Chapter 1
Does democratic governance determine human security?

This book focuses upon three core questions. Is democratic governance good for economic prosperity? Has this type of regime accelerated progress towards achieving the Millennium Development Goals, social welfare, and human development? Does it generate a peace-dividend and reduce conflict at home? Prosperity, welfare and peace are core components of human security, reflecting critical risks and inter-related threats facing an increasingly complex and globalized world. Despite the importance of understanding these questions, and despite the vast research literature generated on each of these topics, remarkably little consensus has emerged about any of these issues. Within the international community, democracy and good governance are widely advocated as intrinsically desirable and important goals. Nevertheless several alternative schools of thought continue to dispute the consequences of democratic governance, each presenting contrasting visions about the most effective strategy for expanding human security. This study seeks to develop a more unified theory and to examine systematic empirical evidence throwing fresh light on this debate.

During recent decades the ‘democracy-promotion’ perspective has become increasingly popular, championed by commentators such as Morton Halperin, Joseph Siegle, Michael Weinstein, Larry Diamond, Thomas Carothers and Michael McFaul, amongst others. This emphasizes that deepening and consolidating the principles and procedures of liberal democracy will have intrinsic benefits, reinforcing human rights around the globe, as well as instrumental pay-offs, by improving human security.2 Through constraining predatory leaders, expanding voice and participation, and empowering citizens to rid themselves of incompetent rulers, democracy-promoters hope that this type of regime will make elected officials more accountable to ordinary people and thus more responsive to social needs and political grievances. In places undergoing transitions from autocracy – exemplified by developments in Egypt, Myanmar, and Tunisia -- democracy-promoters argue that it is essential to strengthen human rights and fundamental freedoms for its own sake. In addition, however, commentators such as Halperin, Siegle and Weinstein argue that this process also delivers concrete benefits by reducing poverty, expanding educational opportunities and building the conditions for lasting peace in developing societies. Thomas Carothers identifies a standard template which the international community seeks to foster in transitions from autocracy and the consolidation of democracy. The early stages of this process include developing constitutional frameworks respecting human rights, strengthening competitive
political parties, and holding competitive elections meeting international standards. The process moves on with a series of initiatives designed to strengthen the capacity of effective and inclusive legislatures, professionalizing independent judicial bodies and the courts, decentralizing decision-making for local government, and also expanding participation in civil society organizations, NGOs, and the independent media. Yet it is striking that the standard democracy template which Carothers recognizes as practiced by most democracy aid programs is not also directed towards state-building, with relatively little attention devoted towards activities such as strengthening public sector management in the civil service and central government ministries, establishing civilian control of militia, and training security forces. The power of the core executive is commonly regarded by democracy-promoters as part of the problem, not part of the solution to achieving developmental goals meeting social needs.

Despite the popularity of democracy promotion, these initiatives have come under growing challenge from alternative viewpoints. Where basic human security is lacking, diverse commentators such as Samuel Huntington, Francis Fukuyama, Simon Chesterman, James Fearon, David Laitin, Stephen Krasner and Roland Paris have all advocated ‘state-building’ in post-conflict societies. From the state-building perspective, the poorest developing societies – places such as Somalia, Chad, Timor-Leste, and Southern Sudan – can be understood as ‘weak’ or ‘failed’ states emerging from a long legacy of conflict and anarchy where the central authorities have limited capacity to maintain order and manage the delivery of many basic public goods and services. Governments struggle to guarantee conditions of public safety (such as in Cote d’Ivoire, Somalia, and the Democratic Republic of Congo), to protect against the worst effects of humanitarian and natural crisis (such as following the devastating earthquake in Haiti, floods in Benin, and famine in Niger), and to provide universal access to schooling and health care for their citizens (such as in Liberia). There is no single understanding of the concept of ‘state-building’ but it is commonly thought to include public sector reforms designed to strengthen the core functions of executive agencies, government ministries, and the civil service, the courts and security services, local government agencies and public sector management. The core functions of the state restored through this process including the capacity to maintain security and rule of law, to provide basic services such as emergency relief, schools, and health care, to formulate and administer budget plans, and to collect taxation revenues. Cases such as Timor-Leste, Kosovo, Afghanistan, Liberia, and Southern Sudan exemplify the complex dilemmas raised by attempts by the international community to rebuild government capacity. The ‘state-building’ school of thought generally acknowledges the normative value of democracy as an abstract ideal, but they prioritize the pragmatic benefits of strengthening governance institutions as the overarching priority. In the strongest version of
this argument, state-builders contend that in ‘weak’ or ‘fragile’ states, democracy-promotion should be deferred, postponing multiparty elections or attempts to strengthen civil society organizations. This idea has also been increasingly reinforced by several agencies in the international community, led by the World Bank, which emphasize the developmental benefits thought to accrue from strengthening the institutions of so-called ‘good governance’, reflecting the principles of transparency, accountability, and rule of law.

Lastly the claimed beneficial consequences of both democracy promotion and state-building for development are questioned by the *structural* view, emphasizing the role of deep drivers of human security reflecting fixed and enduring conditions, irrespective of the type of regime in power. From this perspective, countries are poor because, like Liberia, they are land-locked and stranded at the periphery of international trade markets. Or, like Somalia, they lack investment in human capital, new technologies, and physical infrastructure (transportation, communications, factories, clinics and schools). Or, like Bangladesh, they are located in an area vulnerable to tropical diseases and susceptible to natural disasters such as floods and droughts. Or, like the Democratic Republic of Congo, they are plagued by the scourge of violent conflict, deep-seated social inequality, and ethnic divisions. Or perhaps states confront ‘all of the above’. For all these reasons, no matter the most heroic attempts to strengthen and transform democratic governance by the international community and national leaders, it is thought Panglossian to dream that through the process of regime change, a Niger could thereby rise up the ladder of development to become a Nigeria or a Nicaragua, still less a Norway. Structuralists emphasize that the type of regime has minimal impact upon human security, in part because political institutions are themselves the *product* of deep-seated socioeconomic and geographic conditions (the classic ‘Lipset’ thesis), rather than functioning as an independent cause of development. From this viewpoint, it is naive and foolish, at best, and dangerous, at worst, to hope that complex political processes of regime transition and democratization can generate immediate economic pay-offs, reductions in poverty, or peace processes which improve the lives of ordinary people and thereby transform societies. In the words of a saying popularized by Jacob Zuma; “You can’t eat democracy”.

