



“Exploring the relationship between democracy and development”:

**Session prepared as part of the Team Building Week
Governance and Institutional Development Division (GIDD)
Commonwealth Secretariat**

14 September 2011

List of key resources from the literature

Alence, R. (2004) “Political institutions and developmental governance in sub-Saharan Africa”. *Journal of Modern African Studies* 42(2): 163–187.

This article addresses the question of whether, or under what conditions, democratic institutions can contribute to “developmental governance” in sub-Saharan Africa, in forms such as coherent policy formulation, effective public administration, and limited corruption. While few dispute the desirability for Africa of democracy and good governance in theory, many remain sceptical about whether the two necessarily go together in practice. Using a simple framework informed by the new institutional economics, this article analyses the impact of political institutions on governance quality in a sample of 38 sub-Saharan African countries. The main finding is that a combination of democratic contestation and institutional restraints on governments’ discretionary authority substantially improves developmental governance. Judged against liberal democratic ideals, Africa’s emerging democracies have many shortcomings. Yet the article shows that democratic institutions systematically enhance African states’ performance as agents of development.

Carroll, B.W. and T. Carroll (1997) “State and ethnicity in Botswana and Mauritius: A democratic route to development?” *Journal of Development Studies* (33)4: 464-486

Botswana and Mauritius stand virtually alone among developing countries in having achieved rates of economic development rivalling those of the East Asian newly industrialised countries, while maintaining democratic institutions. This article compares their experiences with the goal of identifying aspects of a democratic route to development that avoids the authoritarianism of the East Asian model. The study argues that there are three key elements of success in both countries: (1) effective political leaders personally committed to democratic governance and economic development; (2) the creation of a competent, politically independent state bureaucracy with personnel policies based largely on merit, but with a composition that is reasonably representative of their societies; and (3) the development of a public realm that is capable of imposing at least modest checks on the actions of the state, and that is characterised by a balance between universalistic and particularistic norms. The authors also suggest that the experience of these two countries points to ways in which the ethnic and tribal divisions that are so common in poor developing countries can be recognised by the state so that social pluralism can make a positive contribution to effective and democratic governance.

Carothers, T. (2002) "End of the Transition Paradigm". *Journal of Democracy* 13(1): 5-19.

Are 'transitional countries' necessarily moving towards democracy? This paper questions the leading "transitional democracy" paradigm that emerged in the international democracy-promotion community (especially in the USA) during the 1980s to understand and provide support the so-called "Third Wave" of democratisation that started in Southern Europe and spread across much of the developing world. In most cases, the article argues, core assumptions of this paradigm have not been confirmed by actual patterns of political change. These assumptions include that: 1) countries moving from authoritarianism necessarily go towards democracy; 2) this happens through set stages; 3) free elections are a crucial factor; 4) there are no socio-economic or cultural preconditions for democratisation; 5) democratic transition occurs within the context of fully functioning states. However, many of the countries in this Third Wave have entered what Carothers describes as a "grey zone" of feckless pluralism and dominant power politics rather than transforming into consolidated democracies. According to Carothers, success stories such as Central Europe, East Asia and the Southern Cone show that structural conditions are relevant to democratisation. State-building remains a major challenge for democratisation; and emphasis on decentralisation has led donors to neglect it in extremely weak states, such as in Sub-Saharan Africa, for example.

Collier, D. And S. Levitsky (1997) "Democracy with Adjectives: Conceptual Innovation in Comparative Research". *World Politics* 49(3): 430-451.

This article argues that recent global wave of democratisation has presented scholars with the challenge of dealing conceptually with a great diversity of post-authoritarian regimes. Although the new national political regimes in Latin America, Africa, Asia, and the former communist world share important attributes of democracy, many of them differ profoundly both from each other and from the democracies in advanced industrial countries, and may not be considered fully democratic. As a result, there has been a proliferation among scholars of alternative conceptual forms, including a large number of subtypes involving democracy "with adjectives." The article argues that, given the risk of growing conceptual confusion, it is essential to assess the structure of meaning that underlies these diverse forms of the concept. The analysis also seeks to encourage scholars to be more careful in their definition and use of concepts. This is

important because improved description, in turn, is essential for assessing the causes and consequences of democracy, which is a central goal of this literature. Many studies have treated democracy as an outcome to be explained, including major works of comparative-historical analysis and studies of "social requisites". Other analyses have looked at the impact of different types of democracy on economic growth, income distribution, economic liberalization and adjustment, and international conflict. In these studies, the results of causal assessment can be strongly influenced by the meaning of democracy that is being employed.

