relationship among the three elements shows the same pattern as expressed by the single arrows, the differential conceptualization of each element makes the two views distinct. It is also noted that bureaucracy and policy are counted by both groups as instrumental factors that connect essentially political factors and economic development.

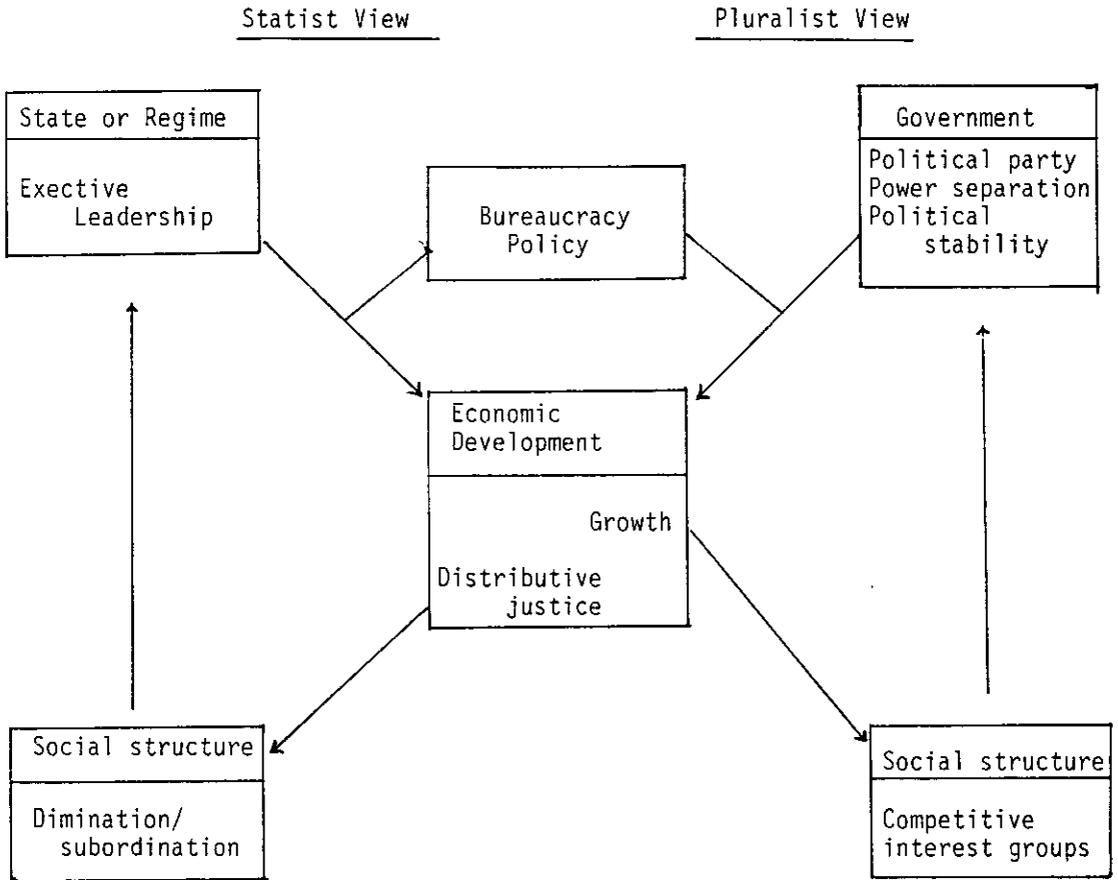
III. Regime, Executive Leadership and Bureaucracy in Economic Development

Successful economic growth in East Asia has mostly been induced by systematic planning or rigorous state involvement, which entails policy mechanism and the mobilization of bureaucracy as the main instruments propelling industrialization and economic growth. Economic policies and strategies including industrial policy, manpower policy and fiscal, finance and monetary policies varied, but rapid economic growth in the region shared the similarity in that it has been subject to state policies.

Then, our first question should be, "What kind of policies are likely to bring about economic growth?" However, considering the variation in the type of growth policies and strategies that could result in the similar rate of economic growth, the more important question would be the character of the state which derived the specific development strategies and the manner of policy formation and execution.

"The state" here is used as a rather abstract concept inclusive of all the political aspects of governing society, the character of

Figure 1. The Conceptual Framework of the Relationship between the Political System and Economic Development



which is also closely associated with the economic and social structure. Though the concept is still elusive, it is preferred to other indicators of the political system, such as the political party or the separation of power, when analyzing developing countries where mostly foreign political institutions mean something else than they do in the countries where they originated. In this regard, a notion such as "soft authoritarianism/capitalism nexus" used in interpreting the government and business relationship in Japan, South Korea and Taiwan (Johnson, 1987) seems to be more agreeable, although the nature of capitalism in Korea and Taiwan may need further scrutiny.

Assuming that East Asian countries have some sort of capitalist economies, our main task is how we operationalize the concept state, or what factors of the state are salient in the comparative study of the relationship between political factors and economic development. It is suggested in this paper that the types of regime, executive leadership and bureaucracy are worth studying in relation to economic development in East Asia.

