The Democratization Prospects of Central Asian Countries or How to Wake up the Sleeping Institutions?

«The sneering attitude towards democratic procedures and the rule of law is the predominant feature of both the mass consciousness and the worldview of elites in the post-Soviet space. Maybe, therefore, the real democratic political systems that we have are more likely exceptions than the rule?», – notes an economist from Tashkent Yuli Yusupov in his article for CABAR.asia.

Summary of the article:

- Democratic institutions can be “donated” or dictated to the society, but if the society itself does not have the core need in these institutions, they will not be filled with the necessary content, they will remain “sleeping” and non-working institutions;
- The main carriers of democratic values are small and medium-sized owners and well-paid skilled workers, the so-called middle class;
- The low level of non-resource incomes and the weakness of the middle class objectively limit the possibilities for the democratization of Central Asian countries;
- According to the theory of “white and black knights”, strong external partners influence the democratization processes. “White knights” are pushing their neighbors on the path of democratization, and “black knights”, on the contrary, to authoritarianism;
- Well-functioning democratic institutions contribute to economic growth. On the other hand, there are many historical examples when economic breakthroughs were made by authoritarian regimes. It is sometimes easier for authoritarian leaders to carry out unpopular reforms that promote economic growth. However, these examples have two important “buts”.
- The availability and effectiveness of a number of democratic institutions (not in classical forms, like in China though) are very important for the economic development of Central Asian countries. It is especially worth highlighting among them the effective procedures for the power alternation, an effective and independent judicial system, an effective feedback system between the government and civil society, the presence of at least some checks and balances for the executive branch.
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- There are many objective and subjective obstacles to the democratization of the countries of the region. The changes in the public consciousness play a huge role in the modernization of our countries.

Over 27 years have passed since the collapse of the USSR and the emergence of new independent states on the territory of Central Asia. It seems that there was quite enough time for the formation of effective democratic and market institutions. But if market mechanisms even not ideally have worked at least, there is very little success in the democracy construction. Whoever and in whatever way come to power, most often turns into an irremovable authoritarian ruler (as in the post-Soviet joke: “no matter how I put it together, it always results in machine gun”). There can be different forms of authoritarianism: from severe, close to totalitarian, to soft, “enlightened”. There is one exception – Kyrgyzstan. But even here the work experience of democratic institutions is very short.

A similar picture is observed at the rest of the post-Soviet space. After the collapse of the Soviet Union, the authoritarian regimes with varying degrees of softness and severity were
formed in most of the former republics. Only in the Baltic countries appeared sustainable
democratic systems of government. Since 2003 (the “Rose Revolution” in Georgia), in some
of our neighboring countries (Georgia, Ukraine, Armenia) political systems that involve the
work of actually functioning democratic institutions and periodically removable power have
began to form.

Further, some thoughts (from the economist’s point of view) about why it is so difficult for
democratic institutions to take root in our countries, how important they are for economic
development, and how great are the chances that they will take root in the long run.

**Democracy and level of economic development**

First of all, it should be understood that the effective work of democratic institutions
presupposes the existence of certain conditions, a certain level of society and economy
development.

In accordance with the so-called “Lipset’s law”, there is a strong positive correlation
between the living standard and the likelihood of a country’s transition to democracy. In
other words, the higher the GDP per capita, the greater the chances for a successful and
stable work of democratic institutions. Exceptions are the economies in which resource rent
plays a significant role (as a rule, these are oil exporters). Often even with high per capita
incomes, the democratic institutions take root poorly in such economies. It confirms the
experience of a number of the former USSR countries. However, there are exceptions of
another kind, where a democratic system of government appears with a fairly low GDP per
capita. In particular, we are talking about India (after independence) and Georgia (after the
reforms started in 2004).

A number of empirical studies even attempted to define a certain limit of GDP per capita
(provided that the economy is based on non-resource incomes), after exceeding which the
probability of the democracy sustainability becomes high. One such study called the limit of
per capita GDP at 6,055 USD at prices of 1975.

It seems to me that the existence of a connection between the level of non-resource income
and the degree of social democratization is quite logical. Democratic institutions can be
“donated” or dictated to the society (this could be done by an enlightened ruler or
occupying authorities), but if the society itself does not have the core need in these
institutions, they will not be filled with the necessary content, they will remain “sleeping”
and non-working institutions.

The so-called simulated institutions created by authoritarian governance, forced to adapt to
the norms existing in the world, belong to the “sleeping” ones. Today, it is unfashionable to
proclaim oneself as emperors and padishahs. We have to be limited to titles of presidents
and prime ministers. In addition, for the sake of image, it is necessary to simulate other
democratic rules and procedures such as parliamentarism, multiparty system, elections, and
etc.
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So, in order the dictated or “donated” institutions work a significant part of the socially active population must do the following: a) have a need in work of institutions, b) be able to preserve them (since they are very fragile and need constant support).