Arguments about these rival claims are commonly heard in contemporary foreign policy circles in Washington DC, Paris, Berlin, and London when debating the most effective interventions for the world’s trouble-spots. In some cases, one side or the other wins the argument; after the fall of the Berlin wall, it seemed to many self-evident that democratic elections, multiparty competition, and initiatives strengthening human rights, civil society and the independent media were the most urgent priorities
facing the reconstruction of post-Communist societies in Central and Eastern Europe. In other cases, such as newly-independent post-conflict Timor-Leste and Kosovo, it seemed equally self-evident to many observers that the basic structure of the new government had to be created, including security services and justice, central ministries and public sector management.

But in many other countries around the world lacking the institutions for both liberal democracy and for effective state capacity -- in Iraq and Afghanistan, Egypt and Libya, or Southern Sudan and Yemen -- the choices about strategic priorities are far from self-evident. In a situation of limited resources, and there is always limited resources, if you were determining priorities, do you choose to invest aid into parliaments – or courts? Do you train police – or journalists? Do you hold elections or rebuild government agencies? Do you ‘do it all’? Or do you instead choose to by-pass governments by investing directly in humanitarian aid, blue-helmet security, clean water wells, anti-malaria nets, child immunization, girls’ schools, health clinics, anti-retroviral drugs, rural food collectives, micro-finance, demilitarization job training, and de-mining programs, where the international community works in partnership directly with local civil society organizations, on the grounds that these types of initiatives are more likely to generate an immediate concrete pay-off in people’s lives than attempts to strengthen democratic governance? These are not simply abstract scholarly questions; debate about these sorts of dilemmas commonly divide donor agencies, NGOs, think-tanks, national governments, and multilateral organizations in the international development community.

The claims and counter-claims are often framed in the context of particular cases currently in the headlines, exemplified by the world’s fascination with dramatic events unfolding during the Arab ‘spring’ in Tahrir Square, the battle for Tripoli, or protests and bloody repression in Manama and Damascus. Understanding these issues has much wider and deeper resonance beyond specific cases, however, including for less visible development dilemmas in countries such as the on-going violence in Democratic Republic of Congo, stirrings of liberalization in Burma, and the famine or dividing scholars among diverse disciplines within the social sciences as well as practitioners. As reviewed in subsequent chapters, by now an extensive econometric literature in comparative politics, developmental economics, and international studies has tested the impact of democratization and governance for the attainment of multiple developmental goals, employing empirical indices of income growth, social welfare, and conflict. Some studies of the empirical evidence do indeed report detecting significant linkages, where regimes influence human security. Yet the direction of causality is usually complex to interpret, due to potential interaction. Cross-national and time-series data often proves messy and untidy. Research on
regime effects has been fragmented across different sub-fields and indices. Models often suffer from omitted variables or countries. Cherry-picked cases have limited generalizability due to selection bias. Theories about the underlying mechanisms supposedly linking regimes and development remain under-developed. For all these reasons, overall this rich body of research has failed to demonstrate robust and consistent confirmation of many core claims, disappointing the hopes of proponents. The lack of consensus weakens the ability of social scientists to offer rigorous evidence-based policy advice useful for the practitioner community.

It is important to attempt to construct a unified and comprehensive theory from these claims and counterclaims, building upon each of these incomplete perspectives but going beyond them to synthesize our understanding about the impact of regimes on diverse dimensions of human security. The current debate reflects an unfortunate intellectual schism and an artificial division of labor among various disciplines in the social sciences. It also arises from divergent normative values. These intellectual blinkers are reinforced by the varied mandates of development agencies within the international community, such as the UNDP, the World Bank and European Union. Each argument presents an incomplete and partial vision, often deriving plausibility from certain particular cases, but limited in its broader generalizability. Like scattered pieces in a jigsaw puzzle, the alternative perspectives become more coherent and comprehensive, and the supporting evidence becomes clearer and more convincing, if synthesized into an integrated theoretical framework.

The unified theory of democracy+governance

Accordingly, the unified theory at the heart of this book predicts that the institutions of both liberal democracy and state capacity need to be strengthened in parallel for the most effective progress deepening human security, within the broader enduring fixed constraints posed by structural environments. Democracy and governance are rightly regarded as separate and distinct phenomena, both conceptually and empirically. This study contends that regimes reflecting both dimensions are necessary (although not sufficient) for effective development. These dimensions function separately, rather than interacting; thus as discussed fully in later chapters, today certain types of states, exemplified by China and Singapore, are particularly strong in their capacity for governance, but they continue to fail to protect basic human rights. Others such as Ghana, El Salvador and Mali have registered significant gains in democracy during recent years, but these regimes continue to be plagued by weak governance capacity to deliver public goods and services. Certain contemporary regimes are strong on both dimensions, not simply established Western democracies in affluent societies such as
Canada, Germany and Sweden, but also many diverse third wave democracies and emerging economies, including Chile, Slovenia, and Taiwan. Still other regimes around the world – exemplified by Somalia, Zimbabwe and Azerbaijan-- display an exceptionally poor performance on both democratic rights and state capacity. The book develops a new conceptual typology based on sharpening these general ideas and then focuses upon identifying the impact of regimes on a series of vital developmental goals; economic growth, social welfare such as education and health, and reductions in interval armed conflict.

The unified theory assumes that development is most effective where regimes combine the qualities of democratic responsiveness and state effectiveness. The argument is based on several premises.

