

Extended Abstract | SSHA 2024

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Title:

Elite Reconciliation and Democratization through Strength: Evidence from Indonesia

Introduction:

Why are some democracies born out of economic crises? Why do some manage to endure while some others do not? Economic crises have been recognized as critical events that can have a significant impact on political stability and democratization processes (Przeworski et al., 2000). Political scientists have extensively studied the relationship between economic crises and political change, with particular attention given to the effects of these events on regime type (Haggard & Kaufman, 1992). In the context of authoritarian regimes, scholars have argued that economic crises can potentially trigger political upheaval by undermining the legitimacy of the regime and creating opportunities for opposition mobilization (Lust-Okar, 2005).

We have so far only treated crises as hurdles that are put in front of authoritarian polities. It seems a truism that economic crises can be widely used as tests for nondemocratic leaders. Those authoritarian regimes that manage to survive the complications of hardships demonstrate their resilience, while the others that break down would be categorized as weak. The social science scholarship has long been approaching the transformations of authoritarian regimes through magnifying glasses, trying to find the cracks inside the coalitions on which those ruling elites rely.

In contrast to the prevailing theories, Slater and Wong (2022) offer a different perspective based on the experiences of Developmental Asia. Their argument centers around the concept of “democratization through strength”, suggesting that the specific conditions and trajectories of East and Southeast Asian countries have led to unique pathways towards democratization. This perspective adds a new dimension to the conversation, highlighting the role of strong states and authoritarian-led democratization in shaping the region’s political landscape.

However, the “democratization through strength” argument has not gone uncontested. Critics of this perspective argue that it may be too simplistic to attribute the democratization successes of East and Southeast Asian countries solely to the strength of their states. Other factors, such as the influence of external actors, the role of civil society, and the specific historical and cultural contexts of these countries, may also play a significant role in shaping their democratization processes (Diamond, 2008; Hicken & Martinez Kuhonta, 2011).

This piece is structured as follows. First, I will delve deeper into the existing literature on economic development and democratization. By contrasting research on economic crises and regime transitions with a broader theoretical landscape, I aim to argue that historical contexts shape the impact of economic crises and are essential for understanding why previous research fails to recognize the democratization through strength pattern. Additionally, I will propose a

framework, drawing from Ermakoff (2008) and Slater and Wong (2022), to comprehend why elites are willing to share power when confronted with crises. Subsequently, I will present the case of reformasi in Indonesia and discuss how it supports the theory. Lastly, I will examine previous research, evaluating their contributions and shortcomings.

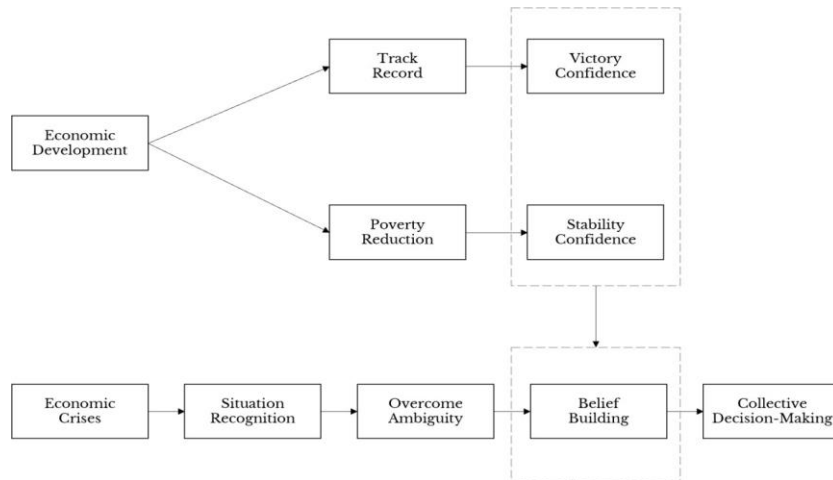
Argument and Theoretical Framework

In light of the detailed analysis of previous theoretical frameworks, it is evident that considering both historical conditions before economic crises (outcomes of long-term development) and the immediate reactions of ruling elites (results of short-term shocks) is crucial for understanding the eventual outcomes of economic crises. However, it is important to emphasize that posterior knowledge alone cannot determine the actions taken by elites. To fully comprehend the process, we must examine how knowledge is transformed into collective actions through elite networks.

Ermakoff (2008) outlines key steps that lead to the collective actions of elites in abdicating old regimes and choosing democratization. Firstly, elites need to recognize the crisis and perceive the need for change, which can stem from various factors such as economic downturns, political unrest, or international pressures. This recognition leads to a reassessment of existing power structures and coalitions, as well as a search for new alliances and strategies that can help resolve the crisis.

