

The changing nature of democracy

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Asian-style democracy?

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The past quarter-century has seen a quadrupling globally of the number of countries that can be considered to be democracies, from 25 to around 100. As a consequence of this democratic proliferation, the world has acquired new ways of assessing and analysing democracy. In this context, a significant new perception is to approach democracy as a regional or cultural phenomenon, reflecting historical evolutionary tracks that differ from those of the Westminster model of parliamentary democracy and its American variant of federalism. This chapter discusses the components that make up a hypothetical Asian “variant” of democracy, sometimes called “Asian-style” democracy.

Behind the new tendency to particularize or localize varying “cultures” or systems of democracy is an important theoretical shift from substantive to a procedural definition of democracy.¹ The classical definition of democracy by Seymour Martin Lipset is based on the assumption that a single value system is inherent to all democracies. Lipset asserts that democracy has to meet two basic conditions – legitimacy and good governance. Democratic governments, according to Lipset, must be based on popular representation coupled with effective management of the economy and administration. But the Lipset definition corresponds closely only to Western democracies: American democracy is its point of departure; other democracies are measured by their proximity to or distance from the American norm.

The contemporary view of democracy departs radically from Lipset: rather than focusing on values, it views democracy as a set of procedures through which a regime achieves legitimacy. Under this defini-

tion, the minimum test for a democracy is that it incorporates free elections and a multi-party system, and guarantees the confidentiality of the electoral process. Even such a minimalist definition of democracy does not leave out the notion of democracy as a normative value structure. Increasingly, however, democracy and market liberalization are lumped together as general values to be sustained by the international system.

Yet, when we try to analyse the substantive or value components of an individual democracy, the tendency is to be overwhelmed by a bewildering array of cultural, social, and economic variants. Some analysts argue that the contemporary era of democratic proliferation is also the “end” of democracy, as form races beyond any effort to establish prescriptions or norms.²

Democracy in Pacific Asia

Here, I define “Pacific Asia” as the countries that ring the western shores of the Pacific, from Japan to Indonesia, including China, the Korean Peninsula, Taiwan, the Philippines, Singapore, and mainland South-East Asia. Before discussing the nature and features of Asian democracy, a brief discussion of the history of democracy in Pacific Asia is in order.³

The region’s first two democracies, after the Second World War, were the Philippines and Japan, both through the agency of the United States. The United States granted independence to the Philippines in 1946, after a “trial” period of democracy had been interrupted by the Japanese Occupation. Democracy was introduced forcibly to Japan during the American Occupation, from 1945 to 1952, and sustained in the context of the San Francisco Treaty of 1952 and the US–Japan Mutual Security Treaty.

None the less, Pacific Asia was a bastion of authoritarianism during most of the post-war period, through the 1980s. After 1955, Japan effectively adopted a one-party system under the Liberal Democratic Party (LDP), in which the economic bureaucracy made many of the important decisions of the Japanese state. In 1972, Philippine President Ferdinand Marcos declared martial law, bringing an end to Philippine democracy until it was restored by the “People Power” movement in 1986.

The image of Asian authoritarianism was reinforced by the developmental strategies of a number of Asian states from the 1950s to the 1980s. These states – Japan, South Korea, Taiwan, Singapore,

Malaysia, Indonesia, and Thailand – participated in the emerging global free-market system but justified authoritarian practices on the grounds that the state needed to be able to act flexibly and forcibly in order to spur economic growth.

Most of these nations emerged from the Second World War in dire poverty and disorder, and only a few – notably Japan, Korea, and Taiwan – had begun the industrialization process prior to the wars of national liberation that swept the region immediately after the end of the war. These “developmental authoritarian states” occupied an economic middle ground between capitalism and Soviet- or Chinese-style command economies, but were tolerated by the West because they allied themselves politically with the anti-communist camp.⁴

In the mid-1970s, a new tide of democratization began in the Mediterranean, spreading swiftly to Latin America. Starting in the late 1970s and early 1980s, the wave of democratization permeated Pacific Asia as well.⁵

With the end of the Cold War, Pacific Asia was a showcase of democracy. Of the post-war “developmental authoritarian” states, all except Malaysia and Indonesia had experienced major political restructuring. South Korea and Taiwan deliberately introduced their first free presidential elections in the early to mid-1990s. Singapore’s authoritarian-minded Prime Minister Lee Kuan Yew voluntarily stepped down. In the Philippines, the People Power movement toppled the Marcos dictatorship in 1986 and was succeeded by two democratically elected presidents. In Japan, the monolithic rule of the LDP came to an end in 1993, followed by a period of political restructuring and public debate over the nature of the Japanese democracy.

