MOVING BEYOND THE LIPSET HYPOTHESIS: EXAMINING THE CORRELATION BETWEEN ECONOMIC DEVELOPMENT AND DEMOCRACY

By

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Following the logic of Seymour Martin Lipset's 1959 hypothesis, the main axis of the Democratic Transitions debate has long been the strong correlation between economic development and democracy. More recent empirical evidence puts in doubt the direct relationship of economic development and democracy in cases where liberal economies are able to persist without the presupposed necessity for a transition to democracy. This thesis seeks to investigate the inconsistencies of the correlation between economic development and democracy. Specifically, why do some countries fail to transition to democracy despite having high economic development, and why do some countries fail at developing economically after transitioning to democracy? My findings reject the preconceived notion that economic development and democracy are directly intertwined, and propose that certain conditions of political stability and political legitimacy are required to produce the positive correlation between the two and explain the role of political institutions in explaining these inconsistencies.
Following the logic of Seymour Martin Lipset’s 1959 hypothesis, the main axis of the democratic transitions debate has long been centered on the strong correlation between economic development and democracy. Lipset started the conversation in his book, *Political Man*, stating, “Perhaps the most common generalization linking political systems to other aspects of society has been that democracy is related to the state of economic development.” His conclusion from this correlation was that “The more well-to-do a nation, the greater the chances it will sustain a democracy.”¹ That statement opened the way for authors to substantiate that claim. Yet recent empirical cases put in doubt the direct relationship between economic development and democracy where liberal economies are able to persist without the concurrent transition to democracy. While both Lipset and the authors that followed him are able to establish that a strong correlation exists between economic development and democracy, why do some countries fail to transition to democracy despite having high economic development?

While authors like Lipset are able to show the connection between economic development and democracy on a macro level, few authors in the democratic transitions field are able to agree on how they interact. The inability to establish a centralized theory about democratic transitions based off of Lipset’s hypothesis has made the authors in the field focus on explanations for countries fitting the correlation trend, leaving states that don’t fit the trend largely ignored in the discussion. This is a miscalculation on the part of current authors in the field. Although it is indeed practical to institute case studies of countries that fit the correlation trend and extrapolating similarities and differences

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between their transitions to democracy, such approaches only complete half of the necessary work towards a centralized theory. Applying the findings made in these comparative studies to those in which countries fall outside of the correlation trend of economic development and democracy presents the next logical step in exploring Lipset's original hypothesis.

This thesis seeks to accomplish this second goal. In doing so, it expands Lipset's original hypothesis by questioning whether high economic development is the only factor directly affecting a country's decision and ability to transition to democracy. Through the examination of two different case studies, it ultimately rejects the preconceived notion that economic development and democracy are directly intertwined, and proposes instead that certain conditions of political stability and legitimacy are necessary to produce a positive correlation between the two. This thesis explores the inconsistencies of the Lipset hypothesis to show that a democracy can fail to develop economically and how an economically developed country may not always transition to a democracy. This paper concludes that political institutions play a vital role in the explanation of these inconsistencies.

The following study will investigate economic development as a precondition of democracy by comparing two case studies: South Korea, a country that fits the correlation trend of Lipset's hypothesis for both high economic development and a transition to democracy and China, a country that falls outside of the correlation by having high economic development and failing to transition to a democracy. The cases begin by examining the economic development indices first proposed by Lipset's original work in the context of the political institutions present in each country in order to
determine how they interact and which type of factors are more important in determining a potential transition to democracy.

**Defining the Debate and the Variables of Interest**

The very crux of this approach centers on the breakdown and transition of a regime or the state’s ability to maintain a regime despite social and political pressures. This thesis examines “political stability” and “political legitimacy” as the main variables in determining if a country stays authoritarian or transitions to a democracy. In defining political legitimacy, much is drawn from how Lipset framed it: “Legitimacy involves the capacity of the system to engender and maintain the belief that the existing political institutions are the most appropriate ones for society.”

What is meant by the belief that the current institutions are the “most appropriate” is how well a government is able to satisfy the social demands of the population. Political stability is defined as the capacity of a regime to remain in power and is best simplified as the durability of a government.

Examining how political stability and political legitimacy interact will be the main issue of concern in determining to what level Lipset's hypothesis holds true that high economic development results in a transition to democracy and to what level the role of political institutions play in determining that transition. In almost all instances, political stability and legitimacy can interact in one of two ways. First, appealing to political legitimacy offers a way of positively upholding a government’s political stability

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by meeting the demands of the population to preserve that stability. Second, a
government can negatively uphold political stability by ignoring and suppressing political
legitimacy through force and coercion. In examining political legitimacy, this study will
put developmental factors in context of how they affect a democratic transition or the
maintenance of the status quo. In looking at political stability, the circumstances of how
political institutions affect a democratic transition or not will be observed.

