



Democracy and Economic Development - A Complex Relationship

Dr. Sumeet Thakur, Assistant Professor of Political science Govt College Kullu , Himachal Pradesh

Babu Ram, Research Scholar

Abstract - Developing countries since the 1950s have faced the task of achieving twin targets of democracy and economic development. They faced this arduous twin task due to the progress of the historical process which culminated into the Western Civilization and nation states. These former colonial states emerged as the ideal type of modernization process in all dimensions - economic , political and psychological. Even the elites of the newly liberated countries were imbued in the modern conception of liberty and equality which reflected the hegemony of the Western Civilization. Adoption of democracy in poor countries after independence created the problem of excess demands upon the state, which was the result of the sense of equality which democracy instils among its citizens without creating the capability in the political system. This became the developmental trap which Fred Rigges pointed out in his comparative studies of the newly independent countries. Establishment of democratic regimes in the newly independent countries soon found out the difficult task of balancing between creating the capability of the political system by investment and increasing productivity and on the other side every increasing mobilisation of the marginalised communities demanding from the state to provide them resources. This was the reason why many newly independent countries soon left the path of democratisation or their popular leaders transformed themselves into dictators.

Democracy and Economic Development - A Complex Relationship

Developing countries since the 1950s have faced the task of achieving twin targets of democracy and economic development. They faced this arduous twin task due to the progress of the historical process which culminated into the Western Civilization and nation states. These former colonial states emerged as the ideal type of modernization process in all dimensions - economic , political and psychological. Even the elites of the newly liberated countries were imbued in the modern conception of liberty and equality which reflected the hegemony of the Western Civilization. Newly created countries, many of which were artificially created were devastated by the long colonial exploitative rule or by the strife between different ethnicities which further reduced their chances of improving their economic prosperity after the political independence. These twin aims (democracy & democratisation) generated two countervailing forces of democratisation and the capacity building of the economic system. Although the majority of newly created and liberated countries failed to fulfil these tasks, there are few countries which reached this goal or are on the path of attaining it.

The Russian totalitarian path to economic prosperity and present situation-

The Tzar before the Russian Revolution had made a sincere effort to industrialise the backward Russian economy by establishing industries in St.Petersburg , Moscow and Kiev. These established industrial towns provided the fertile ground for growth of communist movement in Russia. Once the Bolshevik had captured power in Russia then began the process of modernization under the leadership of Lenin. This process of modernization reached its culmination under the leadership of Stalin with the forced collectivization of land and initiation of a five year planning system. Subsequently the USSR reached an industrialised level of society and ended its abject poverty but the political system remained totalitarian or dictatorial. The Cold war and internal weakness of the centralised planning system led to the collapse of the USSR regime and balkanization of its territory. Russia submitted to the terms of Washington consensus but it could not ensure its stability and prosperity. NATO kept its forward march to encircle the Russian state and former allies and parts of Russia witnessed regime changes on the names of coloured revolutions. This sense of being encircled gave birth to the rise of neo-dictatorship under the leadership of Putin. Presently in context of the Ukraine war, the hands of such a strong nationalist quasi-dictatorial regime has been further strengthened.¹ The West, especially the US has contributed indirectly towards strengthening the present Russian government.

Chinese totalitarian path to economic prosperity and harmony with Capitalism-

China's first democratic republic failed due to its weakness and the system of warlordism which threatened its legitimacy. Subsequently the rise of communist party of China ended this conflict with the formation of the People's republic of China. Mao started to collectivise the entire land and started the small-scale industrialization process which failed in its designated targets of reducing poverty. This led to internal criticism of the chairman Ma

o 's leadership and this resentment was suppressed by the cultural revolution. China could not end the curse of poverty until the adoption of economic reforms by Deng Xioping. Adoption of the foreign the investment friendly and export promoting model provided wings to the Chinese economy. Integration with the Japanese , South Korean and Taiwanese firms by becoming part of their production process contributed to the present Chinese miracle which has lifted more than one billion people out of poverty.

