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Liberalism, Democracy and Development

Many commentators have assumed a close connection between liberal democracy and economic development. Sylvia Chan questions this assumption and suggests a new theoretical framework, in which liberal democracy is ‘decomposed’ into economic, civil and political dimensions that can be combined in different ways, allowing for a range of ‘institutional matrices’. She then shows, in a case study of Japan and the Asian newly industrialising countries, how these seemingly less democratic countries have enjoyed a unique mix of economic, civil and political liberties which have encouraged economic development without the need to share the institutional structures and cultural values of the West. Chan’s model therefore provides a re-evaluation of the institutional capacities needed to sustain a competitive economy in a globalising world, and develops a more sophisticated understanding of the democracy–development connection.

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PUBLISHED BY THE PRESS SYNDICATE OF THE UNIVERSITY OF CAMBRIDGE
 The Pitt Building, Trumpington Street, Cambridge, United Kingdom

CAMBRIDGE UNIVERSITY PRESS
 The Edinburgh Building, Cambridge CB2 2RU, UK
 40 West 20th Street, New York, NY 10011-4211, USA
 477 Williamstown Road, Port Melbourne, VIC 3207, Australia
 Ruiz de Alarcón 13, 28014 Madrid, Spain
 Dock House, The Waterfront, Cape Town 8001, South Africa
<http://www.cambridge.org>

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First published 2002

Printed in the United Kingdom at the University Press, Cambridge

Typeface Plantin 10/12 pt. *System* L^AT_EX 2_ε [TB]

A catalogue record for this book is available from the British Library.

Library of Congress Cataloguing in Publication Data

Chan, Sylvia.
 Liberalism, democracy and development / Sylvia Chan.
 Includes bibliographical references and index.
 1. Liberalism. 2. Economic development. I. Title.
 JC574 .C4823 2002
 320.51 – dc21 2001025808

ISBN 0 521 80883 9 hardback
 ISBN 0 521 00498 5 paperback

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Acknowledgements

This book has the distinction of being perhaps the longest commitment of my life so far, a seven-year project. I feel so privileged to be writing it, to have the luxury of writing about something that is so interesting and fascinating, as well as having important implications for countries worldwide.

My first debt is to Geoffrey Hawthorn, my research supervisor at Cambridge, from whom I have profited much during those years of conversations, conversations about interesting ideas and interesting ‘facts’. Although at times I exasperated him with my less than coherent thinking and writing, his belief in me, his scholarship and his generous support made it possible for me to get through the years that it took (at times with a lot of laughter, at times with some grief) to finish this research and book. He knew almost better than I did myself what it would have meant to have left this book unfinished. He was also forever supportive while I ambitiously took upon myself the Herculean task of tackling such a grand topic.

Thanks are also due to Sunil Khilnani and Laurence Whitehead, who gave me many helpful suggestions and criticisms on the manuscript. Their own work has also been inspiring and thought-provoking.

The process of producing this book would have been so much more difficult if not for those friends, often similarly interested in ideas and scholarship, who sustained me not only through conversations but through their example. Those conversations in the University Library courtyard and tea-room have a very special place in my life. Thank you, Ikuko, Ken, Atsuko, Jun, Uta, Véronique, Nigel, Patrick, I-chung, So-Hee, Mike, Aki, Yuko, Mari and Yannick. Thank you also to Rodney, whose constant support helped me believe I could and should be engaged in this task. I also want to thank Professor D’Aeth, who read the manuscript from start to finish and gave me both intellectual and emotional sustenance through the different stages of writing it.

John Barber first made it possible for me to study Social and Political Sciences at Cambridge, while Istvan Hont was always there to give me

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advice, with his brilliant mind. Helen Thompson supported me in a real way by reading my manuscript throughout, and engaged me with interesting thoughts. Colleagues at the Department of Politics and Sociology at Birkbeck were willing to take me on during the year 1998/9, during which I met with many interested (and interesting) students and was also able to finish the manuscript.

My editor John Haslam helped me throughout the publication process in a gentle and professional way, patiently answering my innumerable questions. Most important of all, of course, was his belief in this book.

Thanks also to my ex-colleagues at McKinsey, who sustained me with their interest in my 'project', as well as to Sun-Sun Chan and to William Overholt, both of whom read my manuscript and provided useful criticisms from the viewpoint of the business world.

In terms of financial support, I wish to record my gratitude to Cambridge Commonwealth Trust, which supported my PhD research, as well as to Trinity College, Cambridge, which on various occasions provided much-needed financial assistance to enable me to do research in Beijing and Shanghai and to attend the American Political Science Association conference in San Francisco.

This book started its life in Cambridge, and from there it has travelled through many places: Florence, Toronto, San Francisco, Hong Kong, Shanghai, Beijing, Tokyo, Kuala Lumpur, Melbourne and London. My friend Mim made it possible for me to finish it, appropriately, in Cambridge, which was a great joy.

Finally, to my parents and my sisters, who overlooked – most of the time – the fact that I was some unusual human being working so hard on such a thing as a book. My father in particular encouraged all of us to express different opinions and argue our case from a young age, usually during dinner conversations that often resulted in long post-dinner debates. I hope to make you proud.

How I ended up writing this book is an unusual story. In fact, twelve years ago, I was still studying mathematics and could not distinguish Marx from Weber. The story is perhaps too long to recount here, but I dearly hope that this book bears the distinctiveness of its unusual origins and the unusual journey.

Abbreviations

CCP	Chinese Communist Party
ECLA	Economic Council of Latin America
EFF	Extended Fund Facility (IMF)
FDI	foreign direct investment
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
IMF	International Monetary Fund
ISI	import substitution industrialisation
KMT	Kuomintang (Taiwan)
LDC	late developing country
LDP	Liberal Democratic Party (Japan)
MITI	Ministry of International Trade and Industry (Japan)
MNC	multinational corporation
MOF	Ministry of Finance (Japan)
NATO	North Atlantic Treaty Organisation
NGO	Non-Governmental Organisation
NICs	newly industrialising countries (South Korea, Taiwan, Singapore, Hong Kong)
ODI	Overseas Development Institute
OPEC	Organisation of the Petroleum Exporting Countries
PAP	People's Action Party (Singapore)
PR	proportional representation
TNC	transnational corporation
WTO	World Trade Organisation (successor to GATT)