The next important step after defining the units of measure for both debates is
introducing this thesis' independent variable. As made evident earlier, this thesis argues
for political institutions as the independent variable in determining a country's likelihood
to transition to a democracy or remain an authoritarian (regime type is the dependent
variable). The structure of the political institutions in each case study is the main point of
focus in examining institutional factors that may affect political stability and legitimacy
in a way that determines a democratic outcome or a strengthening of authoritarianism.

Authors like Lipset who argue that high economic development is what
determines a democratic transition, state that a high level of economic development raises
the demands of political legitimacy. The authoritarian government lacks the political
stability necessary to meet the elevated legitimacy demands and the breakdown and
transition to a democracy results. This logic fails to address the role political institutions
play in affecting the level of political stability a government has. Depending on the types
of different political institutions that exist in various countries, some countries will be
able to deal with political legitimacy issues better than others. As it is, there exists no
universal brink or threshold for which democratic transition is inevitable due to
developmental factors alone. Without examining institutional factors, the cross-
comparison of different case studies based off of economic development factors are ultimately useless because although they serve to endorse Lipset’s original hypothesis that economic development and democracy are correlated on a macro level, there is no examination of what role political stability has in determining what level of economic development is necessary to induce a transition.

As a result, Lipset makes a unitary assumption that political legitimacy is only affected negatively by high economic development. This assumption results in the possibility of the previously discussed inconsistencies: a country that does not economically develop after becoming a democracy and a country that does not transition despite having signs of high economic development. This thesis will show that even though South Korea and China today show the accuracy of Lipset's correlation on a macro level based off of his economic development indices, his theory fails to explain how both of these inconsistencies are able to appear between these two countries.

The Role of Political Institutions in Democratic Transitions

The difference between how an authoritarian government and a democratic government functions is the next logical step in the discussion. A democratic government is able to maintain political stability as a function of political legitimacy. In a democracy,

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5 For example, Adam Przeworski and Fernando Limongi's analysis of aggregate patterns on a per capita income basis show that transitions are indeed "increasingly likely" as per capita income of dictatorships increases, but trend ends when it reached about $6,000. They showed that dictatorships become more stable as countries become more affluent past the per capita income level of $6,000, if they had not already transitioned to a democracy. Przeworski, A. & Limongi, F. (1997). "Modernization: Theories and Facts." World Politics. 49:2, p. 155-183
all political groups must submit their interests to “uncertainty,” and the resulting separation of control over the outcome of political conflicts allows for legitimacy to remain at level that does not threaten political stability. Political stability for democratic regimes therefore remains at the same level despite who is in charge, and a violent change in government is prevented by mandating elections of political officials. The only way a violent change in government happens is through a violation of this uncertainty principle.

Authoritarians, alternatively, focus solely on building political stability to a high enough level that it can utilize coercion to maintain political legitimacy at a reasonable level. How this is done depends on the type of authoritarianism in question. Much of the following framework is drawn from Haggard and Kaufman's analysis of “military-dominant” authoritarian institutions vs. “single party-dominant” authoritarian institutions. They conclude that military-dominant regimes utilize the fear of physical force to raise political stability, while party-dominant regimes utilize a pervasive bureaucracy to raise stability. Military regimes are more at risk from political legitimacy concerns than party-dominant regimes because even though both party-dominant and military-dominant authoritarians face strong challenges from civil society, military-dominant regimes lack the “mediation” and the ability to make adjustments to dips in legitimacy that a dominant-party regime has.  

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Looking at the political institutions of both China and South Korea will be central in discovering why South Korea was unable to economically develop after transitioning to a democracy the first time, and why China has not transitioned to a democracy despite signs of high economic development. In examining South Korea’s first democratic experiment, this thesis argues that the structure of its democratic institution did not allow South Korea the flexibility to develop economically. This had to wait until it became an authoritarian state. Another point of interest will be examining how China as a party-dominant authoritarian state and South Korea as a former military-dominant authoritarian actor each dealt with legitimacy issues differently due to the structure of their political institutions. Those institutions in turn affected the political stability of both regimes in different ways.

As the following analysis will show, South Korea's high economic development today hides the fact that their first democratic transition was a result of failed economic development and the start of their economic development success was a result of a military-dominant authoritarian regime. Additionally, the role of political institutions will help show why South Korea was eventually able to transition to democracy, and how economic development helped raise the political legitimacy of China’s authoritarian government, creating a greater political stability threshold that must be overcome in order for a transition to democracy to take root.

Clarification of Measuring Lipset’s Indices for Economic Development

In measuring each of Lipset’s economic development indices, this thesis has updated the way in which each index of wealth, industrialization, urbanization, and
education are measured. Lipset’s measures in 1959 may have been appropriate for his work at the time, but this thesis has substituted a number of variables in each of the four indices in order to better operationalize their use in comparing South Korea and China.