In 1989 when neighbouring South Korea was facing the winds of democratic movement organised by students and civil society, this movement spurred certain sections of Chinese society to start a similar movement in China. The death of pro-reform Chinese Communist Party general secretary Hu Yaobang became the initial spark for this movement and the larger context was provided by the rapid economic development of China which was uneven. The process of economic reforms left large sections of Chinese society poor and one party system failed in representing such grievances prevalent among the youth and the workers. Demands of democracy and freedom of press were also raised and workers showed their concern on the reduction of welfare schemes. These series of protests spoked the Communist party of China and initially they tried to negotiate but once they realised the intent of the protests , they decided to use the military to neutralise the protest which threatened the very existence of their regime. After the suppression of this protest the regime became more determined to tackle such future possibilities and started investing in more effective surveillance and policing. This also ended the

¹ Why the Ukraine Crisis Is the West's Fault- John Mearsheimer / Prirodovedecka fakulta UK .www.natur.cuni.cz
>studium>kolokvium retrieved on , 3 June 2024.

possibility of further expansion of the political reforms which were initiated in 1986. Even today the limits on political freedom are broadly defined within the boundaries set by the communist regime after the suppression of the Tiananmen square protest. Even in this case, American demonization and encirclement of China has further legitimised the one-party rule in the eyes of the majority of people in China. This has weakened the democratic forces within the China because they will be labelled as anti-national for opposing any policy of the government when their own country is being encircled by the enemy.

South Korean case - Economic development and Democracy

At the end of the second world war the Korean peninsula found itself divided between Communist North and South Korea. South Korea adopted the path of pro-market and capitalist economy under dictatorial rule. It was the military dictator Park Chung Hee (1961) who initiated a sound protectionist economic policy which promoted export oriented growth of South Korea. This plan was materialised with the instruments of five year plans which got financial muscles from nationalisation of the financial system of the country. Family run corporate houses the Chaebols became the living examples of this miracle of economic transformation. Hyundai, L.G Corporation and Samsung are one of the largest multinational companies of South Korea. South Korean leadership was very astute in not allowing historical animosity with Japan to come in the way of Japanese investment and pro-US stance also brought about economic and military help. After monopolising the national economy they started becoming competitive internationally which helped in the rise of these conglomerates. This progress of the South Korean economy also reflected in the improvement of wages and living standards of the working class. In the decade of 1980s South Korea passed the rubicon of the middle income country.² The South Korean economy witnessed a secular growth of 8 percent every year from 1962 to 1989. South Korean economy breached the trillion dollar mark in the early 2000s despite facing setbacks from the Asian financial crisis. There were flaws in the export led development model, one of them was the agricultural sector lagged behind and workers which were stuck in this sector faced relatively poorer living conditions. This income disparities started becoming new fault lines of the country's politics.

During the economic transformation South Korean society also witnessed a struggle for the establishment of democratic form of governance. Activists along with students started opposing the dictatorship of Park Hee. They got support in this from labourers, farmers and religious leaders which forced the Park administration to take further draconian laws. In 1978 Park managed another election due to its indirect nature which led to further demonstrations. This political turmoil subsequently led to the assassination of Park Chung which ended his 18 years regime. Prime Minister Choi Kyu -Hah took over the reign of government after the death of the dictator but he faced a coup from Major-General Chun Doo-hwan. But this coup faced protests from the civil society of South Korea which was largely represented by the university students and labour unions. Government adopted the path of repression by declaring martial law and subsequently arrested all the major opposition leaders. Protests subsequently became more violent and the city of Gwangju became the confrontation ground between the students of Chonnam University and the armed forces. This confrontation led to the death of 200 protestors and hundreds were injured and this sacrifice of lives since then has been referred to as the Gwangju massacre. National assembly was dissolved in June 1980 and the dictator was forced to resign in favour of a new military leader Chun Doo-hah. New ruler adopted economic policies which favoured rapid economic progress. Adoption of the frugal monetary policy along with stricter fiscal policy helped in transforming South Korea into the hub of electronics, semiconductor and automobile industries. This transformation although improved the collective prosperity of the country but it failed in bridging the disparities within the country. Economic development further widened the gap between the rich and poor and this became one of the main driving forces behind the demand for democratisation of the South Korean political system. Rural and student mobilisation became the

