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LESSONS AND PITFALLS OF TRANSITIONS TO DEMOCRACY

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- *When elites agree to compromise during regime transitions, democratization is more likely to succeed. Human agency is therefore central to successful democratization; however, it cannot be divorced from structural factors, such as class or economic interests, which incentivize elites to compromise in the first place.*
- *Leadership plays a key role in guiding transition processes and can even help to break deadlocks between ideological opponents.*
- *Politicized ethnic or religious cleavages can pose serious obstacles to democratic transitions, but external incentives and shared economic interests can help to overcome the serious obstacles they pose.*
- *When existing patronage networks remain strong, elite defection and, hence, the likelihood of authoritarian breakdown is reduced. Conversely, when authoritarian rulers either face dwindling resources or do not co-opt*
- *key political and economic elites with patronage, their incumbency is threatened.*
- *The nature of democratic transitions shapes the subsequent quality of democracy. Transitions that are “pacted” among elites may result in relatively smooth transitions to electoral democracy but they tend to permit political and economic elites to maintain their privileges, leading to less inclusive democracy.*
- *The most vociferous opponents of economic liberalization may not be the marginalized mass publics but rather well-connected elites who benefited under authoritarian rule. Forging a more inclusive political and economic system is challenging, in no small part because it is difficult to dislodge authoritarian coalitions even after democratic transitions have ostensibly occurred.*

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Introduction

The struggles over institution-building that followed the spread of uprisings across the Arab region in 2011 underscore the importance of elite bargaining in shaping the direction of regime change. For example, if the army had opposed the ouster of Mubarak in Egypt or Ben Ali in Tunisia, incumbent rulers might have held onto power while elite unity, particularly in the ranks of security officers, helps to explain the Assad regime's retention of power in Syria. Questions about the relative importance of "structure" versus "agency" have long dominated social science debates about regime change (Linz and Stepan 1978, Moore 1993 [1966], *inter alia*). While structural explanations prioritize factors that are relatively fixed and are not amenable to manipulation by individuals or groups, such as economic growth, class interests or the presence of indigenous civil society groups, agency-based approaches point to the often unwitting impact of human actions and interactions – particularly by economic and political elites – in producing democratic transitions. As some scholars of regime change contend, however, both factors are consequential in different moments of democratization processes (Collier 1999, Capoccia and Ziblatt 2010, Slater 2010).

The historical record suggests that when elites are willing to compromise, even in the face of profound

ideological differences, the probability of successful democratic transitions increases. But under what conditions do elites engage in constructive exchanges? If elite decisions to adhere to or defect from authoritarian coalitions as well as the dynamics of elite bargaining during periods of institutional flux shape the outcomes of regime transitions, then it is vital to identify the factors that incentivize elites to make such consequential choices. To understand why elite compromise occurs, we need to turn to more structural factors. Elite resources and strategies are themselves shaped by structural conditions such as the relative weight of societal groups prior to the overthrow of incumbent dictators. The economic and political contexts – that is, the factors that constitute "structure" – shape the interests and goals of elites and, hence, their propensity to make concessions to political rivals and to work together productively.

1. Lessons from the Historical Record: The Arab Transitions in Comparative Perspective

The recent histories of the Arab transition countries as well as the democratization experiences of Spain and Portugal, two paradigmatic cases in agency-based research on regime change, and of countries in Southeast Asia and the Former Soviet Union (FSU) shed light on the origins of the inter-elite dynamics facilitating democratic transitions. As in the Arab region, in most Southeast Asian countries protracted colonial occupation left important legacies for economic and political development, Islam is the dominant religion and Islamic parties and movements enjoy widespread grassroots support, destabilizing economic crises have threatened incumbent rulers, and accession to a political or economic union such as the European Union (EU) was not an option. Countries in the FSU also provide relevant lessons for the Arab transitions because they, too, did not face the prospect of EU accession, experienced severe economic crises at the time of transition, share economic

legacies of state interventionism and, like some Arab countries, feature political systems in which clans and other ascriptive groups are important. Furthermore, some Southeast Asian and FSU countries have large natural resource endowments, which are associated with authoritarianism under some conditions. These cases offer insights about why and when elite compromise arises during regime transitions, highlighting some contingent, agency-based factors, such as leadership and the ideological orientations of key stakeholders, as well as structural conditions, such as politicized ethno-religious cleavages, the robustness of patronage networks sustaining the authoritarian coalition, and the relative power of societal groups that support or oppose incumbent dictators.

2. Leadership

Leadership plays a critical role in guiding smooth transition process (O'Donnell and Schmitter 1986). This may come in the form of a single leader who has broad credibility, enabling the construction of coalitions across the political spectrum. For example, leaders such as Corazon Aquino and Cardinal Jaime Sin in the Philippines and Mikheil Saakashvili in Georgia are widely credited with constructing broad coalitions in support of democratic transitions. In some cases, an initial period of instability facilitated support for moderate leaders because the population was fed up with extremists whose struggles only prolonged disorder and uncertainty. In the Arab uprising countries, no clear leader emerged to usher in smooth democratic processes, although in Tunisia pragmatic bargains among leaders such as Rachid Ghannouchi, head of the Islamist al-Nahdha party, and Beji Caid Essebi, head of Nidaa Tunis party, successfully struck a deal that enabled competing factions to overcome ideological stalemate, facilitating the institutionalization of democratic institutions and practices.