This is not entirely an innovative idea, but has been suggested by earlier works. For instance, Zysman is one who advocated these indicators to account for economic growth in France and Japan (1983). Viewing that the emergence of bureaucratic-authoritarian regimes in Brazil and elsewhere presents an issue that different economic problems pose different political tasks, he also emphasized the political regime rather than the entrepreneurial agent of industrialization as the major factor explaining economic growth.

He further pointed out that a government's action depends upon the personalities and goals of those who govern and the capacity of the state, particularly of the executive body. This capacity is the power of the executive branch of government to get its way when implementing policy by mobilizing and directing the resources in the society toward the chosen ends, the strength or weakness of the executive branch being a function of the political structure, internal coherence of the bureaucracy, and the relation of the bureaucracy to the legislature and to various interest groups.

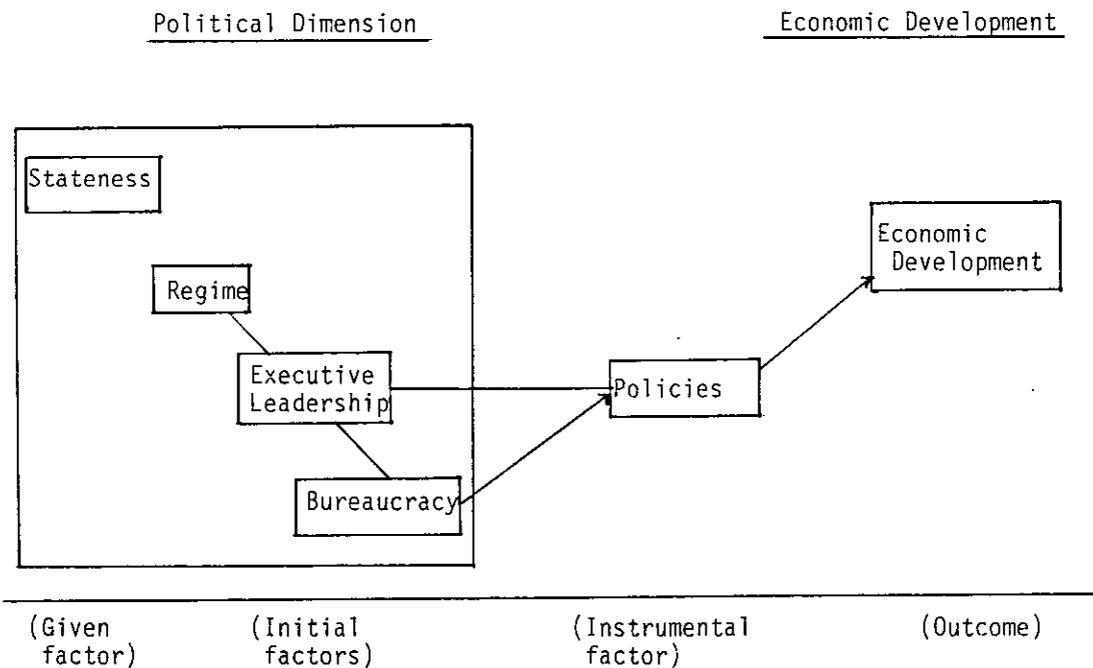
To reconstruct Zysman, we can pose that a certain type of regime combined with some degree of executive capacity and bureaucratic capacity is more likely than others to succeed in inducing economic growth through policies. The regime, as an approximate of the state,

represents the collective character of the state with respect to its representativeness, power structure and the mode of operation. The character of a regime is a variable to the specific historical conjunction of the state. The legitimacy, ideology and capacity of a regime is typically characterized by the executive leadership and the bureaucratic apparatus that are directly responsible for the selection of strategies and policies and the mode of their execution.

Figure 2 visualizes the relationship of these factors of political dimensions to economic development.

As the figure below shows, within the context of the stateness of a historically and geopolitically given factor, the regime, the executive leadership and bureaucracy are posed as the initial political factors linked to economic development through the policy mechanism. Although the bureaucracy is often conceived as an instrument, which it normally is, it should be noted that in many developing countries it exerts considerable initiative power rather than merely being instrumental.

Figure 2. Conceptual Scheme for the Relationship between Political Factors and Economic Development



The commitment of the executive leader(s) to development and the capability of the bureaucracy are relatively clear as the substantial factors of policy formation and execution toward economic development. Therefore, the following discussion will be focused on the type of regime and its economic performance.

Zysman was not alone in his concern with regime as a collective indicator of the state to account for government policies and consequent development. A number of studies reviewed in the previous section take it as the main variable explaining economic development. The specific types of regime classified by these studies are shown in Table 3.