As practice shows, the need in democratic institutions, initially appears as a need to protect property, mainly for those people: a) who have something to lose, and this is primarily personal property and business, b) those that do not possess sufficient power to protect property rights through a contact with an authoritarian leader or his surroundings. In other words, small and medium property owners and well-paid skilled workers, the so-called middle class are the main carriers of democratic values.

The poor have nothing to lose, and they have no direct interest in clear and effective rules protecting their property. The very rich have other opportunities to protect property, in addition to judicial mechanisms. Moreover, their wealth is often based on unequal business conditions and corruption enrichment schemes, the use of which will become difficult in the social democratization. Therefore, a steady need for effective democratic institutions appears only when a significant middle class is formed in society, it is aware of its own interests and able to defend them. A sufficiently high level of non-resource income per capita is needed for this. (The resource incomes are either distributed more or less evenly among all members of society or given to a small group of people close to political power. In either case, the middle class is not being formed).

Thus, we see that the low level of non-resource incomes and the weakness of the middle class objectively limit the possibilities for the democratization of Central Asian countries. At the same time, as the experience of India and Georgia shows that low incomes do not always prevent countries from democratization.

The role of historical experience

Historical experience sometimes plays a big role in the appearance and sustainability of democratic institutions. In countries where democratic institutions existed earlier (most often in the form of urban and communitarian self-government), democracy takes root much easier than in countries without such experience.

For example, this difference is demonstrated by studying the role and evolution of democratic institutions of the 20th century in Italy. Northern Italy substantially overtakes the southern one both in economic development and in the effectiveness of the formal democratic institutions’ work. The thing is that in northern Italy trade and the middle class, as well as city self-government, were highly developed since the Middle Ages. Broad sections of the population actively participated in the economic and political life of the northern Italian republics. In southern Italy, opposite, authoritarian regimes dominated for centuries, restricting the economic and political freedoms of the local population. Inhabitants of the south did not rely on the official legal system, which was dictated to them either by the royal government or by external occupants, but relied on informal institutions,
including the well-known mafia. Hence is the varying readiness of the population to live according to formal democratic rules.

In Central Asia, the traditions of local self-government and the participation of large sections of the population in public life, even if they once existed, then in a very rudimentary form, and by the time independence was acquired, they had long been expunged from people’s memory. The “good work” of the Soviet public system, which formally proclaimed people power, but in reality gave all the power to the party nomenclature, should not go unnoticed here.

The Bolsheviks thoroughly worked on the formation of the Soviet and post-Soviet people’s stereotypes about what democracy is. For the Bolsheviks and their leader Lenin, democracy is an instrument for consolidating the power of bourgeois class over the proletariat. Hence the contempt for such democratic institutions as: parliamentarism, separation of powers, an independent judiciary and the media. The revolutionary expediency is above all and certainly above all democratic formalities. To take power, without caring about all these insignificant talks as legality, people’s will expression, separation of powers. The laws of history are stronger than democratic principles.

The contempt towards democratic procedures and the rule of law is the predominant feature of both the mass consciousness and the worldview of elites in the post-Soviet space. Maybe this is why our really acting democratic political systems are exceptions rather than the rule? Maybe that’s why our democratic institutions (parliaments, courts, parties, and “independent” media) are often fictions, manifestations of simulation, and not real democracy?

**White and Black Knights**

According to the “white and black knights” theory, strong external partners influence the democratization processes. The “white knights” are pushing their neighbors towards democratization, and the “black knights”, on the contrary, are pushing towards authoritarianism.

For example, the former socialist countries of Eastern Europe immediately fell “under the wing” of Western European influence. Geographical and cultural proximity has made it easier for many countries to transit to a market economy and a democratic legal system. In this regard, it was easier for East Germany than Poland, and for Poland, it was easier than Ukraine. The Caucasus countries, by virtue of their geography, and Armenia and Georgia due to cultural proximity, are also under strong Western European influence.

The countries of Central Asia are subject to much less influence from Europe and other centers of Western civilization. They are surrounded by other “knights” – China and Russia, which are “black knights” of course, from the point of view of joining democratic institutions. They can’t teach us anything good. Rather, on the contrary, they will contribute to strengthening extractive (advantageous to narrow groups of individuals) institutions and
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undemocratic forms of government. Sadly, it is sometimes more convenient for them to deal with authoritarian and corrupt regimes.