The first is that the institutions of liberal democracy encourage elected officials to pay attention to human security, principally where procedures allow citizens to express their demands, to hold public officials accountable for their actions, and to rid themselves of incompetent, corrupt, or ineffective leaders. These mechanisms encourage leaders to be responsive to social needs and concerns. In practice, liberal democracies often prove imperfect in each of these procedures, particularly where party competition is limited, electoral systems are manipulated, or channels of participation are skewed towards money votes over people votes. But, at best, liberal democracies should make leaders procedurally accountable to citizens for their action. Democratic regimes strengthen downward electoral accountability and develop institutions providing multiple horizontal and vertical checks and balance, so that vote-seeking politicians have strong incentives to pay attention to public concerns and to deliver services and programs meeting social needs.

But the unified theory also assumes as the second premise that by themselves, democratic institutions are insufficient to achieve development goals. The institutions in liberal democracy can limit the abuse of power, but curbing Leviathan does not ensure that leaders will necessarily have the capability to implement effective public policies addressing social needs. Indeed excessive checks and balances may even prove counter-productive for the developmental state, bogging down decision-making over urgent challenges in a morass of partisan interests and mutual veto points. Elected politicians do not, themselves, build schools, open clinics, or dig latrines. Moreover the initial move from autocracy, and the rhetorical promises commonly made by leaders during transitional elections, often encourages rising expectations among ordinary citizens. If these cannot be met by elected officials, due to limited state capacity, this can be a recipe for frustration. Among critical citizens, this process can generate disillusionment with incumbent office-holders, and, if discontent spreads upwards to become
more diffuse, with the way that the regime works, or even, ultimately, with the promise of liberal democracy ideals.\textsuperscript{11}

For all these reasons, the third premise of the unified theory suggests that the quality of governance -- particularly state capacity -- will also play a vital role in achieving developmental goals, by bolstering state effectiveness and thus allowing responsive officials to deliver things which citizens want: better security, schools, clinics, and living standards. If unconstrained by democratic procedures and principles, however, in the long-term strong states are predicted to be unlikely to serve the general public interest. Like the ancient concepts of Yin and Yang, the seemingly contrary forces of democratic responsiveness and governance effectiveness are conceptualized here as interconnected and interdependent in the world, balancing each other’s strengths and weaknesses.

Lastly, and equally importantly, the central argument acknowledges that the quality of both democracy and governance are not isolated phenomena; regimes are assumed to reflect, as well as shape, the enduring structural conditions and the broader environment in each society. Thus the fourth premise is that deep drivers of development function to restrict or facilitate progress in strengthening regimes based upon democratic governance. These fixed conditions are exemplified by each state’s physical size and regional location, their degree of integration into global markets, their pool of natural resources and physical capital, the human capital and skills of its labor force, the existence of deep-rooted ethnic divisions and destructive civil wars, the impact of deep-rooted religious cultural values, and also colonial legacies prior to achieving independence. All these fixed structural conditions need to be incorporated as controls into comprehensive models analyzing the effects of regimes upon human security.

By itself, it could be argued that these claims are hardly novel, bold, nor indeed startlingly original. Yet this argument needs to be forcefully reiterated and the evidence carefully scrutinized for several reasons.

The previous literature commonly fails to acknowledge and test the importance of both democracy and governance, with scholars from different disciplines preferring to emphasize one or the other of these twin phenomena. In particular, the vast bulk of the literature has focused upon the impact of democracy irrespective of state capacity. Moreover previous research has failed to present robust and consistent evidence using multiple indices of human security and a comprehensive battery of controls; too often there is potential selection bias in the narrow choice of dependent variable. Human security is often closely related to income and wealth, but rich nations can still be vulnerable to a broad
range of risks and threats, whether from social inequality, lack of education, health care and provision for children and the elderly, or from violence and armed conflict. Thus regime effects need to be tested against multiple indices. In addition, the notion of the ‘quality of governance’ in the literature is a complex and slippery concept, open to several interpretations and meanings. Indeed ‘good governance’ has now become such a catch all term that it has become a Rorschach ink blot test, meaning whatever the commentator likes it to mean. This is useful for diplomatic language in real politick but lacking the precision necessary to make it valuable for social science. The way that the notion of governance is conceptualized and measured in this book as bureaucratic state capacity will be clarified and carefully unpacked and measured in subsequent chapters. Regimes most successful in achieving a wide range of developmental goals, the unified theory predicts, reflect a delicate balance between the effective mechanisms of *democratic accountability* (restricting the autonomy of rulers) and the effective mechanisms of *bureaucratic state capacity* (expanding the ability of public officials to implement policies serving the general public interest). This claim is subjected to rigorous scientific tests against a diverse range of developmental indicators, within the limits of the available evidence and analytical techniques, to see whether it holds water.

Before critics jump into the fray and attack the simple theoretical propositions presented in the unified theory, however, several important qualifications need to be emphasized.

First, trade-offs value choices are often encountered in the transition from regimes based upon patronage autocracy towards those reflecting the principles of democratic governance; the initial stages of this process can expand electoral choice, human rights and political freedoms, while simultaneously weakening the capacity of the state to maintain order and stability. Only in subsequent stages do governance and democracy come together again in a more balanced trajectory. As Charles Tilly theorizes, tensions exist between state capacity and democracy, so that countries such as Libya and Egypt facing regime transitions face difficult trade-offs.¹²

Secondly, this book does not prescribe a simple ‘one-size-fits-all’ set of practical political reforms; instead attention needs to be paid to diagnosing the particular weakness of regimes in each country on both these dimensions. Hence in autocracies which have restricted political rights, the most urgent priorities should be focused on encouraging transitions from autocracy and promoting the principles and institutions of liberal democracy, typically though interventions seeking to implement legitimate and competitive multiparty elections meetings international standards of integrity, strengthening effective and inclusive legislatures with the capacity of government scrutiny, and
bolstering independent and professional judiciaries to improve access to justice, within an overarching constitutional and legal framework respecting minority rights. In other democratic states, however, where the key challenge remains lack of governance capacity to deliver, international agencies should prioritize initiatives designed to address these issues, commonly through programs professionalizing training, budgeting and management in the public sector, strengthening the capacity of local service delivery agencies, and reducing incompetence, malfeasance and corruption in public life. The idea that one set of programs is effective in all social contexts should be abandoned in favor of more accurate diagnosis of the key needs-based priorities, and thus more effective and targeted policy interventions tailored to local conditions.