**Wealth:** Lipset originally measured wealth by “per capita income, number of persons per motor vehicle, and thousands of persons per physician, and the number of radios, telephones, and newspapers per thousand persons.” This thesis substitutes purchasing power parity per capita as a more appropriate measure since it standardizes per capita income across countries for comparison. It also substitutes household consumption by percentage share of the economy and life expectancy in order to better measure division of wealth and services in society in which this study believes Lipset’s original measures of wealth tries to account for.

**Industrialization:** Lipset’s measure of “employed males in agriculture” is expanded to include all people employed in the agricultural sector and replaces “per capita commercially produced ‘energy’” with amount of electricity consumed. The difference between production and consumption of energy accounts for the possibility of intervening factors, such as the transferring of energy between countries by purchasing electricity. Consumption is the more logical measure of energy usage because of this.

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9 Ibid, p. 35.
Urbanization: This thesis replaces Lipset’s measure of population concentrations in cities\(^{10}\) with a measure of overall concentration of urbanization and a rate of urbanization in order to better measure its overall effects on economic growth.

Education: On education, Lipset’s measure through literacy is kept, as it is one determination that has withstood the test of time in measuring the degree of education in a country.\(^{11}\)

Much of the revisions in the variables of Lipset’s development indices were necessary because they are quite dated. For example, Lipset’s use of newspapers, telephones, and radio to measure the division of wealth and services in a society would yield inaccurate results in the 21\(^{st}\) century. Since the rise of the internet, news websites replaced a significant portion of individuals who still read the newspaper in print; a growing majority of individuals have cell phones now instead of home telephones; and radio has been a dying communications medium ever since the advancements in television has made them virtually available for everyone. The goal in replacing a lot of Lipset’s original variables in the development indices was to utilize variables that more objectively measured wealth, industrialization, urbanization, and education in order to operationalize them as they would apply today.

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\(^{11}\) Ibid, p. 40.
Economic Development in South Korea and China

South Korea's economic development history is a fascinating story of economic failure during their first transition to democracy, and then economic success during the rule of a military junta following a coup d'état. Since the takeover of Park Chung-Hee and beyond his assassination, South Korea has jumped to the status of becoming a developed nation, with "real GDP growth of between 7 and 9 percent per year (compared to 2.3 percent in 1960) and an unprecedented national per capita income of US $10,000." South Korea's miraculous growth since the 1960s makes it seem like a classic story of Lipset's perceived hypothesis of economic development leading to democracy. This is compared to China, whose growth over the past 27 years measured in GDP averaging 9.6% per year. In economic size, China in 2005 was 4th, behind only the United States, Japan, and Germany. In renewing memories of other economic miracle stories in Asia, China's growth "matches that of Japan, Korea, and Taiwan at an earlier stage of their development." Not only is a comparison of economic development between China and South Korea appropriate given their close proximity, but may be indicative of China's readiness to transition to democracy, given that Lipset's assumptions are correct.

In examining the economic development indices that Lipset initially proposes of wealth, industrialization, urbanization, and education, the evidence of developmental factors does seem to fit Lipset's expectations that democratic South Korea would fare


better than undemocratic China in almost all the categories. The following is the compiled results of South Korea’s and China’s economic development:

<table>
<thead>
<tr>
<th>Figure 1</th>
<th>South Korea</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wealth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Purchasing Power Parity (PPP) per Capita</td>
<td>$26,000</td>
<td>$6,100</td>
</tr>
<tr>
<td>-Household Consumption by Percentage Share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Lowest 10%</td>
<td>2.70%</td>
<td>1.60%</td>
</tr>
<tr>
<td>-Highest 10%</td>
<td>24.20%</td>
<td>34.90%</td>
</tr>
<tr>
<td>-Life Expectancy</td>
<td>79.72 years</td>
<td>73.74 years</td>
</tr>
<tr>
<td><strong>Industrialization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Percentage of Labor Force in Agriculture</td>
<td>7.20%</td>
<td>10.60%</td>
</tr>
<tr>
<td>-Electricity Consumption (in kilowatt hours)</td>
<td>385.1 billion</td>
<td>3.721 trillion</td>
</tr>
<tr>
<td><strong>Urbanization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Total Percent of Population Urbanized</td>
<td>81%</td>
<td>43%</td>
</tr>
<tr>
<td>-Rate of Urbanization</td>
<td>0.60%</td>
<td>2.70%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Literacy Rate</td>
<td>97.90%</td>
<td>90.90%</td>
</tr>
</tbody>
</table>

When examining the stark contrasts between South Korea and China in economic development, one can see the difference between all of the four different economic development factors. South Korea far exceeds China in all four categories and lives up to what Lipset would expect in comparing a democratic country vs. an authoritarian one, save for electricity consumption on China’s part, which may be accounted for by its vastly larger population size.