Fritz, V. and Rocha Menocal, A. (2007) "Developmental States in the New Millennium: Concepts and Challenges for a New Aid Agenda". *Development Policy Review* 25(5): 531-552.

The developmental state is back at the centre of the international policy debate. But policymakers still have much to learn from the large research based literature on the subject. In introducing a theme issue of DPR on this subject, this article provides an overview of three central topics: the relationship between the project of building or rebuilding effective states and the 'good governance' agenda; the role of the international aid community in stimulating or hindering state-building; and the search for a way forward which incorporates awareness of the variety of successful development models and of the role that aid inevitably plays in the incentive structure of state elites in poor developing countries.

Fukuyama, F. (1995) "The Primacy of Culture". *Journal of Democracy* 6(1): 7-14

This article argues that, for democracy to become consolidated, four levels of change are needed: ideology, institutions, civil society, and culture. Fukuyama argues that, since the advent of the Third Wave of democratisation, there has been considerable progress in terms of ideological and institutional change across different regions of the developing world. However, according to the author, the almost instantaneous change in ideology generated great expectations that could not be met, owing to the greater degree of recalcitrance encountered at successively deeper levels, especially in terms of civil society and culture. These last two levels, the article argues, encompass the critical challenges that democracy is likely to encounter in the future.

Gaventa, J. (2006) "Triumph, Deficit or Contestation? Deepening the 'Deepening Democracy' Debate". *IDS Working Paper* 264. Brighton: IDS.

Around the world concepts and constructions of democracy are under contestation. Some analysts see the spread of democratic institutional designs as evidence of democracy's triumph. Others – across both north and south – point to growing democratic deficits, and how they threaten democratic legitimacy. Following a review of these debates, this paper focuses on emerging debates within what is often referred to as the "deepening democracy" field, a school of thinking that focuses on the political project of developing and sustaining more substantive and empowered citizen participation in the democratic process than is often found in representative democracy alone. Within this school, the paper explores four broad approaches – "civil society" democracy, participatory democracy, deliberative democracy and empowered

participatory governance – and how they differ from one another as well as from “thinner” forms of democracy associated with liberal and neoliberal thinking. The paper argues that democracy-building is an ongoing process of struggle and contestation rather than the adoption of a standard institutional design, and poses a series of challenges which future conceptual and practical work on deepening democracy may need to address.

Kelsall, T. (2011) “Towards a theory of developmental patrimonialism in Africa”. London: Africa Power and Politics Programme.

Although Africa is now one of the world’s fastest growing regions, investment and incomes still lag behind other parts of the world. Conventional development wisdom lays the blame on a governance syndrome known as neo-patrimonialism, a system of personal rule held together by the distribution of economic rents to clients or cronies. For two decades it has been trying to overcome neo-patrimonialism by importing a range of “best-practice” or good governance institutions from the West. However, governance specialists have generally been frustrated by the lack of seriousness with which African governments have adopted these institutions. On the other hand, there is growing evidence that neo-patrimonialism can sometimes be compatible with strong growth and development. Research by the Africa Power and Politics Programme has found that the neo-patrimonial distribution of economic rents can be harnessed for developmental ends so long as there is a centralised structure for managing those rents, and rent-management is geared to the long term. The implications are twofold. First, unless rent-management takes a centralised, long-horizon form, the relatively impressive growth rates that several African countries have been posting recently are unlikely to be sustained. And second, donors should be aware of the limitations of the best practice approach, and alive to the developmental potentialities of some neo-patrimonial states.

Leftwich, A. (2005) “Some Social Requisites of Democracy and Development: Is There Institutional Incompatibility?” *Democratisation* 12(5): 686–703.