² "Development of Competition Laws in Korea" Retrieved, 3 June 2024.

vanguard of this movement for democratisation. The military dictatorship had adopted the policy of friendship towards the new Japanese state because of the fact that Japan was the US ally during the cold war. Japan provided South Korean regime capital investment and technology transfer. This tactical and transactional friendship towards the Japanese government was not appreciated by the large section of South Korean society. They feel that the Japanese state should apologise for the cruelty which their armies committed during the Second World War. Sincere efforts towards the normalisation of relations with North Korea was based on the popular sentiment and successful conduction of the 1986 Asian Games also uplifted the global status of South Korea. But all these achievements failed in deeping the legitimacy of the military regime. In 1985's election to the national assembly, the opposition won more votes than the incumbent military backed party. This gave birth to the protest against the government led by the students and it was further fuelled by the death of a student of Seoul National University under police interrogation. The military regime crumbled under the pressure of these protests which is now historically known as the June Struggle of 1987. This led to the creation of a new constitution which provided for the direct presidential election and South Korea witnessed free and fair elections. In 1997 elections which were conducted against the backdrop of the Asian Financial Crisis witnessed the victory of the former political prisoner leader Kim Dae- Jung. South Korea presents an example where economic development increased the aspiration of the people and which pushed the society towards democratisation which was led by the students and rural sections of the society which were feeling sidelined by the rapid economic development of the country.³

Taiwan experiment to development-

The Chinese Civil War ended in migration of millions of Kuomintang followers who fled from mainland China to the island of Taiwan. The Kuomintang regime established itself there under the leadership of Chiang-Kai-Sheik and right from the start of the cold war it became part of the US security umbrella. This alliance with the USA and Japan provided Taiwan financial investment and participation in the global production process especially in the case of East- Asia. After establishing its regime in Taiwan the Kuomintang started taking steps towards industrialization by initiating land-reforms and these reforms created a landowner society which started investing capital with the intentions of investment. US aid constituted at least 30 percent of all the domestic investment in the first decade after independence. US aid stopped in the 1970s but it gave the initial push to the Taiwanese economy. This uncertainty of the American commitment awakened Taiwan for the need to transform from a subsidised import-substitution based economy to export -led growth model. Government worked proactively to improve the educational and health indicators of the population. Between 1952 and 1961 the economy grew at the rate of 9.21% annually. Government supported industrialization plan helped in transforming Taiwan from predominantly agricultural county into an industrialised country within four decades. The Taiwanese economy transformed because it realised the flow of the larger geopolitical framework which witnessed shifting of world manufacturing from the developed countries of the west to Eastern Asia. This transformation of the world economy enabled Taiwan to start from cheap, labour-intensive manufacturing products like toys and textiles to heavy industry ,infrastructure in the 1970s and now Taiwan is a leading economy in electronics. Chinese adoption of liberalisation helped in private Taiwanese investment in mainland China. Now the Taiwanese economy is less dependent on the US. Taiwan was one of the least affected tiger economies from the 1997's Financial crisis.⁴

Economic liberalisation and creation of a prosperous society had a direct impact upon the political system of the world . In 1948 Chiang koi-shaik government imposed martial law under which individuals and groups

³ South Korea- The Demise of the Chun Regime" Retrieved 3 October 2024.