Finally the empirical evidence available to test core propositions in each of the alternative accounts remains complex to analyze, due to many technical challenges. Scholars in each sub-field – comparative politics, economists, welfare development and international relations – have developed specialized analytical techniques and concepts, which may well differ from the approach used here. This study attempts to overcome these limitations through adopting a mixed method design but nevertheless the interpretation of the results remain sensitive to the particular selection of indices, country coverage, and model specifications. We have to adopt an honest and dispassionate perspective, acknowledging in the conclusions that the evidence lends strong support for several of the core theoretical propositions, as expected, but not to all. The study therefore contributes to our knowledge about these issues but further work needs to explore the remaining puzzles in understanding the underlying linkage mechanisms connecting regimes and development, using alternative approaches, case-studies, and analytical techniques.

The lessons of regime change for human development

What evidence allows us to weigh and evaluate each of the arguments in the contemporary debate? As structural theorists argue, do enduring drivers of human security, such as each country’s natural resources, access to global markets, ethnic divisions, and cultural traditions, outweigh any impact arising from regime institutions? Or do processes of democratization promote development, as democracy-promoters claim? Alternatively, as the state-building perspective suggests, is effective governance vital? Or else is it more important to understand how democracy and governance develop in parallel, within the context of structural conditions, as the unified theory proposes?

The ‘third wave’ of democratization is conventionally thought to have occurred, following Huntington’s periodization, during the mid-1970s. The ‘Arab spring’ is only the most recent of
successive waves of democratization. Thus today processes of regime change can now be observed over almost four decades. The diverse trajectories of regime transitions occurring during these years -- with some states flourishing as stable liberal democracies, while others have faltered or fallen back -- put us in a far better position now than ever before to unravel the complex relationship between regimes and development. Establishing robust and convincing evidence to resolve the debate presents formidable challenges, however, not least due to the way that income, welfare and peace are reciprocal conditions which can also affect processes of democratization and governance. The voluminous empirical literature assessing these issues presents an inconclusive, scattered, and contradictory body of findings. This is hardly surprising given the complexity of the issues, deep disciplinary boundaries, and uncertainty about the most appropriate analytical techniques, well-specified models, and choice of indicators.

Standard econometric techniques are invaluable, and they are central to the research design used in this study, but analysts are quickly confronted by the serious limits in this methodology. Thus these methods ideally need to be supplemented by alternative narrative approach examining historical processes occurring within specific cases of regime change. Examples are commonly highlighted in popular arguments to provide anecdotal support for certain claims; hence the emerging economies of South Africa, Brazil and India are seen to exemplify rising prosperity, growth in investment and trade, domestic security and improved living standards experienced since the mid-1990s under democracy. In selected cases, such as Indonesia, Chile and Rwanda, a plausible narrative story can be constructed about how improvements in a series of multiparty competitive elections, as well as capacity building in the public sector, strengthened the state’s management of the economy and the delivery of basic health care, schools, jobs, and clean water, as well as reducing the underlying grievances fostering violent conflict. But many counter-examples are also be cited, hence state-builders emphasize China’s remarkable economic growth lifting millions out of poverty, or Singapore’s orderly and affluent society under one-party rule, as well as marked progress in human development (defined as gains of 20 points or more in the 100-point HDI since 1980) under some authoritarian regimes, such as in Mubarak’s Egypt and King Mohammed VI’s Morocco.  

Cases are an invaluable way to provide additional insights into the observed statistical regularities, but this approach raises important challenges about their selection. In this book, several paired cases are highlighted, such as Haiti and the Dominican Republic, two nations sharing the Caribbean island of Hispaniola, chosen to display diverse trajectories of regime change and human security, yet sharing common geographic, cultural and historical roots, to help control for structural conditions.
The case of Korea

The core questions at the heart of this study can be vividly illustrated by the contrasting fates of the peoples living on either side of the 38th parallel in the divided Korean peninsula. The Korean Republic made substantial progress in human development; indeed out of all countries worldwide, during the last twenty years the country registered the second largest net gains in the UNDP Human Development Index, beaten only by China. Yet during the same years, poverty and hunger north of the 38th parallel severely worsened. What explains the divergent trajectories?

For much of its history, Korea was one kingdom with a common culture and language, and a religious heritage drawn from Buddhism and Confucianism. Following the end of World War II, the country was partitioned into zones of U.S. and Soviet occupation. In 1948, new governments were established; the Republic of Korea in the south and communist Democratic People’s Republic of Korea (DPRK) in the north, divided at the 38th parallel. In 1950, the unresolved tensions of division surfaced in the Korean War, after northern forces invaded the Republic of Korea. The founder of North Korea, President Kim Il Sung, ruled through manipulating nationalist fervor and a charismatic following devoted to the cult of the Great Leader, as well as through the draconian repression of dissidents and the support of the military. The country’s borders remained hermetically sealed and deeply isolated from the international community; the main foreign policy ties were with China and the Soviet Union. The president’s son, Kim Jong Il, was officially designated as his father’s successor in 1980, assuming a growing political and managerial role until his father’s death in 1994, when he inherited the role of supreme leader. In 2010, Kim Jong-il’s youngest son, Kim Jong-Un, was promoted to become his likely heir, creating a modern dynasty. As Human Rights Watch summarize the contemporary record: “Human rights conditions in North Korea remain dire. There is no organized political opposition, free media, functioning civil society, or religious freedom. Arbitrary arrest, detention, and torture and ill-treatment of detainees and lack of due process remain serious issues.”

