PART ONE. QUESTIONS AND ANSWERS

1 Paths of Political Development

To understand why some countries are democracies whereas others are not, it is useful to distinguish between different characteristic paths that political institutions take over time. Only some of these paths end in democracy, at least at this moment in time. These stylized paths help us to orient ourselves among the complexities of real-world comparisons, and they illustrate the main mechanisms that we believe link the economic and political structure of a society to political institutions.

There are four main paths of political development. First, there is a path that leads from nondemocracy gradually but inexorably to democracy. Once created, democracy is never threatened, and it endures and consolidates. Britain is the best example of such a path of political development. Second, there is a path that leads to democracy but where democracy, once created, quickly collapses. Following this, the forces that led to the initial democratization reassert themselves, but then democracy collapses again and the cycle repeats itself. This path – where democracy, once created, remains unconsolidated – is best exemplified by the Argentinian experience during the twentieth century. Logically, a third path is one in which a country remains nondemocratic or democratization is much delayed. Because there are important variations in the origins of such a path, it is useful to split nondemocratic paths into two. In the first path, democracy is never created because society is relatively egalitarian and prosperous, which makes the nondemocratic political status quo stable. The system is not challenged because people are sufficiently satisfied under the existing political institutions. Singapore is the society whose political dynamics we characterize in this way. In the second of these nondemocratic paths, the opposite situation arises. Society is highly unequal and exploitative, which makes the prospect of democracy so threatening to political elites that they use all means possible, including violence and repression, to avoid it. South Africa, before the collapse of the apartheid regime, is our canonical example of such a path.

In this chapter, we illustrate these four paths and the mechanisms that lead a society to be on one or the other by examining the political history of the four

countries. We discuss the dynamics of political development in all cases, exploring why they ended in consolidated democracy in Britain, unconsolidated democracy in Argentina, and persistent nondemocracy – albeit of different forms – in Singapore and South Africa. Our discussion highlights many of the factors that subsequent analysis will show to be crucial in determining why a society moves onto one path rather than another.

1. Britain

The origins of democracy in Britain lie with the creation of regular Parliaments that were a forum for the aristocracy to negotiate taxes and discuss policies with the king. It was only after the Glorious Revolution of 1688 that Parliaments met regularly, and they did so with a very restrictive franchise. The membership of Parliament at this stage was inherited from feudal notions about the existence of different "estates" in society. These orders were the clergy and the aristocracy, who sat in the House of Lords by right, and the commons, who sat in the House of Commons. Members of the Commons were, in principle, subject to elections, although from the eighteenth century through the middle of the nineteenth century, most elections were unopposed so that no voting actually took place (Lang 1999, p. 12). Candidates tended to be proposed by the leading landowners or aristocrats and, because there was no secret ballot and voting was open and readily observed, most voters did not dare go against their wishes (Namier 1961, p. 83; Jennings 1961, p. 81).

Nevertheless, the constitutional changes that took place following the Civil War of 1642–51 and Glorious Revolution of 1688 led to a dramatic change in political and economic institutions that had important implications for the future of democracy (North and Thomas 1973; North and Weingast 1989; O'Brien 1993; Acemoglu, Johnson, and Robinson 2005). These changes emerged out of conflict between the Stuart monarchs intent on maintaining and expanding their absolutist powers and a Parliament intent on reigning them in. Parliament won. The outcome was a restructuring of political institutions that severely limited the monarchy's powers and correspondingly increased those of Parliament. The change in political institutions led to much greater security of property rights because people no longer feared predation by the state. In particular, it placed power into the hands of a Parliament in which was represented merchants and landowners oriented toward sale for the market. By the late eighteenth century, sustained economic growth had begun in Britain.

The first important move toward democracy in Britain was the First Reform Act of 1832. This act removed many of the worst inequities under the old electoral system, in particular the "rotten boroughs" where several members of Parliament were elected by very few voters. The 1832 reform also established the right to vote based uniformly on the basis of property and income.