⁴ The Taiwan Economic Miracle , Finbar McDonnell, retrieved on 3 June 2024 www.tcd.ie>economics>pdf>SER

expressing dissenting views were penalised. Under the presidency of Chiang Ching-kuo Taiwan started witnessing the process of liberalisation on the political front. In 1987 the martial law decree of 1948 was lifted which was imposed to spread the ideology of communism. The ban on expressing any kind of assertion which does not follow the state's official line of claiming to represent the entire China or supporting the demand of independent Taiwan has been lifted. From this period on the Republic of China (Taiwan) had taken steps to ensure respect for human rights and ensure transition towards a democratic governance. Most of the political restrictions on individuals , groups and political parties were lifted. This permitted the formation of two rival coalitions that have since dominated Taiwanese politics which are based on the two main opposing forces of the island nation. The Pan-Blue Coalition which constitutes the KMT, People First Party, and New Party and the Pan - Green Coalition formed by the Democratic Progressive Party and Taiwan Solidarity Union. The Pan- Blue Coalition favour unification with China once it accepts the norms of democratic governance while the Pan- Green Coalition favours the separate and independent Taiwan as the bulwark of democracy in front of the Chinese Communist regime. Taiwan is also a successful example where economic growth subsequently laid the foundation of the political democracy in Taiwan.

Indonesian experiment to development and democracy-

Indonesia is the largest economy of Southeast Asia. Presently it is a middle income country and member of G-20. Sukarno became the first head of the independent Indonesian republic. He had to cope with the consequences of Japanese occupation and the legacy of long Dutch colonial rule. Initial decade of the republic was filled with economic hiccups. During the 1960s Indonesia ruled on the principle of guided democracy, and the economy deteriorated drastically as a result of political instability. The government was inexperienced in implementing macroeconomic policies, which resulted in severe poverty and hunger. By the time of Sukarno's downfall in the mid-1960s, the economy was in chaos with 1,000% annual inflation, shrinking export revenues, crumbling infrastructure, factories operating at minimal capacity, and negligible investment.⁵ President Sukarno's downfall brought in the new administration led by Sukarno that focussed on the discipline in economic policy implementation which brought inflation down, stabilised the currency, rescheduled foreign debt, and attracted foreign aid and investment. In 1968 Sukarno gave space to the Berkeley Mafia in his government.(term the **Berkeley Mafia** was the term given to a group of University of California educated economists) and these technocrats provided the guidance to the new government. These technocates were imbued in the ideological framework of free-market capitalism and neoliberalism. Their policies at times reversed some of the progressive reforms of the Sukarno government. Many critics labelled the new regimes of fostering crony capitalism and spreading rampant corruption. They gave priority to low inflation rate, fiscal constraint and market deregulation. On the foreign policy front, the Sukarno government and the Berkeley Mafia adopted a pro-USA stance during the Cold War.

After Suharto became president in 1968, the members of the Berkeley Mafia team were appointed to ministerial and senior advisory posts in Suharto's cabinet. Thus, the group had a great influence on economic policy and successfully brought Indonesia's economy to an unprecedented growth period. The growth rate was high, averaging around 6.5% per year between the late 1960s and 1997. It was the Asian financial crisis when South East Asia was hit by the severe financial crisis. The Indonesian Economy faced a serious challenge.

The Berkeley Mafia's pro-market reforms faced opposition from the nationalistic generals of the Indonesian military like Ali Murtopo, Ibnu Sutowo and Ali Sadikin favoured nationalistic in nature. This led to strengthening of the anti-Berkeley lobby which forced Suharti to favour economic nationalists during the mid-1970s during the oil boom. But the decline of oil prices forced Suharto to turn towards the Berkeley Mafia in the 1980s. Once again the Berkeley Mafia started another wave of liberalisation, deregulation and which led to renewed growth in the economy. During Indonesia's economic collapse from the 1997 Asian financial crisis people blamed the Berkeley Mafia and considered it to be part of the New Order regime.

⁵ Jorg Baten (2016). *A History of the Global Economy. From 1500 to the Present*. Cambridge University Press. p. 292.