In November 2009, the United Nations General Assembly adopted a resolution criticizing ‘systematic, widespread and grave’ human rights violations in North Korea, condemning the use of torture and “all-pervasive and severe restrictions on the freedoms of thought, conscience, religion, opinion and expression, peaceful assembly and association, the right to privacy and equal access to information.”

During the early years, South Korea was also ruled by a series of oppressive autocratic governments, backed by the military, beginning with Syngman Rhee, with presidents governing with the façade of fraudulent and manipulated elections. The country was initially highly protectionist based on
state-planning agencies but following popular demands for reform, it eventually transitioned during the 1990s to become a market-oriented economy.\textsuperscript{18} The democracy movement, launched by students in the 1960s, and championed by opposition parties in the 1970s, delivered reforms the following decade. In 1987, the country initiated the Sixth Republic, with the regime transitioning to a multi-party presidential democracy. Trends in the Polity IV constitutional democracy index jumped sharply upwards (see Figure 1.1).\textsuperscript{19} In 1993 the first civilian president was elected to power. Since then, the country has held a succession of presidential and legislative multiparty elections meeting international standards of integrity and with peaceful transitions rotating power between the government and opposition.\textsuperscript{20} Gains have also been registered in the quality of governance, for example corruption rankings have improved.\textsuperscript{21} The state had a long-tradition of merit-based bureaucracy in the public sector.\textsuperscript{22} The democratic transformation of South Korea has by no means been smooth and stable; scandals associated with crony capitalism continue to afflict the presidency, while disruptive outbreaks of ‘people power’ street protests remain common, and the legislature and executive are often gridlocked. North Korea’s nuclear capacity raises security concerns and strains attempts to repair diplomatic relationships with its neighbor. Nevertheless progress in democratization in South Korea during the last quarter century has been substantial.

[Figure 1.1 about here]

The record of economic growth in both regions also illustrates stark contrasts; until the 1970s, both countries were poor, with per capita GDP of around $330. Today, the population in the North continues to suffer from prolonged food shortages and poor living conditions, recurrent outbreaks of flooding causing severe famine killing millions of people.\textsuperscript{23} The World Food Programme estimates that a third of North Korean women and children are malnourished. Recent monetary ‘reforms’ have wiped out modest household savings and thus destroyed a safety-net against hard times. In its starkest terms, the average Korean lives roughly fourteen years longer in the South than over the border in the North. Instead of agriculture or industry, state resources are poured into the military, representing by some estimates the second largest military expenditure as a percentage of GDP worldwide.\textsuperscript{24} In 2009, per capita GDP in the north was estimated at around $1,900.\textsuperscript{25} By contrast, since the 1970s, South Korea has achieved a remarkable record of modernization and global integration to become a high-tech industrialized economy based on export-led growth. As Figure 1.1 shows, steady growth was evident even before the 1987 democratic transition, accompanying modest political liberalization. But the economy accelerated dramatically in the decade following this watershed event, with average income
quadrupling. After recovering from the 1997 Asian economic crisis, currently the country’s $1.356 trillion GDP is among the world’s twenty largest economies. Four decades ago, GDP per capita in North and South was comparable with the poorer countries of Africa and Asia. By 2009, however, South Korean GDP per capita had leapfrogged to $28,000, fifteen times as high as the North. Rapid industrialization and societal modernization mean that indicators such as longevity, education, and literacy have risen substantially, as well as income; South Korea ranks 28th highest worldwide in the UNDP Human Development Index, similar to Greece and Israel.

The links connecting democracy, governance, and human security -- illustrated by these dramatically contrasting paired cases -- is the puzzle central to this study. What caused both sides of the Korean border to diverge so sharply that two peoples now live in different worlds? Standard structural conditions commonly offered to account for advances in human security in equivalent cases elsewhere in the world are unsatisfactory explanations for these twin societies – such as contrasts in enduring cultural values and religious traditions, geographical location (determining access to global markets and climates), the natural ‘resource curse’, or path-dependent historical legacies. So has the process of democratization been the key factor driving the contrasting levels of development? Or was it, instead, the skills, effectiveness and capacity of their state bureaucracy? Or were both important? More broadly, is it possible to generalize the lessons derived from these divergent pathways in the Korean peninsula to understand regime effects on human security in societies around the world?

Plan of the book

To address contemporary debates about these issues among scholars and policymakers, Part I of the book develops the theoretical argument presented in this study. Chapter 2 considers the claims in the debate. Building upon these ideas, and synthesizing the separate viewpoints, the chapter presents the unified theory of democratic governance.

II: Comparing Regimes

Based on these arguments, Part II operationalizes the main concepts, develops a four-fold typology to classify regimes both around the world and over time, and illustrated these by contrasting case studies. Chapter 3 presents the regime typology at the heart of this book. This focuses upon two components. The first concerns liberal democracy, understood here, most simply, to reflect the capacity of people to influence regime authorities within their nation-state. Democratic states are expected to provide elected leaders with strong incentives to respond to social needs. Drawing upon the ideas of
Robert Dahl, the concept of liberal democracy is understood to reflect the principles of contestation, participation, and human rights.\textsuperscript{26} To operationalize this concept, the study uses measures of democratization provided by Freedom House and Polity IV, which have become standard in comparative research, allowing regimes to be categorized as autocracies or democracies. The second dimension of the regime classification concerns \textit{state capacity}, shaping how are public sector officials have the competencies, skills, and resources to respond to social needs. State capacity is closely related to the idea of ‘governance’ which has become intellectually fashionable in recent years, yet it remains a complex and contested concept which is open to multiple meanings, often with a long and ever-growing shopping list of potential attributes.\textsuperscript{27} State capacity is understood in this study as the ability of regime authorities to perform functions essential for collective well-being, including, most essentially, to maintain security and to manage the delivery of public goods and services, measured through the quality of bureaucracy, lack of corruption, and rule of law. The chapter operationalizes and applies measures of state capacity derived from the International Country Risk Guide Quality of Governance indicators.\textsuperscript{28} Alternative conceptualizations and measures are also considered.