In 1996, almost all of Pacific Asia is under some form of democracy. Only the remaining Communist states – China, North Korea, and Viet Nam – and the military dictatorship in Myanmar and Brunei’s monarchy fail to meet the description of democracy.

The subsequent discussion of “Asian-style” democracy is restricted to the following political systems: Japan, South Korea, Taiwan, the Philippines, Malaysia, Singapore, Indonesia, and Thailand. Obviously, the diversity of these democracies is immense. The discussion has as its framework three aspects of “Asian-style” democracy – its emphasis on economic performance, its legitimizing values, and its institutional framework. In each case, I seek to generalize the common themes of “Asian-style” democracy, without insisting that any one of these themes is represented in each of the eight political systems.

The East Asian Miracle

Good economic performance is an important component of Asian-style democracy. Even in the Lipset definition of democracy, economic performance is an indispensable pillar of democracy. Good economic performance helps to sustain the legitimacy of democratic rule. In Pacific Asia, however, there is an additional twist, associated with higher levels of social discipline and a greater propensity to sacrifice individual consumption to collective welfare goals. In discussing this aspect of Asian-style democracy, the World Bank's 1993 *East Asian Miracle* report offers a useful starting point for discussion.⁶

According to the World Bank study, the "high-performing Asian economies" followed "a combination of fundamental and interventionist policies." It argues that the basis of East Asian success was "getting the fundamentals right," by following sound macroeconomic practices, investing in human capital, minimizing price distortions, and remaining open to foreign technology (if not always to foreign investment). At the same time, the report argues that governments played a vital role in early stages of development by acting as a market intermediary, providing information, and setting targets for private business in ways that were, in Stanford economist Masahiko Aoki's phrase, "market-enhancing."⁷

According to the report, East Asian leaders established their legitimacy by adhering to a principle of "shared growth," and East Asian economies are unique in the developing world for relatively small income gaps between rich and poor. Finally, the World Bank report recommends that policy makers in developing countries learn from export-promotion strategies in East Asia: these gave local manufacturers initial help in the form of subsidies, domestic market protection, and other market-distorting incentives, but threatened to withdraw them from unsuccessful exporters. This "export contest" helped to keep companies on their toes and put the government in the role of referee, rather than judge.

The East Asian Miracle is by no means propaganda for the Asian developmental state. If anything, the volume seeks to marginalize certain key economic strategies of the developmental states by incorporating such notions as industrial policy, government-private-sector cooperation, and directed credit policies into the Bank's intellectual mainstream. It is not a book that directly challenges the orthodox neoclassical views of the World Bank.

None the less, Japanese officials, notably Masaki Shiratori, a vice-

president of the Overseas Economic Cooperation Fund, and Isao Kubota of the Ministry of Finance, instigated the research effort that produced *The East Asian Miracle*. Shiratori, who was Japan's Executive Director at the World Bank from 1989 to 1992, challenged the Bank to examine the experience of East Asia, a process that he believed would validate both the East Asian record of industrial policy and Japanese foreign-aid practice. Shiratori hoped that the Bank would modify its orthodox views and prescriptions in a way that would be more in line with the realities of East Asian development.

This, as we have observed, did not happen, but *The East Asian Miracle* is a well-written and synthetic work. Even though it reflects the Bank's neoclassical orthodoxy, it presents the chief elements of East Asia's successful economic growth strategies in a clear fashion. Moreover, these elements correspond closely to those proposed by a prominent Japanese government official and economist, Eisuke Sakakibara, as the basis of Japanese capitalism.

Sakakibara, currently Vice-Minister of Finance in charge of International Finance, asserted in a 1990 book, *Beyond Capitalism*, that Japan has created a new form of capitalism, distinct from American and European forms of capitalism.⁸ According to Sakakibara – and echoed by the World Bank's *East Asian Miracle* report – the chief elements of Japanese capitalism include a strong emphasis on human resource development, high propensity to save, social trust, and a small and agile government. All these have contributed to high levels of economic performance in East Asia, as well as Japan, according to Sakakibara. Let me deal briefly with each of these characteristics of Japanese or East Asian capitalism in relation to “Asian-style” democracy.

Human resource development concerns the quality and quantity of manpower resources made available to economic activities. High literacy rates are a testimony to this: Japan, Viet Nam, Korea, and Taiwan have among the highest literacy rates in the world, with 95–98 per cent literacy rates in the adult population. East Asian culture is distinctly oriented to high achievement, and both families and the education systems reinforce the tendency.

