



Political Leadership Performance and Economic Growth



A Comparative Analysis of the Gulf Region, Western Europe and Southeast Asia

"Faster growth [...] entrenches incumbent leaders, whether dictators or democrats." (Treisman 2014: 928)

Abstract

Recent studies in economics have provided empirical evidence that the performance of national leaders does, indeed, have an effect on the economic growth of their countries (Jones/Olken 2005; Jones 2008). However, studies that systematically analyze the impact of the political performance of national heads of government and state on the economic development of their respective countries continue to be rather rare.

This research project seeks to close this gap by exploring the causal mechanisms of how and to what extent different patterns of political leadership performance shape a country's economic development in relation to its institutional design (democracy, semi-democracy, non-democracy).

It investigates the performance of national executives across several regions, their strategies of political communication, public representation, as well as their multifold relations with the economic sector.

Based on global economic growth indices, the Gulf region (non-democracies), Western Europe (democracies), and Southeast Asia (semi-democracies) are of particular interest to study the nexus between performance patterns of national executives and economic development across regime types.

By focusing on these three important regions of economic development, the research project seeks to contribute to the growing literature on comparative examinations of political leadership and economic growth, as well as historical and cultural studies of these regions.

- Jones, B. F. (2009). National Leadership and Economic Growth. The New Palgrave Dictionary of Economics. S. N. Durlauf and L. E. Blume. London, Palgrave Macmillan.
- —, and B. A. Olken (2005). "Do Leaders Matter? National Leadership and Growth since World War II." The Quarterly Journal of Economics: 835-864.

01 Political Leadership Performance: Definition & Analysis

Political leadership is a socio-political phenomenon that is determined by four core elements: First, it is a behavioral concept; second, it is contextual; third, it indicates a dynamic, reciprocal process between leaders and their environment; and fourth, it is about attaining mutually desired political goals through influence rather than coercion (Blondel 1987: 13; Endo 1999: 28).

Based on Blondel's analysis of political leadership, the interactionist approach combines the different elements into one analytical framework, as it takes into account "the personal characteristics of the leaders, the instruments they have at their disposal, and the situations they face." (Hughes/Ginnett/Curphy 1993: 91) The general basis of this premise is that the interactions of these three independent variables, first, personal (pre-)dispositions (P_p), second, institutional structure (I_s), and third situational setting (S_s) equally determine the political leadership performance, and together contribute to a better understanding of "the emergence, functioning, change, and decline [...] of political leadership." (Ibid.) With regard to Paige, the formal statement proclaims: $PL[P] = f(P_p, I_s, S_s) + e$

Since the research focus lies on national heads of government and state, three central leadership demands can be identified that essentially shape the performance of national executives. They encompass, first, strategies of political communication, agenda-setting and rhetoric. Second, the political demands also entail strategies of political relations with other actors in the society – in the case of this research project, this means above all economic actors. Third, the demands also encompass the provision of political representation to the respective (inter-/trans-) national public spheres.

Whereas decision-making powers/demands of national executives vary across regime types, these three political demands on behalf of national heads of government and state generally apply across all institutional designs (despite their

different manifestations in each case), thus transcending democracies, semi- and non-democracies as well as different cultural and regional traditions.

- Blondel, J. (1987). Political Leadership: Towards a General Analysis. London, Sage.
- Endo, K. (1999). The Presidency of the European Commission under Jacques Delors. The Politics of Shared Leadership. Oxford, Macmillan Press.
- Hughes, R. L., et al. (1993). Leadership: Enhancing the Lessons of Experience. Homewood, Irwin.
- Paige, G. D. (1977). The Scientific Study of Political Leadership. New York, The Free Press.

Agenda-Setting Leadership
> Political Communication, Political Rhetoric

Mediative-Institutional Leadership
> Political Relations, Network Building

Public Leadership
> Political & Public Representation

Political Leadership Performance

Country Selection

Country Region	Gulf Region	Western Europe	Southeast Asia
High Ranking GCI (2014/15)	Qatar (14) UAE (17)	Germany (4) Netherlands (5)	Singapore (2) Malaysia (18)
Low Ranking GCI	Oman (62)	Italy (43)	Philippines (47)
Ranking in HDI/IHDI (2013/14)	Qatar (31) UAE (40) Oman (56)	Netherlands (4) Germany (6) Italy (26)	Singapore (9) Malaysia (62) Philippines (117)
Group of States	Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom	Brunei Darussalam, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam
Regime Type	Non-Democracies	Democracies	Semi-Democracies

02 Economic Growth & Regime Type

HP 1: Democratic leaders tend to act more autocratically in the realm of economic policy.

HP 2: Autocratic leaders tend to act more democratically in the realm of economic policy.

HP 3: The patterns of performance of democratic and autocratic leaders tend to converge in the realm of economic policy.