Post-Suharto era economy- Out of the Berkeley Mafia group, only Widjojo Nitisastro and Emil Salim continued to have significant influence within government during the post-Suharto reform era.⁶ The 1997 Asian financial crisis impacted not only Indonesia's economy but it also initiated the political crisis. There was an effort to float the rupiah, simultaneously increase the domestic interest rate and tighten fiscal policy. In October 1997, Indonesia and the International Monetary Fund (IMF) reached an agreement on an economic reform program aimed at macroeconomic stabilisation and the elimination of some of the country's most damaging economic policies, such as the National Car Program and the clove monopoly, both involving family members of Suharto. The rupiah remained weak, however, and Suharto was forced to resign in May 1998 after massive riots erupted out of this crisis. In August 1998, Indonesia and the IMF agreed on an Extended Fund Facility (EFF) under President B. J. Habibie that included significant structural reform targets. President Abdurrahman Wahid took office in October 1999, and Indonesia and the IMF signed another EFF in January 2000. The new program also has a range of economic, structural reform, and governance targets. The effects of the crisis were severe. By November 1997, rapid currency depreciation had seen public debt reach US\$60 billion, imposing severe strains on the government's budget.⁷

Political reforms in Indonesia-

After the fall of Suharto in 1998 ushered in the period of transition which is known as Reformasi. This period witnessed a more open and linear political environment. Indonesia's transition to democracy was a key part of the broader reform era. Indonesia experienced a transition toward democratic rule that involved both bottom-up and top-down forces after the fall of the authoritarian regime in 1998, thus altering the political structure of the country. Differences in democratisation across developing countries, including Indonesia, is common and may be explained by different theoretical models. While Indonesia has been considered a democracy since the fall of the authoritarian regime in 1998, democratic consolidation has not completely been achieved.

A process of constitutional reform lasted from 1999 to 2002, with four amendments producing major changes. Term limits were imposed for the position of the president and vice-president for a maximum period of 10 years. Institutional checks and balances were installed within the system to ensure that no future leader becomes a dictator. Since 2004 the president is elected directly by the people rather than being elected by the People's Consultative Assembly.

Singaporean experiment to development and democracy-

⁶ Hal Hill and Thee Kian Wie (2008), 'Moh. Sadli (1922-2008), economist, minister and public intellectual', *Bulletin of Indonesian Economic Studies*, 4 (1), April, pp. 151-156.

⁷ Van Der Eng (4 February 2002). "Indonesia's Growth Experience in the 20th century; Evidence, Queries, Guesses" Australian National University.

In the 1950s, the region saw social unrest which resulted in colonial powers deciding to relinquish some decision making to the local governments. This process was hastened due to the rise in the incidents of race riots, the colonial powers sought to empower and establish a formidable local government. With most of the unrest resulting from high unemployment, the local government was directed to solve this issue. The Economic Development Board was formed to empower the Singapore government in establishing, developing, and financing industrial undertakings. In 1955, a Singapore local legislative Assembly with 25 out of 35 members elected was formed. Upon independence from Malaysia in 1965, Singapore faced a small domestic market, and high levels of unemployment and poverty. Over 70 percent of Singapore's households lived in badly overcrowded conditions, and a third of its people squatted in slums on the city fringes. Unemployment averaged 14 percent, GDP per capita was US\$516, and half of the population was illiterate