Is there a tension between the institutions necessary for democracy and the institutions necessary for development? Institutions of democracy - the “rules of the democratic game” - allow for considerable changes in policy as between governments. A new government (for example a conservative one) may want to change quite radically the policies pursued by a previous government (say a social democratic one). Under democratic institutions, that is how things can legitimately happen. But does development not need continuity and consistency in policy (though of course with room for reform and change) in order to help drive through development? So the question this article addresses is whether the democratic process which allows changes in policy and practice can also provide the kind of policy continuity, consistency and credibility which is so necessary for economic growth and wider development.

Lipset, S. M. (1959) ‘Some Social Requisites of Democracy: Economic Development and Political Legitimacy’. *American Political Science Review* 53(1): 69-105.

This classic article is the foundational text of modernisation theory – the belief that industrialisation and economic development lead directly to positive social and political change. His celebrated formulation of the underlying thesis – “the more well-to-do a nation, the greater

the chances that it will sustain democracy" – set the stage for one of the most fruitful and long-lasting research agenda in the social sciences. Lipset argued that economic development sets off a series of profound social changes that together tend to produce democracy. He noted, for example, that wealthier societies tend to have higher levels of education and urbanisation, more sophisticated and varied means of communication, larger middle classes, and greater social equality and mobility. All of these things, Lipset argued, are associated with, and necessary for the emergence and proper functioning of, democratic political institutions.

Przeworski, A., M.E. Alvarez, J.A. Cheibub, and F. Limongi (1996) “What makes democracies endure?” *Journal of Democracy* 7(1): 39-55.

This article uses quantitative data on the survival and fall of political regimes in 135 countries between 1950-1990 to explore the relationship between democracy and development. The authors refute claims that 1) dictatorships are better at generating economic development in poor countries, and that 2) to get to democracy, one had to support, or at least tolerate, dictatorships. However, they do argue that, once established, democracies are more durable in more developed countries than in poorer ones: no democratic system has ever fallen in a country where per-capita income has reached a certain level (above \$6,055). Poorer democracies can survive as well, but only if there is a certain degree of economic growth combined with a moderate rate of inflation. The authors also find evidence that democracy is much more likely to survive in countries where income inequality is declining over time. In addition, the proportions of other democracies in the region and in the world matter for the survival of democracy in any particular country. In terms of institutional arrangements, this article finds that parliamentary systems in the poorest countries, while still very fragile, are almost twice as likely to survive as (poor) presidential democracies, and four times as likely when they grow economically – yet most of the new democracies in poor countries tend to be presidential.

O'Donnell, G. (1996) ‘Illusions about Consolidation’, *Journal of Democracy* 7(2): 34-51.

In this essay, O'Donnell argues that, in Latin America, many of the countries attempting to consolidate their democratic regimes do not in fact lack institutionalisation. They are institutionalised, but this is precisely where the links between formal and informal institutions become crucial. Formal and informal institutions coexist: just as elections—a highly formalised, though intermittent institution—are a substantive part of the national political life in many Latin American countries and earn them the title of ‘formal democracies’, so are informal institutions, such as clientelism and other vertical links of integration. This “dual institutionalisation” fundamentally impacts the quality of democratic governance in such regimes: the forms of governance tend to be delegative, not representative. In other words, the formal institutional arrangements of the democracies that have undergone a transition from authoritarian rule cannot guarantee that such democracies will consolidate following the Western European model, or that a close fit between formal rules and actual behaviour is automatic. Neither formal nor informal institutions alone determine political outcomes, but rather a combination of the two.

Rocha Menocal, A. (forthcoming) “Analysing the relationship between democracy and development: Defining basic concepts and assessing key linkages”. *Commonwealth Good Governance* 2011/12.

This analytical review explores the complex relationship between democracy and development, a question that has preoccupied academics and policymakers alike for several decades. The article begins by defining basic concepts, including democracy and development, in minimalist and more substantive terms. It also highlights the importance of democracy as a process and development as an outcome. The paper then goes on to assess some key (causal) linkages between democracy and development, discussing in particular modernisation theory and the emergence of democracy; the argument that democracy is a (pre)requisite for development; and the opposite argument that in fact authoritarian regimes are better at promoting development. The article also looks at some of the challenges posed by emerging democracies and proposes taking a new look at modernisation theory for some insights. It concludes by summarising a few key texts in the literature, which in the aggregate point to the fact that the evidence linking democracy and development in one way or the other remains inconclusive and highly contested. On this basis, the paper highlights the intrinsic value of the democratic process, while also noting that the expectations placed on (emerging) democracies to generate development outcomes need to be tempered. The analytical review ends by suggesting that, when thinking about democracy and development, it is essential to “bring the state back in”, and that the international community needs to think about how the different goals it seeks to pursue interact and to grapple more seriously with the ensuing tensions.