HP 4: The patterns of performance of democratic and autocratic leaders in the realm of economic policy do not imply automatic spill-over effects to other policy areas.

Whereas a consensus might be easily reached that extreme poverty should be fought by the means of rising per capita income, the variety of objectives and means regarding economic development increases with more improved and diversified living conditions. The "seemingly simple objective of economic growth" thus poses central challenges to anyone exerting an executive office whether in a democracy or non-democracy (Arndt 1984: 58). Hence, the relationship between political leaders and the national economy becomes central in the development of any society. Recent studies by economists suggest that economic growth lies substantially within "contemporary hands." (Jones 2008; Jones/Olken 2005)

At the same time, Jones and Olken (2005) suggest that a huge divide in terms of a leader's effect on economic growth exists between national executives in democracies and autocracies, with a leader's impact being strongest in autocratic settings. However, Magee and Doces (2015) argue that authoritarian regimes indeed promote economic growth, but that it is "not as good as advertised and [is, H.M.] no better than [in] democracies." (Magee/Doces 2015: 223) In the authors' analysis, autocratic regimes tend to exaggerate their growth rates in official data sets, e.g. from the World Bank or IMF. The authors therefore conclude that "democratic regimes not only report more data, they also report more truthful data." (Ibid: 224) While it is evident that the influence of political

leadership on economic development is shaped by the institutional structure, it may not a priori mean that there is less individual influence or impact in democratic settings but that the difference rather lies in the respective strategies, modes of influence and, as a result, a different kind of leadership performance.

On the one hand, most scholars argue that economic growth is fostered by certainty and institutional stability, and as such a government that constrains its political executive (De Long/Shleifer 1993: 674, 700). Consequently, long-term democracies develop a strongly positive effect on growth rates. Hence, authoritarian states need to, at least to a certain extent, mimic democratic rules (e.g. liberalization, property rights) to equally accumulate economic growth.

On the other, the institutional stability of a "democracy has no statistically significant effect on economic growth [...] in a given year." (Gerring et al. 2005: 349) This, however, indicates that the institutional structure of democracies and autocracies can have potentially both direct positive and negative effects on a country's economic development in the short term (5-10 years). It thus relatively equates the potential impact of political leaders on economic growth in both regime types, since the impact even of democratic leaders cannot systematically be ruled out.

- Arndt, H. W. (1984). "The Role of Political Leadership in Economic Development." Canadian Journal of Development Studies 5(1): 51-63.
- De Long, J. B. and A. Shleifer (1993). "Princes and Merchants: European City Growth Before the Industrial Revolution." Journal of Law and Economics 36: 671-702.
- Gerring, J., et al. (2005). "Democracy and Economic Growth: A Historical Perspective." World Politics 57(3): 323-364.
- Jones, B. F. (2009). National Leadership and Economic Growth. The New Palgrave Dictionary of Economics. S. N. Durlauf and L. E. Blume. London, Palgrave Macmillan.
- —, and B. A. Olken (2005). "Do Leaders Matter? National Leadership and Growth since World War II." The Quarterly Journal of Economics: 835-864.
- Magee, C. S. P. and J. A. Doces (2015). "Reconsidering Regime Type and Growth: Lies, Dictatorships, and Statistics." International Studies Quarterly 59: 223-237.

03 Research Design & Methods

1) Descriptive Analysis: Political Cultures Across Regions.

Comparing the Gulf Region, Western Europe and Southeast Asia

2) Quantitative Analysis: Comparing Economic Growth Rates, Regime Types & Government Indicators Across Regions 2000-2015 (see country selection)

3) Qualitative Analysis: Content & Discourse Analyses of Leaders in Times of Crisis (International Financial Crisis 2007-2010) (see single case studies)

- 1) Leadership Trait Analysis (LTA)
- 2) Cognitive Mind Mapping (CMM)
- 3) Agenda-Setting/Public Representation Analysis
- 4) Leadership Network Analysis

Data: Quantitative Analysis
> GCI & IHDI

Data: Qualitative Analysis
> Interviews/
Speeches 2004-
14/2005-15/2006-16

Data: Network Analysis
> Semi-structured
expert interviews



Lee Hsien Loong,
Prime Minister of Singapore
(2004 - present)
Southeast Asia

(Foto: <http://www.singaporeforum.sg/content.aspx?sid=82>)

Sheikh Mohammed Bin Rashid Al Maktoum,
Prime Minister of UAE
(2006 - present)

Gulf Region

(Foto: <http://www.arabianbusiness.com/sheikh-mohammed-hails-dubai-s-expo-2020-win-528605.html>)

Angela Merkel,
German Chancellor
(2005 - present)

Western Europe

(Foto: https://www.bundeskanzlerin.de/Webs/BKin/EN/Angela.Merkel/Biography/biography_node.html)

"Leadership is one of the most observed and least understood phenomena on earth." (Burns 1978 [2010]: 2)

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