Often it is assumed, falsely, that democracy and governance are interchangeable concepts, or that, at a minimum, they go hand in hand. When the regime typology is applied, however, it reveals a complex relationship between these twin phenomena; instead of a linear relationship, a logistic curve exists between indices of liberal democracy and state capacity.\textsuperscript{29} The classification is applied to compare regimes worldwide and over time, highlighting selected cases to understand the essential features of each ideal type in more depth.

\textit{Bureaucratic democracies}, such as Chile, are predicted to prove most likely to achieve the universal developmental goals of income growth, social welfare, and peaceful stability. By contrast, \textit{patronage autocracies}, exemplified by Somalia, combining the worse features of both, are expected to prove least successful in delivering human security. The other two categories of regimes – \textit{bureaucratic autocracies} (illustrated by Singapore) and \textit{patronage democracies} (such as Ghana) – are expected to display a mixed and less consistent record, where developmental performance is heavily contingent upon many structural conditions, including the existence of prior economic and social conditions, patterns of ethnic heterogeneity and conflict, the geographic locations and natural resources of states, reservoirs of human and physical capital, and the enduring historical legacy of previous colonial rulers and predominant religious cultures.
Chapter 4 discusses the research design used to determine regime effects. Those more interested in learning about the results, rather than the technical and methodological details, may choose to skip ahead to the next chapter. It is important to explain the approach, however, since many of arguments in the research literature revolve around alternative model specifications and case selections. No single analytical approach is wholly satisfactory and reliable, so comparative evidence is tested through mixed quantitative and qualitative methods. Longitudinal comparisons spanning countries worldwide during the third wave era, starting in the early-to-mid 1970s, provide a broad overview of general trends and global patterns. Evidence is based on a panel of time-series cross-sectional (TSCS) data, where the unit of observation is each country-year (Afghanistan-1984, Afghanistan-1985,...Afghanistan-2010, etc). Models testing the main effects use least squares regression analysis with panel corrected standard errors, an approach widely adopted in political science. This method generates easy to interpret results, and accurate estimates for testing rival hypothesis, and yet it avoids some common problem associated with panel data. Models using alternative techniques, indicators, and specifications, including fixed effects, are also employed for robustness checks.

What else causes the stark contrasts in human security observed in Botswana and Somalia? India and Pakistan? Croatia and Belarus? Turkey or Libya? Obviously development does not rest upon institutions alone; hence properly specified analytical models need to control for multiple factors. The impact of different variables is expected to vary across each of the dimension of human security but the core battery includes, at a minimum, several sets of controls:

(i) The role of geography (and hence the fixed effects of location, climate, distance to global markets, the size of physical terrain, regional influences, and the endowment of natural resources);
(ii) Economic conditions (including prior levels of economic development and trade flows);
(iii) Social structure (including ethnic fractionalization, human capital, levels of economic development, and population size);
(iv) Cultural traditions (exemplified by the influence of predominant religious faiths and the type of colonial legacy in each society); and lastly,
(v) Global trends (such as the impact of the steady reduction in inter-state conflict following the end of the Cold War, or the global financial crisis and economic downturn).

Based on the previous research literature, further specific controls are introduced selectively into several models in each chapter, depending upon the dependent variable, to avoid omitted variable bias.
The impact of democratic governance is thus compared against many other common alternative explanations of why countries expand their economies, lift citizens out of enduring poverty, and protect their citizens against internal conflict.

Convincing studies need to tackle several major challenges, however, not least in disentangling what causes what, where there are complex and reciprocal processes of change. The concept of human security encompasses many complex issues, so to make headway just a few central dimensions need to be selected for analysis. Annual changes in the core dependent variables, monitoring economic growth, welfare, and internal conflict, are examined in subsequent chapters. Models test the potential effects of liberal democracy and state capacity (measured the year before), on subsequent changes in the dependent variables, controlling for structural conditions. Problems of endogeneity arising from reverse causation are mitigated (although not wholly excluded) by using lagged indicators, where democratic governance is measured one year prior to the dependent variables, such as the outbreak of armed conflict, or the onset of recession. The chapter also discusses the pros and cons of alternative specifications and techniques and considers potential problems arising from omitted variable bias, lack of robustness, poor conceptual validity, measurement errors, and systematic biases in country coverage arising from missing observations. The technical appendix at the end of the book describes the construction of the democratic governance indices in more detail.

Even the best research designs encounter the limitations of what can and cannot be established via econometric techniques. Accordingly our understanding is enriched by selected case-oriented studies illustrating divergent pathways and historical trajectories of development in greater depth. The wide range of regime transitions occurring during the third wave era provides the backdrop for this study, giving multiple ‘natural experiments’ to monitor the systematic effects of institutional change on societies during recent decades. There are a number of alternative ways to pick country cases, for example selecting those nations which most closely exemplify the results of the large-N regression models, or examining outliers which might illuminate other factors not included in the statistical models.31 The strategy used in this study selects paired case-studies to compare particular societies, such as North and South Korea, which are similar in certain important regards --including neighboring countries sharing common borders, cultural traditions, regional influences, and ethnic compositions -- while differing in their regime institutions and their developmental pathway. This process alone cannot determine the general consequences of democratic governance, due to case-study selection bias, but historical narratives thicken theories and the observed generalizations concerning pathways of
development. Cases also throw light on more actor-centric approaches, highlighting how leaders and elites play a role when responding to the context of broader structural conditions. The combination of large-N and case-oriented approaches in a mixed research design serves to increase confidence in identifying causal relationships.

III: Regime effects

Building upon this foundation, subsequent chapters proceed to test empirical evidence for the core propositions concerning the predicted effects of regimes on economic prosperity, social welfare, and peace, controlling for structural conditions associated with human security. Alternative models are also analyzed, to see whether rival accounts outperform the unified theory. A mixed research design is employed; longitudinal comparative evidence monitors developmental trajectories from countries around the world during the third wave era, to analyze and identify general patterns, with the key findings enriched by selected narrative historical cases, to understand the underlying processes behind any statistical relationships.