Industrialisation boom and change-

After Lee Kuan Yew was elected, he oversaw significant economic reforms to the country. Structural change and machinery propelled the economy during his tenure. Singapore was a small and densely populated nation, with very few natural resources and little space to grow outwards. Recognizing this, Lee identified that the key advantage that Singapore held was its human capital, and its ability to provide highly educated citizens capable of competing in global industry and trade.⁸ On 1 August 1961, the Singapore Government established the Economic Development Board to spearhead an investment drive, and make Singapore an attractive destination for foreign investment. FDI inflows increased greatly over the following decades, and by 2001 foreign companies accounted for 75% of manufactured output and 85% of manufactured exports. Meanwhile, Singapore's savings and investment rates rose among the highest levels in the world, while household consumption and wage shares of GDP fell among the lowest. The beginning of Lee's tenure was marked with success and from 1965–1973, annual growth of real GDP was 12.7%. He directed spending to repair and improve infrastructure. This effort spurred economic productivity and put in place the foundations needed to build up basic industry. As of 2019, Singapore's infrastructure is ranked the best in terms of quality, with a score of 95.4 out of 100. The 1973 oil crisis raised government awareness of issues such as economic concentration. It forced the government to hold a new forum to discuss ways of adapting the country's economy to economic change. GDP growth during this time was slightly lower than the preceding years, at 8.5% annually. However, unemployment was virtually 0%, and most of the population had experienced great strides in productivity.⁹ The government highlighted a focus in technology and education to be the new wave of economic gain. In addition, they identified financial services as a key area in which Singapore could diversify and attract new growth. During this time, the government invested heavily in its budding financial services industry. It managed to minimise inflation and provide workers with the proper equipment and machinery to sustain growth.

Growth in the service sector-

As a result of this investment drive, Singapore's capital stock increased 33 times by 1992, and achieved a tenfold increase in the capital-labour ratio. Living standards steadily rose, with more families moving from a lower-income status to middle-income security with increased household incomes. In 1987, Lee claimed that (based on the government's home ownership criterion) 80% of Singaporeans could now be considered to be members of the middle-class. Under Lee, Singapore had both low inflation and unemployment. However, much unlike the economic policies of Greece and the rest of Europe, Singapore followed a policy of individualising the social

⁸ Clare Lockhart (31 January). "Singapore: The Evolution of an Entrepot", Institute for State Effectiveness. Retrieved 3 June 2024.

⁹ Brief History of Singapore, Singapore Growth & Economy- About Singapore". www.singaporeexpats.com. Retrieved 1 June 2024.

safety net. This led to a higher than average savings rate and a very sustainable economy in the long run. Without a burdensome welfare state or its likeness, Singapore has developed a very self-reliant and skilled workforce well versed for a global economy.

Domination of the ruling party-

Singaporean politics have been dominated by the People's Action Party (PAP) since the 1959 general election when Lee Kuan Yew became Singapore's first prime minister (Singapore was then a self-governing state within the British Empire). The PAP has been the only ruling party to form the government since then. Singapore joined the Federation of Malaysia in 1963 and gained independence in 1965 after being expelled.¹⁰

Singapore has consistently been rated as the least -corrupt in Asia and amongst the top ten cleanest in the world by Transparency International. The World Bank's governance indicators have also rated Singapore highly on rule of law, control of corruption and government effectiveness. However, it is widely perceived that some aspects of the political process, civil liberties, and political and human rights are lacking. Singapore is still lacking vibrant democracy and its history has been dominated by single party rule. The People's Act Party (PAP) has one of the longest rule in South East Asian and also had a dominant leadership of Lee Kuan Yew (31 years of Premiership). Presently the Workers' Party (WP) is the leading opposition party. WP took 10 of the 93 parliamentary seats in the 2020 election, while the PAP won the other 83. Another new opposition party, the Progress Singapore Party (PSP), obtained two seats in the 2020 election to the National Assembly.¹¹

Singapore has witnessed the whole barrage of defamation lawsuits by the PAP to bankrupt political opponents and disqualify them from running for office when accusations were made against the ruling party. Cases include former leader of the WP J.B. Jeyaretnam and leader of the Singapore Democratic Party (SDP) Chee Soon Juan , who were bankrupt in 2001 and 2011 respectively.¹² Journalists and bloggers also faced the brunt of legal action who were critical of the PAP and its policies. Reporters Without Borders cites such lawsuits, along with attempts at making critical journalists unemployable, among its concerns when ranking the country 151st in the world for press freedom in 2017.¹³ The PAP has in the past threatened voters by saying that constituencies voting for opposition MPs would be put at the bottom of the list for public housing programs. The boundaries of electoral constituencies in Singapore are decided by the Election Department, which is under the control of the Prime Minister's Office. Electoral boundaries are redrawn just a few days before the general election. There have been accusations of gerrymandering via dissolving of constituencies with relatively stronger opposition support, such as the Cheng San Group Representation Constituency (GRC). In July 2020, the ruling party, the People's Action Party (PAP), won 83 out of 93 seats and 61.2% of the popular vote in the general election, meaning PAP won its 13th consecutive general election since Singapore's independence. However, the result was a significant decline from the 2015 election.