A high savings rate is a *sine qua non* for economic development. Without high levels of savings, capital accumulation cannot occur, and capital accumulation is one of the key ingredients for economic development. Japan was known for its high savings rate for a good part of the mid- and late twentieth century.

In East Asian societies, social trust provides a foundation for

profit-making activities. The nature of social trust differs from one culture to another. But social networks and kinship ties have not broken down, despite industrialization in much of East Asia – a fact which has given additional impetus to development.⁹

Throughout East Asia, there is a marked preference for small and agile government. This might also be called a preference for a strong state.¹⁰ But I have deliberately avoided the use of the adjective, strong, because of the ambiguity of its connotations: strong may mean large and powerful; strong may mean authoritarian and imposing. East Asian governments tend to be small in terms of staffs and budgets, agile in terms of their orientation to the market. Economic decisions are pragmatic and guided by the market. The Japanese central government's staff size is about one-half that of the United States and one-quarter that of France, for instance.

The "market-conforming" characteristic means that governments formulate economic policy with few ideological or moral considerations. This is in sharp contrast to the policies of some West European governments and the United States. In East Asia, pragmatic and market criteria tend to override imperatives based on ideology or moral values. Such East Asian pragmatism also has consequences for the institutional framework of Asian-style democracy.

All of these characteristics emerged in the context of authoritarian regimes and have somehow survived the transition to democracy. This, of course, is partly a matter of culture. Respect for education, social preference for relations based on trust rather than contract or law, and proactive governments, with a strong sense of social responsibility, stretch way back, particularly in Confucian Asia.

Somehow, these elements have become part of the popular notion of what constitutes good governance in Pacific Asia. There will be those who object to the proposition that economic strategy is central to the legitimacy of Pacific Asian governments. But it is appropriate to emphasize that spectacular economic performance has given East Asian leaders confidence in their approach, which involves higher levels of government intervention – and a more intimate relationship between government and business – than in the West.

Rather than fade away with the introduction of democracy, the interventionist strategies associated with developmental states have gained new life as Pacific Asian governments begin to turn their attention away from development to the provision of less-quantifiable public goods, such as improving the environment for technological creativity and recreation.

Asian values

The explosion of democratic growth in the last quarter-century has been accompanied by a quest for values, particularly values reflecting indigenous history and sensibilities. Not all of these value systems are significant beyond the communities which generate them: a Tokyo neighbourhood may exercise a particularly vigorous form of local participation and representation, reflecting either the older traditions of Shitamachi or the brand-new community practices of Tama City; but such values and ideals say little to villagers in rural Thailand, or to teenagers in Singapore, or to the South Korean company worker.

Asian values are, if anything, a broad spectrum of moral preferences arising from the ancient religions that unite the region, as well as from characteristic patterns of family and social structure. Not everyone agrees that these values exist, or are shared in common. Those who argue that they do exist describe Asian values as a set of widely shared principles and practices with regard to community, order, hierarchy, individualism, mutual help, thrift, social deference, self-sacrifice, and so on. They claim that the particular mix of values that exists in Pacific Asia is highly distinctive and differs from value systems associated with other world civilizations, such as the Anglo-American value system or the complex of values associated with Islam.

The most vocal and articulate proponents of Asian values are from Malaysia and Singapore.¹¹ But Japan has its share of critics who espouse Asian values, such as the diplomat Kazuo Ohura and Susumu Nishibe, a magazine editor.¹² There are advocates of Asian values in Korea and China as well.

Almost all formulations of Asian values assume a dichotomy between Asian and Western, particularly American, values. Indeed, the debate often assumes aspects of a “declaration of independence” from American cultural values. Thus, Asian values are identified as values neglected (or even despised) by Americans – communitarian ties with neighbourhood, workplace, and the state; respect for the elderly; an emphasis on education; collective over individual welfare; and so on.

Singapore’s former Prime Minister Lee Kuan Yew has spoken about the difference between Asian and Western values. If Pacific Asia attempts to practise American-style individualism, Lee says, it will collapse into chaos.¹³ Hence, the Singaporean government offered

no apologies for the caning of an American teenager, Michael Fay, in the early 1990s for violating Singapore's laws against the defacement of private property. Fay had gone on a spree, painting graffiti on cars.¹⁴ At about the same time as this incident, the South Korean government denied a visa to one of America's most famous rock musicians, Michael Jackson, fearing that he might corrupt the morals of Korean youth.