Chapter 5 addresses the classic debate about the impact of democratic governance on economic prosperity, income growth, and living standards. The structural view suggests that regime have minimal effect upon rates of income growth, whether positive or negative, compared with the impact of many other largely fixed conditions. This includes processes of industrialization and the adoption of new technologies, the introduction of mechanized agriculture, the availability of capital and investments in infrastructure, trade location and openness, the existence of natural endowments (such as iron ore, oil, gas and coal), the availability of human capital (education and a skilled workforce), conditions of social equality, and the impact of colonial legacies. Given these conditions, the recent transition from autocracy in Egypt, Tunisia and Libya is not expected to transform people’s lives overnight, or indeed even in the medium term. Considerable empirical evidence supports this view; Doucouliagos and Ulubasoglu compared a wide range of 84 published democracy-growth studies, reporting that the findings of these studies are far from robust, with the results varying due to the use of different data sources, estimation methodologies, country comparison, time periods, and control variables. Once these differences are controlled for, however, the authors concluded that democracy had a zero direct effect on growth, although a positive indirect effect was still evident, through democratic states having a superior record of human capital accumulation.

This argument is challenged by the democracy-promotion perspective, however, suggesting several reasons why these types of regimes are expected to grow faster than autocracies. One argument
emphasizes leadership turnover: theories of retrospective voting suggest that in democracies, citizens will punish politicians and parties which fail to deliver income, jobs and prices, providing a strong electoral incentive for effective economic performance. Over successive contests, governing parties more capable of managing the economy can be expected to be returned to power, while incompetent leaders are relegated to the opposition. By contrast, no similar fail-safe mechanisms exist to rid autocratic states of venal, self-serving and ineffective leaders. A second argument emphasizes that liberal democracies invest more in human capital (literacy, educational qualifications and employment skills). This process, in turn, is thought to generate a more productive and skilled workforce and thereby expand economic growth. Lastly, the ‘Lijphart thesis’ suggests that the type of constitutional arrangement conditions any economic effects arising from democracy. Along similar lines, Persson and Tabellini report that constitutions matter for economic performance; thus presidential regimes induce smaller public sectors, while proportional elections lead to greater and less targeted government spending and larger budget deficits. They find that electoral rules (including proportional representation, district magnitude and ballot structures) influence both corruption and the structural economic policies facilitating growth. Consensus or power-sharing democracies are also believed to generate stable, moderate and predictable macroeconomic policies, avoiding the ‘top-go’ abrupt policy reversals of majoritarian regimes. For all these reasons, consensus democracies are expected to demonstrate a superior economic record.

Yet several leading scholars emphasize that the initial process of regime transition from autocracy towards democracy generally hinders, rather than benefits, economic growth. Guillermo O’Donnell argued that the expansion of mass politics in Latin America during the 1960s and 1970s exacerbated instability, stoked inflationary pressures on the state, and raised distributional conflict in the region. By contrast, he suggested that bureaucratic-authoritarianism laid the foundation for more stable states and thus for the process of industrialization and economic growth. Democratic governments are believed to be vulnerable to growing demands for redistribution to middle and lower income groups, implying higher levels of progressive taxation. Democratic governments may also prove less capable of suppressing social instabilities arising from ethnic, religious and class struggles. To support their arguments, contemporary state-builders commonly cite case studies of societies achieving exceptional economic growth despite lacking completely, or even partially, competitive multiparty democratic elections. Singapore and China exemplify the East Asian ‘authoritarian advantage’ model, both experiencing annual growth rates of 9 per cent or more during recent decades, leading state-builders to posit a sequential process of ‘economic development first, democracy second’. At the
same time, however, as Fukuyama notes, many other autocracies have spectacularly failed to develop, notably the rising poverty and humanitarian disasters experienced under Mugabe in Zimbabwe and under Kim Jong-il in North Korea. An alternative viewpoint presented by the unified theory at the heart of this study suggests that the debate between democracy-promoters and state-builders involves a false dichotomy and in fact both democracy and governance should be strengthened simultaneously and in parallel for the most effective economic performance. This chapter therefore reexamines the cross-national time-series evidence concerning the impact of democratic governance on indicators of economic prosperity, and then compares the contrasting cases of Haiti and the Dominican Republic in the Caribbean, two nations sharing one island, to illustrate the underlying processes at work.

Even if the national economy expands, and even if middle-income sectors benefit, it is by no means guaranteed that this process necessarily trickles down to benefit the poor or disadvantaged sectors of society, thereby ‘raising all boats’ out of extreme poverty and insecurity, and thus affecting broader concerns of human development. Chapter 6 therefore examines the impact of regimes on human development, social equality, poverty, and welfare. Theorists provide many reasons why democracy should improve the welfare of the poor. Median voter theory suggests that disadvantaged social sectors are empowered and mobilized through the spread of the universal franchise and freedom of association, thus strengthening public demands for comprehensive welfare services and redistributive economic policies.\footnote{41} Democracies provide electoral incentives for elected representatives to act in response to social needs and popular demands.\footnote{42} In this view, the link between the type of regime and welfare outcomes runs through mechanisms of democratic accountability, where the fate of elected officials ultimately results upon citizens at the ballot box. Consciationalists theorize that not all types of constitutions are similar, however, as power-sharing democracies are more inclusive of all interests in society and thus likely to generate ‘kinder, gentler’ policy outcomes than majoritarian democracies.\footnote{43} For these reasons, compared with autocracies, democracies are expected to produce a more egalitarian distribution of public goods and income, and more generous welfare policies, with the result that the poor live longer, healthier or more productive lives in these states.