The First Reform Act was passed in the context of rising popular discontent at the existing political status quo in Britain. Lang (1999, p. 26) notes

> Fear of revolution, seen as a particular risk given the growth of the new industrial areas, grew rather than diminished in the years after Waterloo, and Lord Liverpool's government (1821–1827) resorted to a policy of strict repression.

By the early nineteenth century, the Industrial Revolution was well underway, and the decade prior to 1832 saw continual rioting and popular unrest. Notable were the Luddite Riots of 1811–16, the Spa Fields Riots of 1816, the Peterloo Massacre in 1819, and the Swing Riots of 1830 (see Darvall 1934 and Stevenson 1979 for overviews). Another catalyst for the reforms was the July revolution of 1830 in Paris. The consensus among historians is that the motive for the 1832 reform was to avoid social disturbances. Lang (1999, p. 36) concludes that

> the level of unrest reinforced the case for immediate reform now, rather than later: it was simply too dangerous to delay any longer. Just as Wellington and Peel had granted emancipation to avoid a rising in Ireland, so the Whigs . . . should grant reform as the lesser of two evils.

The 1832 Reform Act increased the total electorate from 492,700 to 806,000, which represented about 14.5 percent of the adult male population. Yet, the majority of British people could not vote, and the aristocracy and large landowners had considerable scope for patronage because 123 constituencies contained fewer than one thousand voters. There is also evidence of continued corruption and intimidation of voters until the Ballot Act of 1872 and the Corrupt and Illegal Practices Act of 1883. The Reform Act, therefore, did not create mass democracy but rather was designed as a strategic concession. Unsurprisingly, the issue of parliamentary reform was still very much alive after 1832, and it was taken up centrally by the Chartist movement.

Momentum for reform finally came to a head in 1867, largely due to a juxtaposition of factors. Among these was a sharp business-cycle downturn that caused significant economic hardship and increased the threat of violence. Also significant was the founding of the National Reform Union in 1864 and the Reform League in 1865, and the Hyde Park Riots of July 1866 provided the most immediate catalyst. Searle (1993, p. 225) argues that

> Reform agitation in the country clearly did much to persuade the Derby ministry that a Reform Bill, any Reform Bill, should be placed on the statute book with a minimum of delay.

This interpretation is supported by many other historians (e.g., Trevelyan 1937; Harrison 1965).

The Second Reform Act was passed in 1867; the total electorate expanded from 1.36 million to 2.48 million, and working class voters became the majority in

all urban constituencies. The electorate was doubled again by the Third Reform Act of 1884, which extended the same voting regulations that already existed in the boroughs (urban constituencies) to the counties (rural constituencies). The Redistribution Act of 1885 removed many remaining inequalities in the distribution of seats and, from this point on, Britain only had single-member electoral constituencies (previously, many constituencies had elected two members – the two candidates who gained the most votes). After 1884, about 60 percent of adult males were enfranchised. Once again, social disorder appears to have been an important factor behind the 1884 act (e.g., Hayes 1982; Lang 1999, p. 114).

Following the Great War, the Representation of the People Act of 1918 gave the vote to all adult males over the age of twenty-one and women over the age of thirty who were ratepayers or married to ratepayers. Finally, all women received the vote on the same terms as men in 1928. The measures of 1918 were negotiated during the war and may reflect to some extent a quid pro quo between the government and the working classes who were needed to fight and produce munitions. Garrard (2002, p. 69) nevertheless notes that

> most assumed that, if the system was to survive and "contentment and stability prevail," universal citizenship could not be denied to men, perceived to have suffered so much and to have noticed Russia's Revolution.