Secondly, elites must develop a shared understanding of the crisis's nature and potential solutions. This process involves deliberation, negotiation, and compromise among the elites. Finally, they must engage in collective action to implement the chosen strategy of democratization. This phase can involve mobilizing support, engaging in negotiations with opposition forces, and developing new institutions and policies that promote democratic governance (Ermakoff, 2008).

This approach allows for a more nuanced analysis of the relationship between economic crises and democratization, taking into account the various factors and contexts that can influence the decision-making process of political actors. Ultimately, this holistic approach can provide valuable insights into the potential trajectories and consequences of economic crises for different political systems.



Graph 1. Analytical Framework

The analytical framework, as shown above, consists of two layers. The upper layer, borrowing from Slater and Wong (2022), analyzes the information that ruling elites may generate based on historical contexts. If elites from authoritarian regimes believe that they can continue to thrive after democratization, they are more likely to democratize as a solution to ongoing economic crises when they perceive that the regimes are still strong. Such a confidence requires a strong state.

In this regard, the defining elements of a strong state are well-functioning and self-perpetuating civilian and military institutions whose operations do not rely on the persistence of the regime (Mann, 1984). Elites may feel more secure in navigating the political landscape following a shift towards democratization when state institutions provide stability and security (Haggard & Kaufman, 1995). This confidence could encourage them to pursue democratic reforms, as they perceive the potential benefits of such reforms to outweigh the risks associated with maintaining an authoritarian regime during economic crises (Acemoglu & Robinson, 2006).

The concept of a strong organization that provides authoritarian elites with victory confidence when contemplating democratic reforms involves the ruling party being strong both internally and externally. This means that the party needs a reliable support coalition that is broad enough to win national elections and cohesive enough to maintain a loyal set of core voters and followers (Slater & Wong, 2022). In some cases, this can be attributed to a consistent ideology, as voters and followers may be motivated by ideological appeals and historical mythology (Ziblatt, 2017).

But strong party coalitions also depend on enduring connections between the party and various social organizations, such as labor unions, business associations, peasant leagues, and religious communities (Mainwaring & Scully, 1995). This societal infrastructure, combined with the internal structure of the party itself, provides party leaders with the capacity to mobilize a nationwide network of supporters and the confidence that they can continue doing so after democratization (Slater & Wong, 2022).

The prior knowledge regarding both stability and victory confidence which is generated from longer-term economic performance would serve as the basis for political elites to build their beliefs in coping with economic crises. These messages are inherently different from the instant or local knowledge that elites receive when they are forced to deal with the ongoing crises. The local knowledge involves elites' assessment of onsets and development of crises. Therefore, I would expect that elites would generate posterior knowledge based on their prior and local information. But in addition to that, a detailed process tracing revealing how elites overcome the mutual uncertainties of each other's positions and foster collective action is equally challenging and significant.

This analytical framework also incorporates different opinions generated from current discussions around how elites would respond to economic crises. For instance, Acemoglu and Robinson (2006) highlight that elites would only consider self-initiated democratization when they sense that they have a high probability of being overthrown by current movements entailed from the crisis. But Slater and Wong (2022) argue that the deciding factor should be stability expectations instead of revolutionary threats.

However, upon closer examination, it becomes clear that these two factors, stability expectations and revolutionary threats, represent different aspects of knowledge. Stability confidence arises from the assessment of longer-term development, taking into account the regime's historical resilience, institutional strength, and potential for maintaining power in the face of challenges. Revolutionary threats, on the other hand, emerge from immediate judgments based on short-term shocks, such as sudden economic downturns, popular uprisings, or external pressures that could destabilize the regime.

Incorporating both perspectives into a comprehensive analytical framework allows for a more nuanced understanding of elite decision-making during economic crises. By considering both the long-term stability expectations and the short-term revolutionary threats, the framework acknowledges the complex interplay of factors that influence elite responses to crises. This approach enables a more accurate assessment of the conditions under which elites may opt for self-initiated democratization or other strategies to maintain power and control.

Ultimately, the synthesis of these viewpoints within my framework sheds light on the multifaceted nature of elite decision-making in the face of economic crises. By recognizing the importance of both stability confidence and revolutionary threats, the framework provides a more comprehensive understanding of the factors that shape elite responses, enabling scholars and policymakers to better predict and respond to the challenges posed by economic crises and their political consequences.