An even more dramatic example of Asian values is Singapore's introduction of legislation that makes it a crime for children to fail to support their parents, except in instances of egregious child abuse.¹⁵ This is communitarianism in action, Singapore style. The legislation has two major purposes: one is to uphold the sanctity of family ties and respect for age – both important components of the Asian value structure; the second is to place the onus on the public to support the elderly, removing the burden from the government to the extent possible.

It is important to note that the Asian values debate is a subset of a larger argument about the existence and relevance of major systems of culture, embodied in civilizations. The Harvard political scientist Samuel Huntington has been the major proponent in the United States of the notion that value systems play an important role in international relations.¹⁶

A non-Westminster institutional model

The Lipset framework makes it possible to discuss Asian democracy without ever looking at political institutions. But the political institutions common to democracies in Pacific Asia do have characteristics that differ from – and are even at odds with – Western democracy. Let us look at some of them.

Asian democracies are not based on the Westminster model. To generalize the features of political institutions in Asian democracies, most combine a small and agile government with a system of one-party rule or coalition rule. Pacific Asia's small, lean bureaucracies tend to be endowed with considerable authority, which enables them to adopt highly efficient strategies both to conform to markets and to anticipate them.¹⁷ Asian political parties tend to reinforce bureaucratic rule because they bring many social groups under their umbrella.¹⁸ The fact that political parties represent a consensus view makes it easier for bureaucracies to act: they can be confident that

they reflect the majority view, as expressed by the dominant party or coalition. On the other hand, the political party structure typical of Pacific Asia works against any attempt to focus on single issues, or to take decisive action, because such an attempt would break the hard-won consensus. The political parties cede single issues and decision-making to the non-elected bureaucrats.

Political institutions in Pacific Asia have the following features. In the first place, the typical political party in Pacific Asia is a catch-all organization. Its policy tenets are vague, but it constructs and operates through extremely strong personal networks. The main function of political parties is to recruit support for the government at the grass-roots level.

There are few instances of two-party systems with regular alternation of the governing party in Pacific Asia.¹⁹ There is also a noticeable absence of parties based on ideological or religious tenets. Ideology normally hampers a party's ability to achieve power, in the Pacific Asian context.

A second feature of Pacific Asia political institutions is the relatively high prestige and morale of the bureaucracy. The bureaucracies of Pacific Asia tend to believe in themselves as protectors of the people. However patronizing and self-serving such a conception may be, the bureaucracies of Pacific Asia tend to be less constrained by vested interests – unlike the politicians – and to associate themselves and their role with the pursuit of national interest.²⁰ As long as the political parties are doing their job, placating grass-roots interests and personalities, the bureaucracies are able to conduct their business free from “distraction.”

So far, there has been little attention paid to the complex of political institutions associated with Asian democracy. Perhaps this aspect will be played up only if a debate begins over whether Western democracies should act to restrain the two-party system. Interestingly, the trajectory of political reform in Japan since 1993 has been to return to a system of one-party dominance, or rule by coalition, after a period of party reorganization.²¹

One must be cautious in rendering the characteristics of democracy in the Pacific Asian region. All too often, “Asian-style” democracy has been associated with developmental dictatorship, cultural Orientalism, and political authoritarianism.²² This chapter has attempted to analyse the major components of Pacific Asian democracy and place these in a broader context.²³