**Democratic institutions and rates of economic growth**

The next question is: how much does the development of democratic institutions contribute to or hinder economic development?

Perhaps, it is hardly possible today to find anyone among economists denying the importance of feedback presence between the government and society, and the mechanisms of checks and balances in the political system for successful economic development, clear and transparent legislation, and an effective and independent judicial system. The simpler and more transparent the law, the better the laws are protected by the courts, the lower the costs of doing business, the better the property rights are protected.

The more state structures listen to the society demands, the more restrictions the executive branch has, the fewer opportunities there are to use the state for the fulfillment of private and group interests, the business has to work in a more competitive environment. The more efficient the economy is.

In other words, well-functioning democratic institutions contribute to economic growth. On the other hand, there are many historical examples when economic breakthroughs were made by authoritarian regimes. It is sometimes easier for authoritarian leaders to carry out unpopular reforms that promote economic growth. However, these examples have two important “buts”.

1. There are often dozens, if not hundreds of retrogressive and corrupt officials for one “advanced” and effective authoritarian leader, pushing their countries to stagnation and poverty. Authoritarianism is definitely not a guarantee of economic prosperity. The chances of getting an enlightened “leader of the nation” are not very high.

2. Many examples, declared as the triumph of “powerful hand”, often do not take into account that in fact, authoritarianisms differ from each other. As a rule, soft authoritarian regimes that use a certain (even limited) arsenal of democratic mechanisms that play a very important role in protecting property rights and transactions, in reducing the costs of doing business, in ensuring the flexibility of economic policy, in fighting against corruption, achieve economic successes. In particular, this concerns the Singaporean and Chinese modernization models, which are discussed below.

Thus, although democratization may impede the implementation of fundamental market reforms in certain situations, most often these reforms suffer not from “excessive democratization”, but from the underdevelopment of democratic institutions, especially such as independent media, separation of powers, and checks and balances, and an independent and publicly controlled judiciary.
Further, about possible ways (models) of economic and political modernization and about the role of democratic institutions in these models.

**Classic way: property protection, checks and balances mechanisms**

The majority of modern Western democracies have gone through a long way to the current model of society’s political organization. This path sometimes took many centuries. The UK is a classic way of moving forward.

England inherited Roman law and private property from the Roman Empire, including the land ownership – the most valuable resource in the pre-industrial era. Therefore, the owners and these were mostly large landowners (barons), had always an urgent issue about the protection their rights. Moreover, the need to protect property rights is closely intertwined with the need to protect their freedom and life, since the king has always had an incentive to take away someone else’s private property, accusing the baron in treason or any other crime. In the end, the barons forced the monarch to sign Magna Carta, which limited royal power solely in the interests of the barons, that is, a very small part of England population of that time. But this document initiated the creation of a political checks and balances system. From this historical case, we see that sometimes it doesn’t even matter who and how limits the sole authority. The main thing is to have it limited.
In addition to the barons, the power of the English king in the early Middle Ages was limited by the Christian church (which was subordinate not to the king, but to the pope) and local governments (communities). The presence of independent urban and rural communities and a strong aristocracy led to the emergence of parliament of two houses consisting of the House of Lords and the House of Commons.

Further development of democratic institutions in England was far from easy and often was interrupted due to a variety of historical events. For example, Henry VIII was practically the absolute dictator, which was limited in his powers neither by the intimidated aristocrats nor by the church, which he separated from the Roman church and overmastered.

However, the general trend was such that a growing and strengthening class of owners and entrepreneurs, step by step, won their place in the sun, consolidating their achievements in democratic institutions. The process accelerated in the era of the Great Geographical Discoveries, colonial seizures, and the industrial revolution. Merchants and industrialists formed another powerful force capable of resisting royal power. Kings were very dependent
on parliament since only the legislative branch could introduce new taxes. (For comparison: the king in Spain, due to the large incomes that come from the American colonies directly to the royal treasury, did not need similar approvals from the local parliament, which led to the degeneration of the parliamentarism institution in the country).

The democratization process, including the expansion of the number of citizens who have the right to vote, the consolidation of the rights to freedom of speech and conscience, the formation of an independent judiciary, accelerated in the XIX century and ended in Great Britain only in the period between the two world wars. The Representation of the People Act of 1928 ensured the right to vote in elections of any level to the entire population over 21, regardless of gender and income level.
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The checks and balances system in modern Western democracy. Provided by the author.

The weak side of the classical path of modernization is its duration. Our countries do not have as much time to form modern economic and political institutions as the countries of "classical capitalism” had.

