Let's go to the videotape

Jyoti Rahman compares the development track records of democracy and dictatorship in Bangladesh

IN its recently-released annual economic report for Bangladesh, the IMF notes that "the destructive political rivalry of the past three decades, together with weak accountability and rule of law, has squandered a good portion of available resources" and "Bangladesh needs political stability to restore investor confidence." As general principles, one cannot argue with these statements. But quite often, these sentiments morph into a denouncement of political governments and an endorsement of prolonged rule by unelected technocratic regimes.

The argument that "democracy is not conducive to economic development" and "a period of disciplined rule is needed" has been doing the rounds among the chattering classes for a while now. Do elected governments perform worse than unelected regimes when it comes to the economy?

There is no clear answer to this question. All rich countries, with the possible exceptions of Hong Kong and Singapore are thriving multi-party democracies. But is democracy the cause of development, or its result? Europe had very limited forms of democracy during its development phase in the 19th century. None of the East Asian countries were democracies during their rapid growth era of the 1960s to the 1980s. In most cases, democratic politics followed economic development.

But a lack of democracy is no guarantee for development either. Latin America languished under dictatorships of socialist left and fascist right. The entire continent of Africa slipped into an abyss under undemocratic regimes. Closer to home, India managed to transform its socialist-leaning economy into a dynamic market-oriented one without sacrificing its democracy, while successive military dictatorships have not brought much prosperity to Pakistan. But then again, China's communist dictatorship transformed its socialist economy into a market one, pulling millions out of poverty in the process.

It seems that there is no clear link between democracy and development. As a recent World Bank study