Table 3. Types of Regime in Connection with Economic Performance

	Polyarchy-democratic	Socialist	Authoritarian	
			Civil	Military
Dick (Europe and Asia) <u>a/</u>	x		x	x
Cohen (Latin America) <u>b/</u>	x		x	x
Amsden (Asia) <u>c/</u>				x
Johnson (Asia) <u>d/</u>			x	
Zysman (Europe and Asia)	x		x	
Berg-Schlosser (Africa)	x	x	x	x

Notes: a/ Cohen uses Columbia, Brazil and Argentina as a case.
b/ Amsden focuses on Taiwan, indicating conquest-oriented regime.
c/ Johnson examines Japan, Korea and Taiwan.
d/ Zysman compares France with Japan, and focuses not the regime type per se, but the centralized system of both countries.

These studies are also distinctive in that they came up with a strong suggestion of the necessity of modifying the classic hypothesis that development of late industrializing countries is best served by some variants of the authoritarian regime. Dick, for example, defining the character of the regime mainly by the political party system, found that in Asia the authoritarian governments performed slightly better than the competitive ones but not nearly as well as the semi-competitive governments (1974). Furthermore, while the authoritarian governments performed better than the competitive ones in the countries below the median GDP per capita, the reverse was true among the countries above the median. This suggests that the authoritarian regimes may be capable of achieving faster economic growth only in the earlier stages of development, but not in the later stages.

Cohen's analysis of two Latin American cases at different times concluded that bureaucratic-authoritarian regimes are somewhat more effective in terms of economic performance: their contribution in Brazil (1964-1976) to the average annual growth rate exceeded that of the democratic Columbian regime (1945-1963) by half a percent, which amounts to a substantial figure over a period of time (1985). However, he adds, the economic growth under the bureaucratic-authoritarian regime had to pay for the enormous political costs such as the suspension of constitutional rights, restriction on political parties, censorship of the mass media, arrests, exiles and executions, which may not justify the economic performance of the regime. This study suggests that the concept "development" should be expanded to include political and social justice as well as mere economic growth. When development is viewed as such, the reputation for economic performance of the bureaucratic-authoritarian regime should be reassessed.

Finally, Berg-Schlusser's work on the African political systems is worthy of being noted in conjunction with the analysis and classification of the regimes and the conceptualization of economic development (1984). He constructed an historically-oriented multidimensional typology of political systems against differences from both conventional approaches of the systems theory and marxist state derivation theory. He used seven different political variables including party systems, legitimacy, recruitment of the executive head, the division of power, the power structure, the scope of control and ideological orientation to identify four clusters of system characteristics, name-

ly polyarchic, socialist, civil-authoritarian and military regimes. He also shows the changes of the regime type and executive transfers in African countries since 1960.

The Berg-Schlosser's regime typology was certainly a comprehensive scheme encompassing structural and ideological indicators of the state. However, it remains questionable whether an equal importance of these variables may be assumed. Moreover, another methodological note is necessary: typology strongly reflects historical and regional peculiarities in the sense that the major criterion for selecting variables and the expressed categories in each variable was that they were "deemed to be most useful and sufficiently discriminating for a comparative analysis of contemporary African states" (1984:128).

His conceptualization and operationalization of development is also interesting. The economic performance of the regime was measured in terms of the growth of gross national product (GNP) per capita, improvements in the physical quality of life, and the deepening of dependence. Finally, the acceptance of normative standards such as human rights was accounted as an important aspect of the regime performance.

His analysis of the relationship between the regime type and economic and political performance in Africa reveals that, contrary to the widely held assumption concerning the developmental advantages of civil or military authoritarian rule in Third World countries, the polyarchic regimes fare quite well in every aspect of their performance of development including protection of civil liberties and freedom from political repression. Socialist regimes show a poorer performance in terms of economic growth, but have a good record in improving the living condition of a larger part of the population particularly in the fields of education and health. The civil-authoritarian states do well with respect to GNP growth, but relatively little of this growth contributes to the improvement of basic living standards. Praetorian, or military regimes have the worst records in all these regards.

It has been observed in the few studies discussed above that the regime type is suggested to be a powerful factor in explaining economic and other development. What remains to be discussed is how in the Asian context the regime is to be analyzed and classified. In addition, how the regime as a comprehensive variable can become more

powerful by incorporating the rest of the political factors, namely the executive leadership and bureaucracy should also be explored.

IV. Agenda for Further Discussion

- (1) Regime as a representative indicator of the state.
- (2) Executive leadership and bureaucracy as substantive apparatus of the state.
- (3) Conceptualization and operationalization of the regime type, commitment of executive leadership to development and coherence of bureaucracy.
- (4) The extent to which policies to be analyzed in accounting for economic development.
- (5) Other significant factors to be included to represent the political dimension.
- (6) The countries in Asia to be compared in the study.

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Appendix. Hypothetical Typology of Asian Countries with Regard to the Types of Regime and the Executive Power of Bureaucracy

Types of Regime

		Polyarchy	Civil Authoritarian	Military Authoritarian	Socialist
Bureaucracy	Strong	India	Japan Malaysia Singapore	South Korea Taiwan	China North Korea
	Weak	Philippines		Thailand Indonesia	Burma