

Research Brief

The Political Economy of the Transition from Authoritarianism

July 2009

Tony Addison

Authoritarian regimes frequently leave in their wake a series of negative legacies that have not received sufficient attention in the literature on transitions, and even less by transitional justice measures. This paper examines the political economy of transitions from authoritarianism. In particular, it looks at the economic legacies of authoritarianism—unproductive expenditures, undisciplined rent-seeking, and macroeconomic destabilization—and their implications for democratization and transitional justice. Potential synergies between transitional justice and development are identified in terms of resources, priorities, social protection, and integration in the global economy. Successful political transitions—of which transitional justice is a part—are founded on successful development.

Objectives in the Transition from Authoritarianism

Transitional societies face at least five goals: transitional justice, distributive justice, prosperity, participation, and peace. Although conceptually separate, these goals are very much linked. Both distributive and corrective justice influence the prospects for peace—the former because grievances can ignite conflict, the latter because a peace deal may require the correction of past injustice. The likelihood of peace is also determined by the scale and nature of participation. Prosperity makes it easier to achieve the other goals by generating more resources and reducing the need for difficult trade-offs between goals. In righting past injustice, transitional justice speaks to a conception of development rooted in social transformation, not just technocratic endeavor. In speaking of *full* citizenship, transitional justice reinforces the idea that the poor have agency, that they are not passive actors whom the development process acts upon but people who can engage in the struggle to end their oppression and poverty.

Once the political decision to engage with justice is made, the resources available can limit progress in poor societies unless the international community is generous. Without that help, justice often becomes proportionate to a country's level of economic development. Hence, the rationale for international assistance to help reduce the ethical dilemmas that arise when limited domestic resources set boundaries to justice.

Research Project

Transitional Justice and Development

This project examines the relationship between transitional justice and development, two fields that, academically and in practice, have proceeded largely isolated from one another. The project identifies and analyzes specific synergies between justice and development, and articulates how the two types of initiatives ought to be designed and implemented in order to reinforce the shared goals of citizenship, social integration, governance, and peacebuilding. The project is managed by Roger Duthie, Research Associate in the Research Unit at the ICTJ.

The Economic Record of Authoritarianism

Authoritarian regimes do not necessarily share the same policy orientation, and the economic record of authoritarian regimes is not uniform. The success of economic policy affects perceptions and actions of authoritarian rule, which in turn can have an impact on the issues transitional justice deals with.

Success in delivering prosperity and distributive justice provided a measure of popular support for bureaucratic-authoritarianism in South Korea and Taiwan, thereby reducing the need to resort to state violence. While both these Asian countries had to deal with an authoritarian legacy of human rights abuses, transitional justice was much less of an issue than in Latin America—where most authoritarian regimes failed to deliver either the prosperity or distributive justice necessary to broaden their support. Without the support that prosperity brings, dictators in these countries came to rely on state violence to retain power, resulting in large-scale human rights abuses.

Serious human rights abuses are rightly the center of attention of transitional justice, but to these crimes must be added the negative economic impact of authoritarianism together with its attendant social fallout.

The Economic Legacy of Authoritarianism

Authoritarian regimes frequently leave in their wake a series of negative legacies that include *unproductive expenditures*—expenditures that have a high opportunity cost for development, in particular spending on a repressive state apparatus. These expenditures are often accompanied by *undisciplined rent-seeking* whereby the state fails to ensure that the economic rents generated by its controls are used for the national development project—and these behaviors then become embedded in ways that are harmful to economic development under democracy. In the worst cases, both unproductive spending and rent-seeking result in *macroeconomic destabilization*—characterized by capital flight, excessive debt accumulation, and macroeconomic crisis.

By fostering corruption, weakening the rule of law, and diminishing the possibility of effective accountability and oversight, past authoritarian practices add to the difficulties of democracy—if it can be established. By distorting economies, they slow the rate of economic growth, thereby adding to poverty; distributive injustice is further aggravated by the diversion of state finances away from development expenditures. Weak states are generally the result, adding to the difficulties of subsequent attempts to deal with human rights abuses.

Serious human rights abuses are rightly the center of attention for the transitional justice community. But to these crimes must be added the negative economic impact of authoritarianism together with its attendant social fallout: increased child mortality, lower life expectancy, and greater prevalence of chronic poverty. Poverty kills people as surely as a machete or a bullet, and therefore the increased poverty (and other forms

of distributive injustice) that accompany authoritarianism should be incorporated into the charges laid before perpetrators, the mandates of truth commissions, and the target of security sector reform (SSR). Not to do so is to ignore a major (social) crime, and to encourage demagogues in the belief that they will never be accountable for their actions.