Overall, the picture that emerges from British political history is clear. Beginning in 1832, when Britain was governed by the relatively rich, primarily rural aristocracy, strategic concessions were made during an eighty-six-year period to adult men. These concessions were aimed at incorporating the previously disenfranchised into politics because the alternative was seen to be social unrest, chaos, and possibly revolution. The concessions were gradual because, in 1832, social peace could be purchased by buying off the middle classes. Moreover, the effect of the concessions was diluted by the specific details of political institutions, particularly the continuing unrepresentative nature of the House of Lords. Although challenged during the 1832 reforms, the House of Lords provided an important bulwark for the wealthy against the potential of radical reforms emanating from a democratized House of Commons. This was so at least until just before the First World War, when the showdown with Herbert Asquith's Liberal government over the introduction of elements of a welfare state led to substantial limitations of the power of the Lords. After 1832, as the working classes reorganized through the Chartist movement and later the trade unions, further concessions had to be made. The Great War and the fallout from it sealed the final offer of full democracy. Although the pressure of the disenfranchised was more influential in some reforms than others, and other factors undoubtedly played a role, the threat of social disorder was the driving force behind the creation of democracy in Britain.

The emergence of democracy in Britain and its subsequent consolidation took place in a society that had long shed nearly all the remnants of medieval organization and that had successfully resisted the threat of absolutism. They also took place

in the context of rapid industrialization, urbanization, expansion of the factory system, rising inequality, and – in the period after the Repeal of the Corn Laws – rapid globalization of the economy.

2. Argentina

The beginnings of the modern Argentine Republic were in 1810 when it declared its independence. Following this period, the country was immersed in a chaotic series of civil wars and internal conflict over the structure of power and political institutions. The chaos finally abated in the 1860s. In 1853, a new constitution was written and, in 1862, Bartolomé Mitre was elected the first president of the unified republic. Mitre set about creating a state in the facilitating context of the first of a series of agricultural export booms that would sustain the Argentine economy until 1930. He created a national bureaucracy, taxation system, and legal system, and this period saw the foundation of electoral politics. However,

> The electoral law of 1853, which purported to allow popular participation in the political process, from the beginning proved itself a sham. Elections were invariably ritualistic parodies, staged-managed by lackeys of the powerful, with only a minute fraction of the electorate participating. (Rock 1987, p. 129)

After Mitre, Domingo Sarmiento became president and around him formed a party, the Partido Autonomista Nacional (PAN). Successive PAN presidents maintained power until 1916 by manipulating elections. However, they did so in the context of rising social discontent. After 1889, there was an effective opposition in the Unión Cívica, which in July 1890 launched a revolt against the government. After 1891, the Unión Cívica Radical (Radicals), under the leadership of Hipólito Yrigoyen, launched revolts in 1893 and 1905. However, despite the continuation of regimes based on the control and coercion of the electorate,

> Argentine elites were becoming aware of the unfolding similarities between Western European societies and their own, with the growing cities and the emergence of new social classes. Democracy's attractiveness lay in its promise of protecting political stability, for if political exclusion were maintained . . . the nation risked a repetition of the upheavals of the early 1890's. (Rock 1987, pp. 184–5)

In 1910, Roque Sáenz Peña, one of the leading advocates of political reform, became president. As Rock (1987, p. 188) put it:

> Radicals, socialists, and indirectly the anarchists helped fuel the movement for reform during the early years of the century. Progressives amongst the elite feared the growing popular support for the Radicals, wondering where their next revolt would come from.

The so-called Sáenz Peña Law was passed in 1912 when the secret ballot was introduced and fraudulent electoral practices outlawed. Universal male suffrage, originally introduced in the 1853 Constitution, finally became a reality. Smith

(1978, p. 10) argues that reform "was a calculated maneuver to salvage the prevailing system. Concerned with labor unrest and the apparent threat of violence."

Following these reforms, Yrigoyen was elected president in 1916.