Notes

1. Do Chul Shin, "On the Third Wave of Democratization: An Evaluation and Synthesis of Recent Theory and Research," *World Politics* October 1994; 47(1): 135–170.
2. Jean-Marie Guehenno, *La fin de la démocratie* (Paris: Flammarion, 1993).
3. Robert H. Taylor (ed.) *The Politics of Elections in Southeast Asia: Delusion or Necessity?* (Cambridge: Cambridge University Press, 1996); Anek Laothamatas (ed.) *Democratization in Southeast and East Asia* (Singapore: Institute for South-East Asian Studies, 1996).
4. A number of scholars have contributed to the idea of the developmental state in East Asia. See Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford: Stanford University Press, 1981); Alice Amsden, *Asia's Next Giant: South Korea and Late Industrialization* (New York: Oxford University Press, 1989); Richard Rosecrance, *The Trading State* (New York: Norton, 1985); Robert Wade, *Governing the Market: Economic Theory and the Role of Government in Taiwan's Industrialization* (Princeton: Princeton University Press, 1990). See also Takashi Inoguchi, "Japan: Reassessing the Relationship Between Power and Plenty," in Ngaire Woods (ed.) *Explaining International Relations Since 1945* (Oxford: Oxford University Press, 1996), pp. 241–258.
5. James Cotton, "Consolidation versus Containment in East Asian Democracy," paper presented at the Seminar on Economic Change, Political Pluralism and Democratic Reform in the Asian Region, Adelaide, Australia, 21–22 April 1996.
6. *The East Asian Miracle* (Oxford: Oxford University Press, 1993).
7. Masahiko Aoki, Kevin Murdock, and Masahiro Okuno-Fujiwara, *Beyond the East Asian Miracle: Introducing the Market-enhancing View*, CEPR Publication No. 442 (Stanford University: Center for Economic Policy Research, October 1995).
8. Eisuke Sakakibara, *Shihonshugi o koeta Nihon* (Japan Has Surpassed Capitalism) (Tokyo: Toyo keizaishimposha, 1990).
9. Francis Fukuyama, *Trust: Social Virtues and the Creation of Prosperity* (New York: Free Press, 1996). The seminal work relating social trust or social capital to the deepening of democracy is Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: Princeton University Press, 1993).
10. C. Johnson, op. cit.
11. Kishore Mabubhani, "The West and the Rest," *The National Interest* Summer 1992; (28): 3–13. Bihari Kausikan, "Asia's Different Standard," *Foreign Policy* Fall 1993, (92): 24–41. From Malaysia, Mahathir Mohamad, Noordin Sophie, and Chandra Muzaffar are among those arguing broadly in similar directions. See also Takashi Inoguchi, "Human Rights and Democracy in Pacific Asia: Contention and Collaboration between the U.S. and Japan," in Peter Gourevitch, Takashi Inoguchi, and Courtney Purrington (eds) *United States–Japan Relations and International Institutions After the Cold War* (La Jolla: University of California Graduate School of International Relations and Pacific Studies, 1995), pp. 115–153.
12. Kazuo Ohura, *Tozai bunka masatsu* (East–West Cultural Conflict) (Tokyo: Chuokoronsha, 1990). Susumu Nishibe, Editor of *Hatsugensha*, a monthly magazine, registers the voice of preserving/resuscitating some Japanese norms, values, and practices presumably conducive to Japan's dynamic adaptation to the changing environment firmly anchored with its cultural identity.
13. Takashi Inoguchi, "The Political Economy of Conservative Resurgence under Recession: Public Policies and Political Support in Japan, 1977–1983," in T. J. Pempel (ed.) *Uncommon Democracies* (Ithaca: Cornell University Press, 1990), pp. 189–225. Also see *The Economist*, "Freedom and Prosperity," 29 June 1991, pp. 15–18.
14. The irony is that, according to a public opinion poll in the United States, some 60 per cent of respondents agreed with the punishment.
15. This observation comes from Shad S. Faraqui, MARA Institute of Technology, Malaysia, at the Human Rights Seminar, United Nations University, 4–5 July 1996.
16. Samuel Huntington, "Clash of Civilizations?" *Foreign Affairs* Summer 1993; 72: 22–49.

17. Takashi Inoguchi, "The Political Economy of Conservative Resurgence under Recession," op. cit.
18. Under my editorship, the University of Tokyo Press published six volumes under the East Asian states and societies series (Japan, Taiwan, China, South and North Korea, and Viet Nam). *Japan: The Governing of a Great Economic Power*, my own volume, was published in 1993 and will be published in English by Routledge in 1998.
19. Arend Lijphart, *Democracies* (New Haven: Yale University Press, 1984); Ian Marsh, *Beyond the Two Party System: Political Representation, Economic Competitiveness and Australian Politics* (Sydney: Cambridge University Press, 1995).
20. Takashi Inoguchi, "The Pragmatic Evolution of Japanese Democratic Politics," in Michelle Schmiegelow (ed.) *Democracy in Asia* (Frankfurt: Campus-Verlag, and New York: St Martin's Press, 1997, pp. 217–231; "The Japanese Political System: Its Basic Continuity in History's Eye," *Asian Journal of Political Science* December 1997; 5(2): 65–77.
21. See Takashi Inoguchi, "The Rise and Fall of Reformist Governments: Hosokawa and Hata, 1993–1994," *Asian Journal of Political Science* December 1994; 2(2): 73–88.
22. David Williams, *Japan: The End of History* (London: Routledge, 1993); *Japan and the Enemies of the Open Political Science* (London: Routledge, 1995).
23. A recent special issue of *World Development* examines the East Asian miracle theories, and the social capital theories of Putnam and others are examined carefully both conceptually and empirically. Peter Evans, "Introduction: Developmental Strategies and the Public–Private Divide," and other articles in *World Development* 1996; 24(6): 1033–1037.