Recommendations

Resources

The limited resource envelope of transitional governments provides the international community with an opportunity to link transitional justice with its support to economic recovery and then longer-term development. Project aid to assist the rehabilitation and resettlement of the victims of human rights abuses and genocide is crucial. As the situation stabilizes, it is desirable to move an increasing share of aid towards budget support, but progress depends on: rebuilding and reforming the state institutions dealing with the public finances so that they are able to properly use the budgetary aid; and ensuring that political leaders show commitment to taking transitional justice measures.

There is a strong case for linking aid to transitional justice measures at the outset, so as to remove from power—and potentially to deliver into custody for trial—perpetrators of human rights abuses. Once significant aid inflows have begun, and donors have made an investment in the necessary country operation, however, they may be reluctant to suspend or slow disbursements. If they let progress on transitional justice stall in the early years, they might not press the issue in later years. Moreover, donors may not present a united front, some being less willing than others to give priority to justice, especially when they have significant commercial or geo-political interests at stake in the recipient country.

Setting Priorities

Removing from power those guilty of human rights abuses is vital, but insufficient, for successful transitions. Quick wins to cut into distributive injustice are essential, especially when an ethnic, religious, or spatial dimension makes socioeconomic inequality a source of conflict. Many transitions take place against a backdrop of economic failure. The expectations of the populace are often low, and cynicism may well abound. New administrations need to generate credibility, and quickly. Politicians make plenty of promises, especially around the time of peace deals, but delivering tangible and real gains is paramount. If this can be achieved, and living standards start to grow, then the populace has some stake in the new political order; and demagogues will find it harder to recruit followers when the young have new livelihoods.

About the Author

Tony Addison is the executive director of the Brooks World Poverty Institute at the University of Manchester, associate director of the Chronic Poverty Research Centre and professor of development studies, University of Manchester. He was previously deputy director of the United Nations University's World Institute for Development Economics Research (UNU-WIDER).

People in authoritarian societies suffer not just from state violence, but from the poverty and hunger that economic mismanagement brings.

Social Protection

Social protection offers a way of moving from the imperatives of the short run to a longer-term approach in post-authoritarian societies. Social protection consists of a wide variety of measures, the most important being contingent cash transfers. Social protection also offers a means forward after war. Guatemala and El Salvador are contrasting examples; Argentina illustrates the consequences of not taking action and the need for generous international support to post-authoritarian regimes.

Integrating into the Global Economy

A successful social compact is built on rising economic prosperity. Employment generation tends to reduce inequality and the need to resort to crime. Successful integration into the global economy is central to rising prosperity, especially for small low-income economies that do not possess the import-substitution possibilities of countries with large populations. For small economies, some variant of an export-led strategy is critical, but it must spread prosperity broadly.

Conclusions

Post-authoritarian governments must deal with a legacy of behaviors that are destructive of prosperity and distributive justice. These economic issues have implications for, and must be given greater prominence in, strategies and actions to deliver transitional justice. People in authoritarian societies suffer not just from state violence, but from the poverty and hunger that economic mismanagement brings. They need social protection to ease the economic pain of the transition, help from the international community to prosecute the guilty who profited from running the economy into the ground, and assurance that post-authoritarian governments will deliver rising prosperity and distributive justice. Quick wins are especially important to maintain credibility. The worst situation is when the legacy of authoritarianism is both an ineffectual state and high inequality. The country will then struggle to deliver progress, the credibility of democratic politicians will be damaged, and the country could retreat back into authoritarianism and/or descend into large-scale violent conflict. Good intentions are therefore not enough; implementation is paramount.

The International Center for Transitional Justice (ICTJ) wishes to thank the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Swiss Federal Department of Foreign Affairs (FDFA), whose financial contributions made this research project possible.

The International Center for Transitional Justice assists countries pursuing accountability for past mass atrocity or human rights abuse. ICTJ works in societies emerging from repressive rule or armed conflict, as well as in established democracies where historical injustices or systemic abuse remain unresolved. To learn more, visit www.ictj.org.

Research Brief Series

ICTJ Research Briefs summarize longer studies prepared as part of research projects conducted by the ICTJ's Research Unit. For the full Transitional Justice and Development papers, visit www.ictj.org/en/research/projects/research5/index.html.