> The reforms also brought surprises. Sáenz Peña and his supporters had espoused electoral reform in the belief that the old oligarchic factions would adapt to the new conditions and unite into a strong conservative party that would enjoy large popular support . . . instead, the conservatives repeatedly failed in their efforts at unity. (Rock 1987, p. 190)

As a consequence, the Radical party began to dominate Argentine politics, posing a severe threat to traditional interests. In 1916, Conservatives won 42 percent of the vote but by 1928 they had slipped to 25 percent. Smith (1978, p. 21) notes "this situation contrasts sharply with that in Sweden and Britain . . . where traditional elites continued to dominate systems after the extension of suffrage." Consequently, "by 1930 Yrigoyenists had a substantial delegation in the upper chamber and they threatened to gain a full majority in the upcoming elections" (Smith, 1978, p. 12). Thus, "the political system came to represent an autonomous threat to the socioeconomic system . . . Understandably enough, in view of their initial expectations, Conservatives came to see democracy as dysfunctional" (Smith 1978, p. 15; see also Potter 1981).

In September 1930, Yrigoyen was deposed by a military coup, followed in 1931 by a fraudulent election. "The election of 1931 restored power to the same broad complexion of groups that had controlled it before 1916 – the pampas' exporting interests and the lesser landowners of the provinces" (Rock 1987, p. 217). During the remainder of the 1930s, Conservatives continually used electoral fraud to maintain power, although by 1940 they were trying to reincorporate the Radicals to some extent. This sequence of Conservative administrations was ended by a military coup in 1943.

After the coup in 1943, a series of military men assumed the presidency; however, the main feature of this period was the rise to power of Juan Domingo Perón, first as a member of the military junta and then as the elected president after 1946. Perón had moved the military regime onto a more radical and pro-labor path and organized a political machine around the state control of the labor movement. During his first presidency, Perón engineered a huge increase in wages and social benefits for the working classes. His policies were aimed at redistributing away from the rural sector toward the urban sector. Part of these policies included an aggressive pro-industrial policy of protection and import substitution (O'Donnell 1978, p. 147). Perón was reelected in 1951, albeit in an election tainted by corruption and the repression of the opposition, and he was subsequently removed from power by a coup in 1955. Between 1958 and 1966, civilian governments highly restricted by the military returned, only to be swept away by another coup in 1966 (see O'Donnell 1973; for the seminal analysis).

In 1966, General Juan Carlos Onganía became president, but his regime was quickly opposed by substantial social mobilization (Rock 1987, p. 349). Cavarozzi (1986, p. 36) notes the significance of "the popular insurrection of 1969 . . . [which] fused together blue and white collar workers, students and the urban poor." This revolt against the dictatorship was followed by more, particularly in 1971, and coincided with the emergence of several armed groups and guerillas dedicated to the overthrow of the regime.

Democracy was re-created in 1973 when Perón returned from exile and was elected president in the first truly democratic election since his first election in 1946. However, democratization unleashed the same distributional conflicts that it had before and "As in 1946, the kernels of his program were income redistribution in favor of labor, the expansion of employment, and renewed social reform" (Rock 1987, p. 361). In 1976, the Perónist government, led by Perón's third wife Isabel after his death in 1974, fell to a coup under the leadership of General Jorge Videla. "Once in power, the Army embarked on the conquest of any lingering resistance to a revolution in government whose aim was the total dismantlement of the Perónist state" (Rock 1987, p. 366). The regime that lasted until the Falklands (Malvinas) War of 1982–3 was the most repressive in Argentine history. Some ten thousands people "disappeared" and many thousands more were imprisoned without trial, tortured, and forced into exile. General Roberto Viola succeeded Videla in 1981 but was forced from office the same year by General Leopoldo Galtieri.

As the military became more and more beleaguered and popular protests against them rose, they launched the ill-fated invasion of the Falkland (Malvinas) Islands. Galtieri resigned when the Argentine forces surrendered in June 1982 and, the following year, democratic elections led to the election of Radical president Raúl Alfonsin. Argentina was a democracy again and it has stayed one with Alfonsin being followed by Carlos Menem in 1990, Fernando de la Rúa in 2000, and – after a bewildering succession of temporary presidents during the economic crisis of 2001–2 – by Néstor Kirchner in 2003.