Rocha Menocal, A., V. Fritz and L. Rakner (2008) “Hybrid regimes and the challenges of deepening and sustaining democracy in developing countries”. *South African Journal of International Affairs* 15(1): 29-40.

A wave of democratisation swept across the developing world from the 1980s onwards. However, despite the momentous transformation that this so-called ‘Third Wave’ has brought to formal political structures in regions ranging from Africa to Asia to Latin America, only a limited number of countries have succeeded in establishing consolidated and functioning democratic regimes. Instead, many of these new regimes have become stuck in transition, combining a rhetorical acceptance of liberal democracy with essentially illiberal and/or authoritarian traits. This article analyses the emergence and key characteristics of these ‘hybrid regimes’ and the challenges of democratic deepening. It suggests that, because a broad consensus to uphold democracy as the ‘only game in town’ is lacking, hybrid regimes tend to be unstable, unpredictable, or both. The article concludes by arguing that a deeper understanding of the problems besetting these regimes helps to provide a more realistic assessment of what these incipient and fragile democracies can be expected to achieve.

Schmitter, P. and T. Karl (1991) “What Democracy Is ... and Is Not”. *Journal of Democracy* 2(3): 75-88.

Against the backdrop of the Third Wave of democratisation, this article seeks to spell out what democracy is and is not. While democracy should not be seen as consisting of a single unique set of institutions, it is defined here as a system of governance in which rulers are held accountable for their actions in the public realm by citizens, acting indirectly through the competition and cooperation of their elected representatives. This understanding of democracy, which emphasises its procedural nature, contrasts with arguments that democracy is dependent

on a certain type of “civic culture”. The authors argue that ingrained norms of a civic culture such as tolerance, moderation, mutual respect, fair play, readiness to compromise, or trust in public authorities should be better thought of as *products* and not generators of democracy. The article additionally warns against the danger of loading too many expectations on the concept of democracy. Democratisation will not necessarily bring in its wake economic growth, social peace, administrative efficiency, political harmony, etc. Instead, the hope should be for the emergence of political institutions that can peacefully compete to form governments and influence public policy, that can channel social and economic conflicts through regular procedures, and that have sufficient linkages to civil society to represent their constituencies and commit them to collective courses of action.

Rose, R. And D.H. Shin (2001) “Democratisation Backwards: The Problem of Third-Wave Democracies”. *British Journal of Political Science* 31:331-354.

This article argues that countries in the third wave of democratisation have introduced competitive elections before establishing basic institutions of a modern state such as the rule of law, institutions of civil society and the accountability of those who govern. By contrast, countries in the first wave of democratisation became modern states before universal suffrage was introduced. Because they have “democratised backwards”, most third-wave countries are currently incomplete democracies. According to the authors, incomplete democracies can evolve along three different trajectories: 1) completing democratisation; 2) repudiating free elections and turning to an undemocratic alternative; or 3) falling into a low-level equilibrium trap in which the inadequacies of elites are matched by low popular demands and expectations. The significance of incomplete democratisation is shown by analysing public opinion survey data from three new democracies varying in their predecessor regimes: the Russian Federation (a totalitarian past); the Czech Republic (both a democratic and a totalitarian past) and the Republic of Korea (formerly an authoritarian military regime).

Weyland, K. (1996) *Democracy Without Equity: Failures of Reform in Brazil*. Pittsburgh, PA: University of Pittsburgh Press.

This book addresses a crucial political question: whether it is possible to redistribute wealth and power through the democratic process. The author focuses on Brazil’s redistributive initiatives in tax policy, social security, and health care after the country underwent a transition to democracy in the late 1980s. He concludes that, in newly democratic Brazil, equity-enhancing reform has remained elusive because of the fragmented and clientelistic nature of the country’s political system and the multiplication of similarly divided and particularistic social groups and interests.

Suggestions for further reading

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