Human rights condition-

Although Singapore's laws are inherited from British and British Indian laws, including many elements of English common law, the PAP has also consistently rejected liberal democratic values, which it typifies as Western and states that there should not be a 'one-size-fits-all' solution to a democracy. Laws restricting the freedom of speech exist to prohibit speech that may breed ill will or cause disharmony within Singapore's multiracial, multi-religious society. For example, in September 2005, three bloggers were convicted of sedition

¹⁰ Ross Worthington (2002). *Governance in Singapore*. Routledge/Curzon.

¹¹ GE2020: PSP's Hazel Poa and Leong Mun Wai will take up NCMP seats". CNA. Retrieved 15 July 2020.

¹² " Election Strategy and Ethnic Politics in Singapore" (PDF). Retrieved 2 June 2024.

for posting racist remarks targeting minorities. Some offences can lead to heavy fines or canning and there are laws which allow capital punishment in Singapore for murder and drug trafficking.

Democracy and Economic Development -

Study of the above examples of successful and unsuccessful transition to democracy after the attainment of economic prosperity can help us in understanding the relationship between these two. Above successful example of transition to democracy points out that the urge for democracy should come from within the country and only by inner impulse can democracy gain more sound roots. Examples of South Korea, Taiwan or Indonesia clearly illustrate that rapid economic growth helps in mobilising the groups which feel left behind in this economic transformation for the cause of democracy. Adoption of democracy in poor countries after independence created the problem of excess demands upon the state, which was the result of the sense of equality which democracy instils among its citizens without creating the capability in the political system. This became the developmental trap which Fred Riggs pointed out in his comparative studies of the newly independent countries. Establishment of democratic regimes in the newly independent countries soon found out the difficult task of balancing between creating the capability of the political system by investment and increasing productivity and on the other side every increasing mobilisation of the marginalised communities demanding from the state to provide them resources. This was the reason why many newly independent countries soon left the path of democratisation or their popular leaders transformed themselves into dictators.¹³ They realise increasing the capacity of the political system is a priori condition for the establishment of political democracy. Because democratic form of government mobilise people to claim their pound of flesh from the political system but if political systems do not have the resources for distribution then the developmental trap grips a country. Historically capitalistic progress in western countries developed before the mobilisation for democratic rights of the people. That was the reason they could sustain their democracies by providing resources for the newly mobilised groups. On the other hand mass mobilisation led movements in relatively poor countries like Russia and China gave birth to communist led dictatorship. In such countries people's equality became the legitimacy of the communist rule and such rule totally suffocated any kind of possibility of democracy. Indian democracy after Nehru soon realised that pressure of distribution has been increased by the process of democratisation and rise of strong opposition. While the Indian state failed in increasing the capacity of the state by increasing investment and productivity. This became the reason for Indira Gandhi's imposition of emergency because an incapable state (financially) was bogged down by the excessive demands from the mobilised groups. This conflict between the capacity of the political system and its distributionist capabilities forced the majority of developing countries to ditch the ideal of democracy for economic progress. India and other few countries can be taken as exceptions to this rule, but they paid for this combination of democracy and economic development with very poor growth rate compared to those countries which chosen economic development as the single aim.



¹³ Riggs, F.W. "Theory of Political Development" in James C. Charles Worth(ed) Contemporary Political Analysis . New York; Free Press of Macmillian 1967.