In the case of wealth, Lipset would expect higher per capita income and distribution of income, as well as higher life expectancy, to come from the more democratic country.
democratic country, which it does. South Korea’s purchasing power parity per capita is more than four times that of China, the household consumption by share is more evenly spread between the upper, middle, and lower classes than China, and the life expectancy in South Korea is higher than that of China’s by almost half a decade. In industrialization, Lipset would expect the authoritarian country to have more percentage labor in agriculture and less electricity consumption as a result, and for the most part this is true. China outpaces South Korea in electricity consumption probably because of its population size, but this should only work to increase developmental theorists’ claim that China is close to democratization. In urbanization, Lipset would expect the more democratic country to be living in urban areas and be more complete in urbanizing than the undemocratic one, and again his expectations are met. Finally, South Korea’s literacy rate is greater than China’s by 7%, but China is still impressively representing a well educated populace in spite of their large population size and low urbanization.

Nevertheless, what do these developmental indices really show? It is indeed true that the indices match Lipset’s expectations well and fulfills the trend that democratic countries are more likely to be more economically developed than authoritarian countries, but as this thesis argued, these statistics do little to determine a threshold for when a democratic transition should happen for China or why a transition has not happened yet. Even though China has maintained an incredible growth rate over time, developmental factors alone are unable to determine a brink for any of their variables at the point where democratic transition and economic development happens because the social-political landscape of each country is different. Having looked at the enormous difference between South Korea and China in terms of economic development, developmental authors such
as Lipset would argue that the way forward towards democratization would be the promotion of more economic development, but analyzing the political institutions of China will show that this may not necessarily be the case.

Without looking at how the political institutions in each country affect the brink for each of these development indices, there is no way to measure the capacity of the government to transition to democracy or remain authoritarian. Even though the development indices give a quantitative analysis for comparing the level of economic development in each country, there ultimately is no similar quantitative measure that determines a specific threshold for transition. As the next section of the thesis will show, institutional factors are ultimately more important in determining specific characteristics of democratic transitions, while developmental factors can only seek to substantiate the correlation between high economic development and democracy on a macro level.

**An Overview of the South Korean Case Study**

Two different “democratic transitions” were actually required to consolidate the South Korean government as it exists today. Understanding the way political stability and legitimacy interacted is central to unraveling this story of democratization, as well as understanding what role economic development really played in its success. What is found is not what Lipset would have expected based off of his correlation. In the first and second regimes, the uncertainty principle of political stability inherent in democracy led both Rhee Syngman and Chang Myon to focus on maintaining power, rather than focus

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on economic development. It was only after a military-dominant authoritarian regime took over that economic development started to occur. After the rise of economic development in South Korea, Lipset’s hypothesis would have us believe that the increased economic development was the reason for the transition to democracy. This thesis offers a different explanation based off of the structure of its military-dominant authoritarian regime.

**South Korea’s Failed Democratic State: The Syngman Rhee and Chang Myon Years**

South Korea’s move towards democratization begins with the United States, following the Korean War. Syngman Rhee’s regime was the first civilian government to be established after the war. During his term in power, Rhee stabilized the newly created country but was unable to develop economically despite assistance from the United States. The structure of Rhee’s government lent itself to low political stability because it held the majority of its political legitimacy through the support of the United States. Rhee’s regime survived almost completely on U.S. foreign aid and as a result, economic reconstruction was not the top priority of the government.\(^{17}\)

As a result of the U.S.’ prioritization on economic development, the U.S. felt the need to eventually help in destabilizing Rhee’s regime in order to get new leadership to move economic progress forward. One of the steps the U.S. took was to step back their foreign aid to South Korea, which had an enormous effect on Rhee’s regime. After 1957, the U.S. “slashed economic aid to South Korea from $382,893,000 in 1957 down to

$222,204,000 in 1959. Rhee, whose sole goal was to remain in power, had used U.S. aid as a way of paying off allies that kept him in power. Since South Korea’s president was elected by the majority of the General Assembly at that time, losing allies meant losing the presidency. As a result, Rhee took drastic measures in order to retain power, including passing a law to restrict freedom of the press to curtail criticism of his regime and executing Cho Pongam, a strong political opponent who had a chance of winning the presidential election against him. Each step Rhee took in trying to maintain temporary political stability came at the cost of more and more political legitimacy.

His political legitimacy tanked to the point that on April 19th, 1960, the day known as the April Revolution, Rhee’s Liberal Party enacted covert plans for “group voting, ballot stuffing, and the removal of opposition ballots” in order to win the upcoming election. Rhee’s actions resulted in a chain of violent events culminating in a student led peaceful protest that turned deadly when the police fired “point blank” into the crowd. More protests erupted and Rhee finally resigned before the widespread protests threatened the state of the country.