3. Ideological Moderation

Individual leaders cannot single-handedly produce harmony in the political arena. Their capacity to form bridging coalitions among key stakeholders is contingent on the preexisting (and evolving) political terrain. The experiences of many countries in Southeast Asia and the FSU as well as events in the Arab uprising countries indicate that extreme ideological polarization inhibits elite cooperation. If not ideological compatibility, then at least a common set of political goals is essential for democratization to take root. It is particularly vital that potential spoilers agree to abide by a core set of principles, embodied in institutional rules.

Ideological polarization does not necessarily doom democratic transitions. In Portugal, for example, deep ideological divisions between communists and their opponents threatened to undermine the democratic transition but eventually gave way to a centrist coalition. The Portuguese experience, however, underscores the importance of leadership in convincing diverse groups across the political spectrum to cooperate. Without a proponent of an ideological middle ground who can gain broad trust, extremists may continue to dominate the political arena. In the aftermath of the Arab uprisings, this negative dynamic played out in Egypt, where President Abdel Fattah el-Sisi ultimately took power and crushed the Muslim Brotherhood, and Tunisia, where ideological polarization seriously threatened to undermine the institutionalization of democratic rule.

The role of ideological polarization in hindering elite consensus and, hence, democratization is obviously most applicable to political contexts where ideological commitments are central to the interests of key actors. Ideology clearly shaped the positions of political elites in earlier transitions in Portugal and Spain and, to a lesser degree, in the Southeast Asian countries such as Indonesia and the Philippines. In the Arab transitioning countries, the role of Islamic principles in political life, at times, has

posed a serious obstacle to cross-ideological compromise. At the same time, the relative absence of ideological divisions can also inhibit coalition building by enabling rulers to more easily buy off elites who might otherwise cooperate on shared principles.

4. Politicized Ethno-religious Cleavages

A substantial literature in the social sciences shows that politicized identity cleavages reduce the likelihood of cooperation, whether among elites or the general population, complicating democratic rule, civic peace, and development prospects (Alesina, Baqir, and Easterly 1999, Easterly and Levine 1997, Horowitz 1985, Lijphart 1977). Within Southeast Asia and the FSU, the cases of Malaysia and Kyrgyzstan show how ethnic, religious or regional identities hindered democratic transitions by preventing inter-elite cooperation and undercutting the quality of governance.

If politicized identity cleavages make democratic transitions more difficult, the cases of Spain and Indonesia are puzzling – at least at first blush. In both countries, democratization prevailed in spite of deep identity-based cleavages. In Spain, the incentives provided by EU integration as well as institutional rules granting regional autonomy helped to convince the leaders of separatist movements not to stymie the democratization process. In Indonesia, the historically moderate stance of Islamic movements, which generally did not call for the imposition of Sharia in public life and did not enjoy the same level of popular appeal as in Arab countries, as well as state efforts to appease the interests of Chinese capitalists, who own significant holdings in the countries, help to explain why identity-based cleavages did not undercut democratization. The relatively successful management of identity-based cleavages facilitated political and institutional continuity and, hence, reasonably

smooth democratic transitions in both countries. This suggests that external incentives and support as well as overriding economic interests can promote democratic transitions, even in the face of politicized ethnoreligious cleavages.

5. Patronage Networks

The nature and durability of incumbent patronage networks affect both the probability of elite defection (and, hence, the likelihood of authoritarian breakdown in the first place) as well as the quality of democracy (and, hence, potentially the stability of democracy in the longer term). Where such networks remain intact, political and economic elites may opt not to throw in their lot with the opposition. For example, in Malaysia, the dominant party's coalition of Malay elites and masses benefited from patronage, undercutting incentives to defect to the opposition. In Azerbaijan, the ruling Aliyev family's patronage networks, funded with oil wealth, in part explains why the opposition had trouble gaining traction. In the Philippines, however, the incumbent dictator, Ferdinand Marcos, had sidelined many business leaders, making them ripe for cooperation with the opposition, particularly after key opposition leaders, notably Cardinal Sin, worked to bring them into the anti-Marcos coalition. Similarly, in Egypt, the military and other domestically oriented business groups, who were threatened by the privatization policies associated with Gamal Mubarak and his allies, did not block the ouster of Mubarak. In Tunisia, the Ben Ali and Trabelsi families increasingly monopolized the most lucrative economic opportunities, alienating much of the business community, which did not defend Ben Ali during the revolution and even welcomed his departure. Furthermore, the Tunisian army was not integrated into Ben Ali's patronage networks, making it easier for the military to defect from the authoritarian regime. The breakdown of patronage networks

and subsequent decisions to support democratization, however, does not guarantee continued unity among opposition factions, as the Egyptian and Tunisian experiences attest.