If democracy benefits development, all other things being equal, this should be apparent through comparing the performance of democratic and autocratic regimes measured in terms of policy outputs, such as levels of public spending on healthcare, education and social security, as well as through comparing policy outcomes on indices such as the Millennium Development Goals, including the record of democratic states in reducing infant and child mortality, achieving universal literacy, and
expanding longevity. Yet the large body of research which has examined the empirical evidence for the impact of regimes types on levels of social policy spending and developmental outcomes generally reports mixed or inconclusive empirical confirmation of these core claims. Any effects arising from the regime-welfare relationship may also prove relatively weak compared with fixed structural conditions commonly believed to directly improve welfare, including the role of geography, the impact of internal violence and conflict, environmental degradation, the simple lack of economic resources, or limited access to information and communication technologies. Chapter 6 therefore revisits this long-standing debate by analyzing the record of democratic governance in achieving several of the MDGs, the set of universal targets which the world government pledged to achieve by 2015. The chapter also discusses contrasting paired cases of Botswana and Zambia in Southern Africa to illustrate the underlying processes linking the type of regime to processes of human development.

Chapter 7 turns to examine the influential claim that democracy reduces the dangers of civil war and armed insurrection. Theories focus on issues of grievance, limits on state repression, and the adoption of global norms. Unless regimes are founded on competitive elections meeting international standards, as a minimum, democracy-promoters argue, rulers will fail to be regarded as legitimate by citizens, thus fostering enduring grievances, suppressing but not mitigating the deeper causes of conflict. Democracies provide participatory outlets for the expression of discontent, disarming the triggers for extreme violence and coercion, and building trust and tolerance. Moreover democracy-promoters argue that democratic political institutions also reduce the dangers of state repression, preventing a wide range of actions which governments use against their own citizens, ranging from curtailments of fundamental freedoms and the imprisonment of dissidents to outright violence and even genocide. The leaders of democratic states are typically constrained from using violence against their own citizens, especially in power-sharing democracies with multiple checks and balances and separation of powers. These avoid reckless confrontations or the use of excessive force. Lastly cultural argument suggests that the predominant norms and values in democratic states emphasize the belief that it is appropriate to use negotiation, bargaining and compromise to settle internal political disputes, rather than force. Democratic states are also more likely to be affected by globalization-- including the integration of countries into international and regional organizations. This process is thought to bind democratic states to accept international norms, encouraging rulers to resolve internal disagreements though the ballot box rather than the bullet. Violation of these standards also carries the risks of international actions, such as the threat of sanctions by the International Criminal Court or by regional organizations.
State-building theorists dismiss these claims. In particular, Mansfield and Snyder provide a strong counterpoint by claiming that the process of transition from autocracy increases, not reduces, the risks of internal conflict and civil war. They argue that elections are particularly risky if held early in any transition process, before the mechanisms of political accountability, institutional checks and balances, and a tolerant culture have had time to develop. In this context, they believe, politicians seeking to mobilize popular support have strong incentive to heighten tribal and nationalistic appeals. Mansfield and Snyder’s arguments reflect many of the claims made decades earlier by Samuel Huntington, and they are reinforced by several contemporary authors. Yet an attempt to replicate Mansfield and Snyder’s evidence and findings concluded that, far from proving robust, the results are heavily contingent upon measurement issues. The empirical evidence therefore deserves to re-examined, especially in deeply divided societies which continue to struggle with this challenge.

Part IV: Conclusions

Finally, the conclusions presented in Chapter 8 summarize the main findings and consider their implications for understanding the consequences of regime change and for several practical policy interventions which could help the international community to strengthen both democratic governance and human security. Unraveling the complex links between democracy, governance and human security is not only important for the world of academe; it is also critical for determining policy priorities and thus the agenda within the international development community. The lack of consensus in the research literature limits the practical policy advice which can be offered with any degree of certainty. Hence many general recommendations are made to strengthen the quality of democracy and governance, and a standard menu of reforms has become fairly common. Beyond this abstract level, however, far less accord surrounds what consequences will flow from each and thus how countries should determine developmental priorities to decide which interventions are most urgent and most effective. As Grindle argues, the ‘good governance’ shopping list is lengthy and ever expanding. For the international community, however, it is vital to understand how far strengthening democratic governance contributes towards many other challenges of human security facing the world. The unified theory developed in this study suggest that, within the limits of fixed structural conditions, regimes combining the institutions of liberal democracy with those strengthening state capacity provide the most successful conditions for responsive and effective states, and thus contribute most effectively towards sustainable progress in human security. The empirical evidence provides considerable support for the argument that regimes matter, even with multiple structural controls, although the results presented in each chapter vary
across the three dimensions of prosperity, welfare and peace. Accordingly the final chapter identifies a range of effective strategies and policies which have been tried and tested in developing societies and which are useful for policymakers struggling to strengthen democratic governance and to improve the living conditions, security and well-being of citizens.
Figure 1.1: Trends in economic and democratic development, North and South Korea

Note: The graph illustrates changes in per capita GDP in current prices, and the Polity IV Constitutional Democracy scores, standardized around the mean (z-scores). For more details, see the appendix.

Sources: United Nations; Polity IV.
References


For example, this phrase was quoted in a speech by Jacob G. Zuma, President of South Africa, commenting on the growth of democracy in Africa, at a meeting of the World Economic Forum, in May 2010.


19 The Polity IV Constitutional democracy index is a 100 point scale constructed from the autocracy-democracy index. See chapter 2 and the appendix for details.


21 For example, in the Corruption Perception index published by Transparency International, South Korea has risen from being ranked 48th worldwide in 2000 to 39th in 2010.


23 Experts in the United Nations’ World Food Program estimate that the famine in the 1990s caused over one million deaths.


28 For more technical details, see the discussion in chapter 3, and also [http://www.prsgroup.com](http://www.prsgroup.com).


48 For further discussion, see Pippa Norris and Ronald Inglehart. 2009. *Cosmopolitan Communications*. New York: Cambridge University Press.


51 Matthijs Bogaards. 2010. ‘Measures of democratization: from degree to type to war.’ *Political Research Quarterly* 63 (2): 475-488.