Chang Myon’s government followed the student revolution when it won the election in July 1960. Chang intended to learn from the mistakes of his predecessor by committing his government to economic development on a level that Rhee had previously ignored. Consequentially, Chang established a new exchange rate for their currency, consolidated power companies, and increased the rate for those services that were heavily

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19 The results of the election gave Rhee 88.7 percent of the vote, his vice-president 8,225,000 votes. Ibid, p. 107.
subsidized by the government. However, the political cost of enacting these economic measures would detract focus on national security. Crime rates in South Korea grew exponentially as a result of Chang’s failure to address the need for a police structure. In addition, demonstrations from students still unsatisfied with the government were widespread.

These developments robbed Chang of any economic success as he was unable to follow through with his reforms once his political support base deteriorated. In a cabinet poll taken months after Chang came into office, only 3.7 percent “unreservedly supported” him, while 51.5 percent would “wait and see.” Chang’s inability to quell the risks to national security and his inability to follow through with his economic development policies would result in the end of South Korea’s first democracy, as a military coup d’état on May 16th, 1961, “carried out by 3,500 troops assembled around a corps of 250 officers” started South Korea’s period of military authoritarianism.

Examining Why Economic Development failed in South Korea’s First Democracy

In examining why economic development was slow in South Korea during its first period of democracy, political stability and legitimacy are examined in context of the political pressures that are inherent in democratic institutions. As discussed earlier,


democracy requires that political leaders adhere to a set level of political stability as mandated by the constitution or other founding document to allow other political opponents the opportunity to gain office. Therefore, if one particular leader seeks to retain office, that leader under the general rules of the democracy must do so by raising political legitimacy through their accomplishments.\textsuperscript{24} The problem for Rhee’s regime was that he did not focus on accomplishing policies that raised political legitimacy; he focused on artificially raising political stability (much like an authoritarian would) by paying off allies with foreign aid and restructuring the constitution to his benefit when that aid ran out. Similarly, while Chang attempted economic reform, he was unable to follow through because of his inability to also deal with national security risks, eroding the majority of his political support.

The lesson that is learned from Rhee and Chang’s regimes is the incongruent nature of South Korea’s democracy and economic development. Economic development is a long-term investment and is politically unprofitable given democracy’s need to fulfill short-term political demands. As a result, even though economic reform may be in high demand, it is also unable to fulfill needs immediately. This conflict between the short-term and the long-term is what Adam Przeworski calls the “valley of transition.”\textsuperscript{25} Haggard and Kaufman also argue that the only way to overcome this “valley of transition” is


transition” is with strong, centralized executive authority. In a democracy, this means having the political capital to overcome the risks inherent in politically uncertain policies. Contrary to what Lipset would expect, the institutional factors inherent in its democracy did not make it ideal for South Korea’s attempted economic reform during its first democratic state. In the next section, South Korea will show how the ability to circumvent political legitimacy during its time as an authoritarian was the reason why it was able to economically develop.

Military Rule, Economic Development, and the Eventual Transition to Democracy: The Park Chung-Hee Years

Park’s regime introduces the discussion of “military-dominant” regimes vs. “authoritarian regimes” in the transitioning to democracy. After the coup d’etat ousting Chang, and Park’s subsequent ascent to power, he initiated major developments in economic policy and as a result, Korea’s industrialization has since been “carried out under strong government-led economic management.” Park’s efforts were largely successful in radically increasing growth rates by mobilizing domestic capital and promoting exports, leading those exports to grow from $54.8 million in 1962 to $250.3 million in 1966. The previous Korean regimes and their American allies were unable to do so before because of a lack of commitment from the executive authority. Park’s ability to focus on policy actions instead of reelection helped launch a five-year economic development plan in 1962 that put the power of the central bank and other major commercial banks under the national government. This allowed Park to support

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government policy with loans to target industries that would help boost the export-led drive policy.\textsuperscript{27} This influx of capital was the necessary impetus to galvanize South Korea's industrialization and growth. In that timeframe, the economy grew at an impressive 8.3 percent, "exceeding even the most optimistic projections."\textsuperscript{28}

Despite these indicators, however, South Korea's eventual transition to democracy had as much to do with the authoritarian regime being militarily-ruled as it did with its economic success. Despite his achievement in leading South Korea toward economic development, Park faced continual political legitimacy issues due to his initial promise to hold free elections in South Korea within two years of his military occupation.\textsuperscript{29} As a result of this promise, Park made the delineation between the military and political authority in South Korea a priority in the mindset of the population and the Americans, and limited his options in being able to maintain or raise political legitimacy in the country by continual military rule.

Given South Korea's first transition to democracy with the Rhee regime, Park was left with little recourse in being able to justify a continual military occupation. He finally caved to pressure to allow free elections in October 1963, in which he came out victorious in a slim margin.\textsuperscript{30} However, the reintroduction of democracy was in name only, as Park made sure he won each election up until his assassination in 1979 through


\textsuperscript{29} Ibid, p. 128.