New Zealand 1893  
Australia 1902  
Finland 1906  
Norway 1913  
USA 1920  
Great Britain 1928  
France 1945  
Belgium 1946  
Switzerland 1971  
Kuwait 2006

Dates when women got their right to vote. Provided by the author.

Russia: the interrupted modernization
Curiously, the political system of Russia in the middle and second half of the 1990s very much resembled the political system of England in the late Middle Ages. The role of the
aristocracy was performed by the oligarchs.

The checks and balances system in Russia of the 1990s. Provided by the author. However, the “vertical of power” created in the noughties destroyed the emerging democratic institutions and returned the country’s political system to the times of Henry VIII.
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The power hierarchy system in Russia of the 2000s (model of “simulated democracy”). Provided by the author.

It turned out that there was no one to “go to bat for” the young democratic institutions. A strong middle class has not yet emerged in a resource rent-oriented economy. The “independent” oligarchs were either tamed, or “dispossessed”, or forced out by a new wave of “close to the body” oligarchs.

**Singapore’s Way: Strong Leader and British Legal Environment**
The Lee Kuan Yew’s regime in Singapore is considered authoritarian, and his successes are often attributed precisely to this delusion. Meanwhile, if this was authoritarianism, it was in a very soft, “enlightened” form. First, Singapore inherited the British legal system and the British courts. And this is a lot. Secondly, the “authoritarianist” Lee Kuan Yew, enforced the rule of law principles and the equality of all before the law, including senior officials and his relatives, by the most stringent measures. Plus, the maximum possible liberalization of the economy was carried out with an emphasis on the development of competition and equal
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rules of the game for all (not according to the principle “ours get everything, the rest get an especially poorly written law”). Admit that it is not very similar to our post-Soviet authoritarian regimes.

However, it is very difficult for our countries to repeat the experience of Singapore, primarily because of our lack of a British (or similar) legal system. Unfortunately, we inherited a completely different legal system and legal culture.

**Georgian model: a strong team of “aliens“ and “undue“ democratization**

However, the Singapore experiment was still attempted to be repeated in Georgia in 2004-2013. Oddly to say, a lot was achieved. Radical systemic reforms aimed at liberalizing the economy, minimizing the state functions and optimizing the entire government system were carried out. The reforms were conducted by a strong and well-coordinated team of experts, usually invited from outside – from the private sector and from abroad.

In just a few years, we managed to pull the country out of poverty and gangster lawlessness, to create a fundamentally new system of public institutions. However, the reformers lost the parliamentary and presidential elections. An intellectual leader of Georgian reforms Kakha Bendukidze believed that democratization had harmed economic reforms in Georgia. The society was not ready for so many radical changes and, using democratic mechanisms, “donated” to the country by reformers, it removed the same reformers from power and eliminated.

However, the reforms did not collapse with the departure of the reformers. The new government did not encroach on the key achievements of the reforms. The modernization pace slowed down, and many reforms were frozen. But the economic and legal system created after 2004 is quite capable and shows good results.

**Chinese way: step by step and the alternation of power**

The rapid economic take-off of a very large and recently poverty-stricken country that has experienced the wildest communist experiments is the obvious achievement of the Chinese modernization model. This is not a small, conveniently located Singapore, skillfully using the fortunate British legal heritage.

The great Deng Xiaoping did not intend to build capitalism at all. He only made reasonable, rational decisions to improve the socialist economy that existed in China, solely relying on common sense. It turned out if we consistently make decisions based on common sense and aimed at improving the well-being of the entire population, and not only of our loved ones, then it will result in a market economy. The market economy, multiplied by the incredible
Chinese industriousness, giving us what is called the “Chinese economic miracle”.

At the same time, classical Western democratic institutions, such as free elections, an independent media, an independent judicial system, do not work in China. And it is obvious that thanks to authoritarian mechanisms of governance, many reforms were dictated to the society. I am afraid that the holding of truly free elections 10 or 20 years ago would have led the reformers, “bourgeois reincarnates,” to retire from power (as it happened in Georgia) and return power to the true Maoists. However, it is possible that today the situation would be different: the living standard in the country has significantly increased and a powerful middle class has emerged, that is, objective conditions have emerged for gradual democratization.

But still, the question is: did the Chinese modernization succeed thanks to an authoritarian governance model? Yes and no. There is indeed an authoritarian political regime in China but this is a completely different type of authoritarianism than the one we used to see in the post-Soviet space.

First, it is party authoritarianism, which, is softer than personalistic authoritarianism by
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definition. After all, when a country is ruled by a certain partocracy, united by certain principles, rather than an individual, this means that partycrats must develop and adhere to any rules that are analogous to (if not fully functional) democratic institutions that allow collective decisions to be made, for example, through “inner-party democracy” mechanism. But such rules are always a limitation of personal power and a checks and balances system when making political decisions.

