



After Growth: Why Performance Legitimacy Barely Sustain

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Abstract. Performance legitimacy can hardly last after the end of socio-economic growth. This paper attempts to discuss the underlying reasons for the phenomenon, which cover the unsustainable nature of economic prosperity, relative deprivation caused by fake performance, and that socio-economic growth does not necessarily testify good governance of the domestic ruling party. In addition, rising troubles like legitimacy externalization and “growth dilemma” further enhances the difficulty for government to obtain and maintain legitimacy through performance. Thus, Government is suggested to find new sources of legitimacy by other sustainable factors such as persuasive ideology, democratic procedure, etc.

Keywords: Legitimacy; Performance; Relative Deprivation; Legitimacy Externalization; Growth Dilemma.

1 Introduction

Legitimacy can be defined as the ability of a government to form a belief that the current system is appropriate for their wellbeing. In short, legitimacy means obedience-worthiness of the rule. According to William P. Avery, “Legitimate government is the one that is perceived morally proper for a society.” [1] Derived from people’s consciousness, legitimacy can be gained from religious and ideological recognition, long-lasting custom from history or tradition, people’s participation in the political system, or enhancement in economy and living standard.

Legitimacy obtained through the growth of economy and improvement of living standard is called performance legitimacy. It emphasizes on “the role of the government in providing social and economic benefits for its citizens.” [2] The idea of performance legitimacy combines “economic man” assumption and social contract theory, arguing that the *raison d’être* of states lies in its responsibility in assisting citizens to achieve wealth, their primary goals. Albeit its increasing significance in development-oriented modern society, this paper argues that this type of legitimacy can hardly sustain after the end of growth and need to be transformed into other types, otherwise states may fall into legitimacy crises.

In the following section, this paper will discuss on the main reasons why economic growth can hardly deduce enduring legitimacy. Furthermore, this paper shall reveal the paradox of performance legitimacy in the globalization era, especially to non-western countries.

2 Will Legitimacy Lasts After Socioeconomic Growth Ends?

Laws are discovered in recurring phenomena. [3] And a renowned political phenomenon is that states face legitimacy crisis even after socioeconomic growth. As soon as economy and living standard fall into recession, citizens tend to express their dissatisfaction and willingness to change the current system. Why performance fails to achieve legitimacy once and for all?

First, it is inevitable to face recession in modern economy. Due to the anarchic nature of production, a cycle of overproduction and excessive demand alternates within the market. The economic operation weaves through periods of warmth and stagnation, giving rise to the cyclical nature of economic activity. In addition, the constant innovation in science, technology, and business models presents new challenges and dynamics to the growth of socio-economic systems, making it difficult to adhere to a rigid set of governance strategies. Taking U.S. as an example, liberal policies, Keynesianism, and neoliberal economic strategies have played pivotal roles in shaping the nation's economic trajectory. These approaches contributed respectively to Coolidge Prosperity, post-WWII growth "golden age", and "New Economy" boost in the 1990s. [4] However, economic overheating led to overproduction, manifested respectively in excess stocks and bonds, government over-investments, and international financial over-expansion. This, in turn, triggered Great Depression, Stagflation, and the 2008 financial crisis, posing severe challenges to government legitimacy.

Second, fake performance enhances the sense of relative deprivation. False achievements refer to the growth of economic indicators such as Gross Domestic Product without a corresponding improvement in people's living standards and sense of well-being. When social wealth accumulates disproportionately in heavy and military industries, in stocks and real estate, and favors the privileged class, it results in deceptive political accomplishments. The lack of public recognition for government-promoted data and non-cooperation with policy directives lead to the identification and realization of crises by the people. For instance, under the Stalinist regime, the Soviet Union achieved remarkable economic feats, successfully resisting the invasion by Nazi Germany and significantly strengthening national cohesion. However, after World War II, the imbalance in the development of light and heavy industries and the emergence of a bureaucratic privileged class in the Soviet Union hindered substantial improvements in people's living standards.[5] The persistent conflicts ultimately led to the disintegration of the Soviet Union.

Third, socio-economic growth may not testify the talent of their leaders. Citizens may believe that there is poor correlation between performance and their political system, and they could have even better achievement if current leaders are changed. The

Liberal Democratic Party (LDP) in Japan held power for an uninterrupted 38 years since 1955. The underlying reason for the one-party dominance was the post-World War II economic boom in Japan. However, the Japanese populace did not attribute this success to the LDP's governance but rather saw the economic prosperity as a result of U.S. economic assistance, viewing the LDP as a tool supported by the United States to uplift Japan.[6] Consequently, when the U.S. decided to restrain Japan's economic growth, especially with policies like the "Plaza Accord" in the 1980s, the 301 Investigation, and the "Structural Impediments Initiative (SII)", Japan's economy rapidly entered the "Lost Decades", leading to the downfall of the LDP.

3 Legitimacy Externalization, Growth Dilemma and Challenges in the Globalization Era

In the era of globalization, the strengthening of inter-state connections and deepening interdependence make it increasingly challenging to sustain legitimacy through performance. The subsequent discussions on "legitimacy externalization" and the "dilemma of growth" will provide detailed explanations of these dynamics.