\textsuperscript{30} Ibid, p. 132.
the restructuring of government. He clandestinely passed an amendment to modify the term-limits restriction on the presidency in 1969 so that he could serve an additional term\textsuperscript{31}, and continued to consolidate his power with the announcement of the Yusin constitution.

Park’s desperation to maintain power led him to destroy what remained of South Korea’s first democracy in 1972. Declaring martial law Park “banned political parties, dissolved the National Assembly, and closed the country’s universities.” Park continued the removal of democratic protocols by instituting the Yusin constitution. Under the Yusin system, the president had the authority to appoint one-third of the assembly, to designate and dismiss all members of the cabinet including the prime minister, and to issue emergency decrees that would become law immediately.\textsuperscript{32}

Park’s actions all but dissolved any political legitimacy his government had, but provided him with enough political stability to insulate his power to govern for another 7 years by legalizing his dictatorship. Had he opted to allow the populace to vote on these measures and have them passed, he may have been able to maintain some political legitimacy. However, by completely ignoring legitimacy in enacting these changes to battle political conflicts, he chose in favor of regressing back toward his authoritarian days in re-enforcing political stability through coercion, and was eventually assassinated in 1979 as a result.\textsuperscript{33}


\textsuperscript{32} Ibid, p. 160

The End of Military-Dominant Authoritarianism: Towards a Transition to Democracy in South Korea

After Park’s assassination, Chun Doo-Hwan, a military partner of Park took over in another coup d’etat amongst the anarchy of protests against authoritarian rule. The second coup allowed for the reunification of the military infrastructure and allowed for the restoration of the political stability needed to insulate itself from further opposition for the time being. The reestablishment of the military structure did not result in the return of political legitimacy, however. Chun was forced to use the brute strength of the military in order to maintain power over the next seven years in which he would head the government.\(^{34}\) However, just as it did with Park, the excessive use of force to maintain political stability in absence of being able to appeal to political legitimacy would catch up to Chun, though not in death like it did with his predecessor.

Chun was faced with the same options as his predecessor to suppress political legitimacy through force or to capitulate to demands from the public for direct elections for the presidency. Hoping probably to avoid the same fate as his predecessor, he chose to allow the election. Ironically, the division between the opposition split the vote needed to win and allowed for Chun’s nominated candidate and former military partner Roh Tae-Woo to win in the first legitimate election since Park’s takeover.\(^{35}\) Having lived through the vicious cycle of political rule through both military-dominant occupations, Roh made a declaration on June 29\(^{th}\), 1987, that provided the direct election of the president, as well

\(^{34}\) Ibid, p. 91.

as guarantees of civil and political rights long sought after since the first democratic transition failed. Since this time, South Korea's democracy has prospered.

**Analyzing South Korea's Military-Dominant Regimes**

South Korea's example shows the fragility of a military-dominant authoritarian regime in a couple of ways. First, it was evident that a military junta's takeover of government limits the options in which the military government is able to stay in power. Both Park and Chun realized that any remedies they could utilize addressed only the political stability of the situation and not the legitimacy of the issue. Second, South Korea's example shows that the use of force is only a temporary solution to raising political stability. Political suppression through force raises stability for a little while, but at the cost of raising the amount of legitimacy needed to prevent a revolution or a different military takeover later.

Finally, South Korea shows that focus on only political stability and ignoring legitimacy is not sustainable. Conflicts due to low political legitimacy are cyclical and require a more extreme action to preserve enough stability to govern each successive time. As a consequence of their immediate rise to power, the military-dominant authoritarians in South Korea could depend only on ad-hoc methods of retaining political stability, leading to their eventual withdrawal. The way in which these three factors apply will be fundamental to understanding the difference between South Korea's military-dominant rule, and the party-dominant rule of China in the next section.
China’s history of authoritarian rule substantially differs from that of South Korea in the way that it was established. China is a big country with the largest concentration of people in the world. Chinese political government as it is known today was established by “an official political philosophy, Confusionism, which served as a principal instrument of governance. This official ideology emphasized unity, order, and collective moral values over individual initiative.”\(^\text{36}\) As a result, China’s authoritarianism drew as much from its ability to appeal to political legitimacy as it did from being able to establish its political stability.

Much of that philosophy was engendered in the establishment of the Chinese Communist Party (CCP), where “one of the principal elements in the CCP’s rise to power” was its capability in adjusting policies to meet changing obligations to political legitimacy.\(^\text{37}\) Mao Zedong had consolidated Marxism quite successfully in the establishment of the CCP, and through its integration, the mix of Marxism and Confucianism served as the philosophical basis for much of the revolutionary tactics in China.