Secondly, in China (even under Mao!), there was a relatively high level of decentralization of decision-making; there is significant independence of the nomenclature at the provincial and district levels. Still, it is a too big country to manage it from one center. And this means that there are not one, but many decision-making centers, which is very good. Moreover, in modern China, these centers compete with each other for attracting investment, and, consequently, for creating favorable rules of the game for the economy.

Thirdly, the Chinese partocracy succeeded in creating a unique mechanism of personnel rotation, in accordance with which all representatives of the nomenclature, including the top management, periodically resigned from their posts. Top management changed every 10 years (where have you seen such an autocracy?). This mechanism very favorably distinguishes Chinese authoritarianism from the Soviet and post-Soviet, where there have not been and still no clear rules of power alternation.

It seems that it was precisely the softness of authoritarianism, the presence of several decision-making centers and clear rules of power alternation that allowed the Chinese modernization model to achieve so much outstanding economic success. But now we are observing, apparently, an attempt to abandon the principle of mandatory top management alternation every 10 years. In my opinion, it can have a very negative impact on the future economic and political development of China. But this is another topic.

Wake up sleeping institutes!

What conclusions can be made from the above?

1. The availability and effectiveness of a number of democratic institutions (not in classical forms, like in China though) are very important for the economic development of Central Asian countries. It is especially worth highlighting among them the effective procedures for the power alternation, an effective and independent judicial system, an effective feedback system between the government and civil society, the presence of at least some checks and balances for the executive branch. If these institutions are absent or underdeveloped, then this negatively affects market reforms and economic growth.

2. There are many objective and subjective obstacles to the democratization of the countries of the region, including:
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- Low level of non-resource income per capita and, as a result, weak positions of the middle class in the society and economy - the main beneficiary and the democratization “engine”;
- The weakness of historical traditions, the lack of historical experience of the existence of democratic institutions (with rare exceptions), a big role of the “Soviet legacy” that does not involve the work of democratic institutions;
- The geographical and cultural remoteness of external democratic centers (which could act as “mentors” in the democratization of our societies) with the presence of influential “black knights” who objectively restrain democratization processes.

3. We should not expect the rapid democratization of our societies, considering the presence of the above-mentioned obstacles, unless someone is very lucky with a wise “leader of the nation” and other circumstances are very favorable. Most likely, it will take decades to form more or less efficient and sustainable democratic institutions. There is a long, hard work to create a powerful middle class that is aware of its needs, a capable civil society, able to defend their rights and interests.

This work is to some extent facilitated by the presence of already existing, although often formal or poorly functioning institutions: a multi-party system, representative power elected by the population, executive power partially elected by the population (presidents’ elections), formally independent courts, central banks, and etc. These sleeping institutions have to be revitalized.
It is already good that they should not be created from scratch, for example, to demand the universal right of suffrage, the election of legislators, the legal opportunity for people to join parties and other NGOs. On paper, it’s all there. The task of civil society is to fill the formally existing institutions with real content.
Long and meticulous work is to be done through a complex dialogue with the authorities, improvement of legislation, numerous lawsuits, loud public debates, journalistic investigations, protests, and etc. Freedom and democracy were never easily and quickly given to anyone. However, it is much easier for us compared to those who moved on this path before us.

4. Economic reforms play a huge role in the democratization of society, since only they can provide objective prerequisites for the sustainability of democratic changes: a relatively high living standard of the population and a powerful middle class. Another thing is that economic reforms are very difficult to carry out without the support of effective democratic institutions. Therefore, economic and political changes need to be simultaneously carried out, step by step. Obviously, they will not work quickly and immediately. There are too few objective conditions for this. It is necessary to understand that real, deep transformations will take decades.
There is one more moment. The changes in public consciousness play a huge role in the modernization of our countries. All of us, inhabitants of the region, are Soviets, someone more, someone less. Since childhood, we have all absorbed the ideology of an ironic, nihilistic attitude to law and democracy, to the market and competition, to equal economic and political cooperation between countries. We see enemies surrounding us from all sides. We often do not want to understand that today prosperity can be achieved only through cooperation and openness. All of us are students and heirs of Lenin, regardless of whether we are aware of it or not. We will not build a civilized state until we get rid of this ideological heritage and wipe it out of ourselves. Because a modern civilized state is a state based on the primacy of law, separation of powers, decentralization of decision-making, power alternation, market competition, external openness to the world — the principles deeply alien to Lenin and his heirs, meaning us ...

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