The externalization of legitimacy refers to the process in which, within the context of globalization, the conditions for establishing legitimacy by a nation are increasingly influenced by external factors, and legitimacy standards are increasingly determined by the external environment.[7] This phenomenon further challenges the sustainability of performance legitimacy. On the one hand, externalization of legitimacy restricts the pathways to achieving performance, making it more difficult to attain. Effective governance is now expected to adhere to Western democratic norms, such as open and free criteria, protection of human rights and social welfare, and even the implementation of multi-party competition and checks and balances. This overlooks the diverse social, cultural, and political-economic contexts of different countries. On the other hand, a nation's ability to achieve political accomplishments is increasingly dependent on external economic conditions, international resources, technological support, and the operations of multinational corporations. As a result, governmental power is constrained, making it challenging to lead the nation's development process.[8]

If taking a close look at the global financial system today, we can find it to be a typical example of the traps facing developing states, especially High Indebted Poor Countries (HIPC), in achieving the sustainable legitimacy. Global financial institutions, set up initially for the aid towards low-income states and those with emergent fiscal problems, now have the tendency to hold a discriminative attitude towards HIPCs in the form of Credibility Level Value. Developing states are often marked down in the valuing process because of their worrying economic situation and sometime inability to pay back on time, which leads to the confusing circle, that is "rich states get money out of richness, and poor countries are declined because of their poverty". The negative outcome of over commercialization of financial architecture raises the attention of the United Nations and its member states, calling for a fundamental reform in the upcoming Summit of the Future in September, 2024. Their people are determined to change the flow of investments towards the achievement of sustainable development goals, in

solving the challenges to clean water, nutrition, and decent work, etc. For global south, this is to prevent the happening of “failed state” phenomena, and to contribute to the reconstruction of legitimacy. In this sense, the full legitimacy of state corresponds with the all-round development of their citizens and the intergenerational justice.

Especially, non-western countries face a challenging paradox in the name of “growth dilemma”, where ensuring legitimacy becomes difficult regardless of economic and social development. This is because, when economic and social development is stagnant, citizens experience a heightened sense of relative deprivation, leading to increased resistance towards the government. [9] On the other hand, rapid economic and social growth brings about higher demands for democratic governance, and increased scrutiny of government operations that do not align with Western values, causing legitimacy crisis.

A strong example of the growth dilemma can be seen in South Korea during the 1970s under Park Chung-hee's rule. As the country experienced rapid economic growth and industrialization, the government initially gained legitimacy by delivering prosperity. However, as living standards improved, citizens began demanding greater political freedoms and democratic governance. [10] Despite economic success, the government's authoritarian grip and suppression of dissent led to widespread protests, such as the 1979 Bu-Ma Democratic Protests, highlighting the tension between economic development and the growing desire for democratic reforms. This culminated in a legitimacy crisis that eventually contributed to the regime's downfall.

4 Find a Way Out the Performance Legitimacy Dilemma

The in-depth reason for legitimacy sustainability is the strong linkage between the living demands of their citizens and the institutions of the government. The linkage allows people to realize that their security and wellbeing rely on the effective operation of their government, and only through keep the existence and well performance of the later can there be prosperity of the economy and the all-round development of their people.

Following the principle above, there can be a way to transform the economic performance into other sources of legitimacy and maintain its longevity. That is to establish a set of theories interpreting their advantage in administration and see it as the fundamental source of their growth. By this, the governance can trigger people's sentiment of gratitude and confidence and foster a tendency to keep the status quo.

Here we can cite the case of Franklin Roosevelt, the only president running for 13 years in the White House. The analysis of his long term of office can be very intriguing. His personal charming character, outstanding public speaking capacity, and the mindset that can see through the surface of social phenomena were often praised, sometimes even over emphasized. [11] He was good at utilizing the trend of the times to interpret the necessity of his policy. After he outcompeted the Hoover administration in 1933, the great depression hit the historical height and had the trend to bound back to normal. Here this essay doesn't analyze the effectiveness of the New Deal. What can be sure is the fact that the following economic growth was going to come and what mattered was how he interpreted it. He released the New Deal, calling for the restriction of

production, the raise of labor wages, and the stabilization of financial institutions. Many of them were against the mainstream economic theory at that time, but were proven to be right afterwards. The clear contrast linked the U.S. recovery with Roosevelt's theory and practice, serving as a great source to enhance legitimacy of his tenure. When the World War II broke out, the president knew isolationism in U.S. citizens and decided not to interfere. After the Japanese attack to the Pearl Harbor, Roosevelt realized it was a great opportunity to engage and united the U.S. people around him. [12] He launched a war against Japan and extended his tenure in a state of war.

5 Conclusion

The legitimacy derived from performance by a nation has proven to be unsustainable. Moreover, the growth of the economic and social landscape often alters the balance of power among domestic groups, disrupting the adaptation of the superstructure to the economic base and potentially triggering profound legitimacy crises. Therefore, nations need to seize the opportunity to transform the sources of legitimacy. For instance, they can reinterpret the phenomenon of socio-economic growth as a theory proving their governance advantage, thereby establishing ideological legitimacy. Alternatively, states can realize its legitimacy through constructing a set of procedures that ensure citizens have a say and a seat in governance.

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