A huge difference between the CCP and the military-dominant regimes of South Korea was the time horizon of its priorities. The military-dominant regimes’ rise to power came without preparation. A coup d’état uses the might of the military in order to garner


\(^{37}\) Dickson explains: “Particularly after the relocation of the party’s base to Yan’an following the Long March, during which Mao Zedong emerged as a leader of the party, party policy varied over time and in different regions in response both to the changing fortunes of the party and to the location of party activities.” Dickson, B. J. (1997). *Democratization in China and Taiwan: The Adaptability of Leninist Parties*. New York, NY: Oxford University Press, Inc., p. 71.
the initial political stability to govern, and requires no real preparation beyond making sure their guns and soldiers far outnumbered any of the opposition.

Party-dominant regimes like the CCP relied on structure, not force, in order to fulfill its new political, economic, and social goals. As a result, the party’s focus was on expanding its influence broadly through bureaucracies, and maintaining authority through institutional coercion. Dickson calls this the “efficient form of adaptation,” in which resources are put toward the widespread influence of power, rather than expressing power only through forcible coercion. Following this idea, the CCP extended this power through the creation of party schools, which served to indoctrinate members to think along party ideologies and philosophies without compulsorily committing members to do so through physical force.

After the revolution and its subsequent rise to power, the CCP began immediately to spread its infrastructure and ideology across the nation. The party’s structure “expanded horizontally to control the government bureaucracy and vertically to lower levels of political hierarchy.” In December of 1951, the party created a “General Party Committee” to manage all party members under its control and to centralize a method of distributing authority to lower levels while keeping power centralized to the party. Eventually, the CCP was able to establish enough political stability through its efforts at mobilizing legitimacy that it could utilize the foundation of that new stability to renege

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39 Ibid, p. 87.

40 Ibid, p. 75-76.
on some of its obligations to political legitimacy. Much of this was evident after 1949, when the CCP no longer tried as hard to reach out for popular support. While it still offered a “mass line” for public opinion, the party’s well established institutional structure allowed it to restrict the opportunity for exit or voice, and as a result the mass line was “merely an exercise in demonstrating loyalty.”

The most relevant example of this is the Hundred Flowers Movement, when the voices of dissent were eventually prosecuted in what became the Anti-Rightist movement. People became too scared to express dissention due to fear of reprisal; a luxury afforded to the party because of the extremely high level of political stability in the CCP’s institutional bureaucracy. Mao’s original speech inviting public criticism was completely rewritten in the state run newspaper with a new addition limiting what could be criticized, and reinforced this by punishing those individuals who had spoken out under the original context.

This explains much of the difficulty China has faced thus far in trying to initiate a democratic movement. Despite there being “organized activities to promote democracy”, no significant democratic opposition exists because the CCP has a considerable means to eliminate that opposition. Anything resembling noteworthy opposition was crushed immediately, and “dissident groups had to go underground or operate overseas.”

That is not to say that China has not faced its fair share of legitimacy conflicts. The nature of an authoritarian regime to suppress opposition in some way will always result in a backlash of legitimacy. In China's history, Mao's failure to muster enough support for the Hundred Flowers Movement, the Socialist Education Movement, and the Red Guards of the Cultural Revolution prove that no amount of political stability can substitute for the legitimacy required to accomplish all of a government's goals. Political stability only ever guarantees a degree of insulation from legitimacy conflicts; it does not guarantee immunity from them. As South Korea clearly shows, some concessions to political legitimacy must always be made at some point.

In this manner, China's economic development has been its most considerable concession to political legitimacy. As this paper has shown, China has developed a wonderful capacity for economic growth and has done so through the allowance of a liberal market economy in the economic reform program begun in 1978. One example of this liberalization: from 1985 to 1987, "all firms with fixed assets of less than 1.5 million yuan and annual profits of under 200,000 yuan" were chartered out under the control of non-state actors for lengths of "up to five years." Allowing these non-state actors creative control over the decisions and operations of the business gave political

44 Dickson explains: "The Hundred Flowers campaign faced overwhelming elite opposition, and the scope of criticisms raised during the campaign made even Mao turn against it and retaliate with the Anti-Rightist Movement. The weakness of peasant organizations prevented them from supervising local cadres in a way Mao envisioned for the Socialist Education Movement, which became an internal rectification against corruption rather than a mass mobilization against revisionism. The Red Guards became divided against themselves and created the new problem of social instability instead of solutions to the problems identified by Mao. Although the details are different, each attempt to mobilize the masses against the party failed because Mao was unable to control the movements he had initiated (this is equally true for the Great Leap) and was therefore unable to achieve his intended results. Dickson, B. J. (1997). Democratization in China and Taiwan: The Adaptability of Leninist Parties. New York, NY: Oxford University Press, Inc., p. 106.


legitimacy to the government at the cost of some stability, but ultimately by being more lenient in the economic sector, the CCP was able to get away with more on the political side. This idea became what is known as the “people’s democratic dictatorship,” in which China would develop a market economy, but preserve public ownership over its citizens’ political rights. This is most visible today in China’s strict control over its press and media, where the population allows for a state run television channel (CCTV) and two newspapers (The People’s Daily and Xinhua) to restrict freedom of the press and criticisms of its government. In essence, economic development in many ways helped maintain China’s authoritarian regime, not destroy it.