The political history of Argentina therefore reveals an extraordinary pattern where democracy was created in 1912, undermined in 1930, re-created in 1946, undermined in 1955, fully re-created in 1973, undermined in 1976, and finally reestablished in 1983. In between were various shades of nondemocratic governments ranging from restricted democracies to full military regimes. The political history of Argentina is one of incessant instability and conflict. Economic development, changes in the class structure, and rapidly widening inequality, which occurred as a result of the export boom from the 1880s, coincided with pressure on the traditional political elite to open the system. But, the nature of Argentine society meant that democracy was not stable. Traditional interests were too threatened by the rise to power of the Radicals and continuously worked to undermine democracy. The economic changes of the 1930s only exacerbated this conflict. The

workers became stronger and more militant as they found a leader in Perón, and the distributional conflicts then became embedded in the pro-Perón, anti-Perón struggle. Dictatorial regimes collapsed because of social protests, and democracies collapsed because the radical, populist, and often unsustainable policies they adopted induced military coups.

3. Singapore

Sir Stamford Raffles acquired the island of Singapore from its local Malay ruler for the British East India Company in 1819 (Turnbull 1989; Huff 1994; Milne and Mauzy 1990; 2002). At that time, the island, comprising 622 square miles and lying just 176 kilometer north of the equator, was sparsely populated with just a few hundred inhabitants. It soon became an important trading port for the East India Company and expanded rapidly as a commercial center and entrepôt. This role continued even after the collapse of the East India Company (Singapore became a Crown Colony in 1867 as part of the Straits Settlement) and expanded with the British colonization of the Malayan peninsular after the 1870s and the development of an export economy in Malaya based on commodities such as tin and rubber.

After the Second World War and a traumatic occupation by the Japanese, a political awakening occurred in Singapore as in many other British colonies as they began to anticipate independence. The first elections for a legislative council were held in 1948 under a very restricted franchise in which a majority of the council was still appointed by the British Governor. The late 1940s and early 1950s were characterized by labor unrest, strikes, and demonstrations. In 1955, they forced the British to introduce a new constitution proposed by the Rendel Commission, in which a majority of seats of the legislative council were to be elected and the leader of the majority party would become chief minister. However, the 1955 elections were followed by more riots and social unrest, constitutional negotiations were reopened, and new elections were planned for 1959 with Singapore granted almost complete internal self-rule. The franchise was universal suffrage, and the People's Action Party (PAP) under Lee Kuan Yew won forty-three of the fifty-one seats in the 1959 election.

From the beginning, the PAP aggressively promoted industrialization. One of its strategies was taming the trade-union movement and creating a pliant labor force to attract multinational companies. In 1959, it began to reduce the power of unions, which was finally achieved in 1967 and 1968 when all unions were brought under government control. This was accomplished by the creation of a government body, the National Trade Union Congress, and strikes were made illegal. At the same time, Lee Kuan Yew and the leaders of the PAP distanced themselves from the more radical elements of the party. As a result, in 1961 the party split with thirteen parliamentary members resigning to form a new party, the Barisan Sosialis (BS). Despite this setback, the PAP bounced back and, even

before independence, began to show its skill at political maneuver:

> The PAP then strengthened its grip on power, harassing the BS and the trade unions. Most dramatically, prior to elections in 1963, the PAP used the police special branch to mount a sweep called Operation Cold Store, obliterating the BS's top level leadership. (Case 2002, p. 86)

As a result, in the 1963 elections the PAP took thirty-seven out of fifty-one seats, with the BS winning thirteen.

In this initial phase, the PAP saw integration with Malaya as part of its strategy of economic development because it would guarantee a large market for Singaporean firms. In 1963, Malaya, Singapore, Sabah, and Sarawak merged to form the Federation of Malaysia. However, in 1965, Singapore was expelled as a result of tensions between Malay and Chinese politicians (e.g., Lee Kuan Yew had campaigned in Kuala Lumpur in the 1964 Malaysian general elections, to the outrage of Malaysian politicians).