Once a successful transition occurs, the type of transition – and its implications for the continuity of patronage networks – shape the quality of democracy. The defection of economic elites from authoritarian bargains does not automatically produce elite consensus behind an alternative ruler or system of government. This depends in part on whether elites remain incorporated in patronage networks during and after the transition. When the transition is pacted between regime incumbents and members of the opposition, as occurred in Indonesia, patronage networks are more likely to remain intact, facilitating a smooth transition but at the price of poor democratic quality. When pacted transitions permit political and economic elites to maintain their privileges, democracy will be less inclusive.

Conversely, when democratization occurs through a sharp break, powerful elites whose interests were tied to the previous authoritarian regime may lose access to patronage and act as spoilers. Furthermore, it is often difficult for new rulers to quickly establish their own patronage networks to incorporate disaffected elements from the prior regime. Thus, transitions based on a sharp break from the prior regime can be more unstable, threatening the consolidation of democracy. Even when key stakeholders from the authoritarian period remain in the new system, ideological polarization, among other factors, may still complicate the transition. In Egypt, the military initially established tacit agreements with the ruling Muslim Brotherhood, enabling army officers to maintain their economic privileges in post-Mubarak Egypt. Polarizing ideological debates among other factors, however, prevented a smooth transition to democracy.

Ultimately, patronage networks require sufficient resources to be sustained. When authoritarian incumbents have access to resources, they can undercut the appeal of pro-democracy movements in the first place. Countries with natural resource endowments are more able to use patronage in order to ensure the loyalty – or at least the consent – of their key constituents and even the broader public, as the cases of Azerbaijan and the Arab Gulf monarchies attest. Even in less wealthy countries, rulers can use cooptation effectively, especially when elites are dependent on state patronage for their survival and enrichment. In Malaysia, for example, the authoritarian coalition held together in the face of a major economic crisis because its core constituents were rooted in the domestic economy and dependent on state subsidies and benefits (Pepinsky 2009).

6. The Relative Power and Interests of State and Societal Groups

Beyond the durability of patronage networks, the relative power and interests of key state and societal groups shape the nature of inter-elite bargaining during periods of institutional flux. Relative power refers to the capacity of groups to garner and mobilize popular support and to behave as a cohesive unit. The Tunisian and Egyptian experiences clearly underscore this point. In Tunisia, the national labor union, the UGTT, which was not entirely coopted under Ben Ali's rule, helped to keep the democratic process on track even when intense ideological polarization between al-Nahdha and its opponents threatened to undermine it. Military elites are vital to authoritarian regime survival, and their decision to defect was also decisive in Tunisia. These developments, in addition to the fact that the military did not have a hefty corporate stake in the economy, help to explain why the army did not side with Ben Ali in the face of mass protests. In Egypt, the military occupied a distinct position in domestic politics

and the economy. Although it effectively permitted the overthrow of Mubarak, the army maintained a vested interest in the system itself, in part due to an interest in preserving its privileged holdings in the economy. Variation in the strength and degree of pluralism of civil society may also help to explain why the Tunisian transition was more inclusive and entailed great compromise and deal-making across ideological lines than has been witnessed thus far in Egypt.

7. The Impact of Regime Transitions on Political and Economic Inclusion

When elites are able to forge compromise during regime transitions, then democratization is more likely to be successful. Human agency is therefore central to successful democratization. But elite interactions cannot be divorced from structural factors, which incentivize elites to compromise in the first place. Structural features of the economic and political contexts, such as preexisting patronage networks or social cleavages, shape the behavior of elites during regime transitions.

The nature of democratic transitions arguably also shapes the quality of democracy after the transition period. Pacted transitions may result in less violent and disruptive transitions to electoral democracy but they tend to permit political and economic elites to maintain their privileges, including their special access to state-brokered economic opportunities. Under these conditions, democracy will be less inclusive, both politically and economically. In both Indonesia and the Philippines, for example, pacted transitions facilitated democratization but came at the price of preserving the influence of local elites. Under these conditions, the poor and marginalized components of society may not experience tangible improvements in their lives and will not have equal access to opportunities. The resultant poor quality of democracy can undercut the legitimacy of the

new system, undermining citizen trust in government and opening the way for popular disenchantment with the transition. Transitions to formal democracy therefore do not necessarily bring about substantive improvements in economic and social life.

At this juncture, this lesson is of great relevance for the transitioning Arab countries, where the economic interests of many former regime cronies remain off limits and big capitalists who benefited under authoritarian rule have maintained their holdings and behind-the-scenes influence. Politicians in newly minted democracies are often loath to implement policies that generate widespread popular opposition, increasing the incentives for politicians to enact populist measures at the expense of longer-term growth and development. Yet the most vociferous opponents of economic liberalization may not be the marginalized mass publics but rather well-connected elites who benefited under authoritarian rule. Forging a more inclusive political and economic system is challenging, in no small part because it is difficult to dislodge authoritarian coalitions even after democratic transitions have ostensibly occurred.

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