**Summary Observations on China’s Party-Dominant Authoritarianism Vs. South Korea’s Military-Dominant Authoritarianism**

China proves ultimately how party-dominant regimes are able to utilize a balance between political stability and legitimacy to maintain an authoritarian regime. As a result of its maintenance of both political stability and political legitimacy, party-dominant regimes are able to outlast military-dominant regimes in a large portion of legitimacy conflicts facing all authoritarian regimes. While party-dominant regimes must first create a sense of political legitimacy before establishing the stability to rule, military dominant regimes’ quick entry into power through military coup d’états do not provide them with enough political legitimacy to sustain power over the long term. South Korea’s two military-led authoritarian regimes are evidence of this fact: despite the ability to postpone their decline from power through violent coercion, there was not enough political legitimacy.

stability to maintain power without eventual concessions to legitimacy and that resulted in a democratic transition.

China shows how a balance between maintaining political stability and political legitimacy on some level are necessary prerequisites to maintaining an authoritarian regime and is the reason why they were able to do so, despite Lipset's hypothesis that they should be transitioning toward democracy because of their high economic development. Lipset makes a unitary assumption that political legitimacy is only affected negatively by economic development. China proves this assumption to be false. By developing economically, China was able to make a concession to garner political legitimacy by opening up its economic markets, allowing it the political maneuverability to maintain an authoritarian regime in the process. Its economic growth has enabled it to avoid a prescribed transition to democracy.

Concluding Observations on Economic Development and Democracy

Lipset's hypothesis makes a strong argument that economic development should results in democracy. This paper's main purpose was to dispel the preconceived notion that economic development and democracy are directly related. Instead, it has repeatedly demonstrated the importance of political institutions and their effects on the balance between political stability and legitimacy as the ultimate determinant of whether a country transitions to democracy or not.

In examining the two case studies of South Korea and China, this thesis showed that a democratic country faces certain constraints between their short-term goals of maintaining power and the long-term goal of developing economically. In order to be
able to economically develop successfully, a democracy must have the centralized executive authority to overcome political opposition that will be present in the immediate timeframe. Opportunities to exert this executive authority are limited in democracies given the short time horizon of elections. As a result, successful use of executive authority towards economic development in democracies have usually been limited to “special constitutional provisions and emergency powers, mandates claimed by newly elected governments during their ‘honeymoons,’ and powers delegated to the executive by legislators.” In South Korea’s example, no such opportunities presented themselves and it was only after a military-dominant authoritarian regime took over that South Korea was able to develop economically. This finding shows the magnitude that political institutions have in determining a capacity for economic development, and places a limitation on how Lipset’s correlation can be applied for economic development in democracies.

In addition, this study upholds Stephen Haggard and Robert Kaufman’s analysis that military-dominant authoritarian regimes are much more vulnerable to a democratic transition than party-dominant regimes. Party-dominant regimes are better able to maintain authoritarianism by balancing commitments to both political stability and legitimacy. As a result, party-dominant regimes are more able than military-dominant regimes to deflect legitimacy conflicts facing all authoritarian states. Party-dominant actors come to power by first creating a political base of legitimacy through a omnipresent bureaucratic infrastructure before establishing enough political stability to

China’s continual ability to function as an authoritarian state speaks to the importance of maintaining both political legitimacy and political stability. Conversely, military dominant regimes enter immediately into power through military coup d’états and thus lack the base of political legitimacy to sustain power over the long term. South Korea’s two military-led authoritarian regimes prove that attending only to political stability through violent coercion is not enough to retain power. Eventual concessions to political legitimacy were required, resulting in South Korea’s inevitable democratic transition. Future studies of authoritarian withdrawal should pay close attention to the specific type of authoritarian regime being analyzed.

Finally, this thesis observes that economic development affects political legitimacy in a way that can both help and hurt the stability of a government. In examining Lipset’s assertion that economic development results in a social demand for democracy, this study’s findings conclude two significant observations that Lipset does not account for. First, the inverse of Lipset’s hypothesis is possible: a lack of economic development can result in the withdrawal of democracy. South Korea’s democratic state under Syngman Rhee and Chang Myon show that a democracy can fail as a result of falling short in providing economic development. Second, Lipset overlooked the possibility that high economic development does not always result in a democratic transition. China’s example of a “people’s democratic dictatorship” proves that high economic development and the capacity for growth may help in the preservation of the status quo for an authoritarian regime.
References