After the creation of the republic in 1965, the PAP began to harass its political opponents. As a consequence, all the BS members resigned their parliamentary seats and boycotted the 1968 elections. In these circumstances, the PAP won all fifty-eight seats, although fifty-one were uncontested. The PAP also won every seat in 1972, 1976, and 1980 against an assortment of opposition parties with the BS contesting elections again after 1972. Finally, a 1981 by-election resulted in the first opposition member since 1968. A second opposition member was elected in 1984 and by 1991 there were four. However, the opposition only ran candidates in a minority of seats; the PAP was consequently always guaranteed a majority in the Parliament. In 1997, the PAP won eighty-two of the eighty-three seats. In the 2001 elections, the PAP won eighty-one seats. To avoid a real opposition appearing in this period and to appease desires for some sort of alternative representation, the PAP introduced nonconstituency Members of Parliament who were allocated to those opposition losers who received the most votes. By 2001, there were nine of these members of the legislature. In 1990, Lee Kuan Yew retired as Prime Minister and was replaced by Goh Chok Tong, who was succeeded in 2004 by Lee's son, Lee Hsien Loong.

Throughout this period, the PAP extended its control over society, particularly through its control of the media. Case (2002, p. 89) demonstrates that "political activism in Singapore risks blacklisting, shunning, lawsuits, tax investigations, lost business opportunities, and detention without trial." To maintain its power, the PAP also engages in extensive gerrymandering to avoid losing any seats. Although the initial electoral system was based on British-style single-member districts, there is now a mix of these and multimember districts (called group representation constituencies). Rodan (1997, p. 178) notes that "single constituencies in which opposition parties came within striking distance of defeating PAP candidates in the last election have disappeared, usually subsumed under group representation constituencies comprising sitting PAP candidates."

When it comes to election time, the PAP also engages in blatant threats to the electorate to influence their votes. Rodan (1998, p. 179) notes that in 1997, the electorate

> . . . were given a stark choice: return government candidates and benefit from a range of expensive new public programs, or have this withheld or delayed in retaliation for electing PAP opponents. . . . Threats by Goh concerning the multimillion dollar housing upgrading program caused special concern. Given that around 86% of Singaporeans live in government built flats, the electorate is highly vulnerable to such intimidation. The announcement of a new system of vote counting enabling the government to ascertain voting preferences down to precinct levels of 5,000 voters reinforced the threat.

Given its size and colonial history, Singapore lacks an aristocracy – landed or otherwise – which has been important for Singaporean politics. It has an urbanization rate of 100 percent, and the ethnic composition of its population is approximately 75 percent Chinese, 15 percent Malay, and 8 percent from the Indian subcontinent. Prior to independence, Singapore also lacked large capitalists or business interests and, since independence, the largest capitalists involved in Singapore are foreigners, who are seemingly promoted by the PAP at the expense of indigenous business interests. Founded by English-educated professionals and middle-class people, the PAP recruits its politicians from the professions and the civil service, not through party members. Indeed, the party exists mostly as an electoral machine; otherwise, it works through the government rather than through some independent grassroots organization. Lee Kuan Yew said in 1984, "I make no apologies that the PAP is the Government and the Government is the PAP" (quoted in Milne and Mauzy 1990, p. 85).

Overall, we see that Singapore moved to democracy and independence as its citizens protested against British colonial rule, but the PAP rapidly established one-party rule after 1963. Since then, the economy has boomed, inequality has been low, and the PAP has maintained power through relatively benign means, fostering popularity through extensive social welfare programs as well as engaging in threats and coercion. Although there has been imprisonment and harassment, there have been no "disappearances" and there is apparently little opposition to PAP rule and little pressure for political change.

4. South Africa

The European presence in South Africa began in 1652 when the Dutch East India Company founded a colony in Table Bay. Its aim was to grow food and provisions for its ships sailing around the Cape of Good Hope from Europe to Asia. The Dutch settlements gradually expanded at the expense of the indigenous Khoikhoi but only extended about 100 miles inland by the end of the eighteenth century. The strategic position of the Cape Colony meant that it became an important