

Modernization and Democracy: Theories and Evidence Revisited

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First published: September 2009

Most recent version available at <http://www.livingreviews.org/lrd-2009-4>

We review the literature on the relation between socio-economic development and political democracy, a field that is commonly known as modernization theory. Guided by the seminal contribution of Lipset (1959), we assess the evolution of this literature along two major dimensions: (1) robustness of the relationship between economic development and democracy and (2) substantiation of the causal mechanism. The evidence to date suggests that Lipset's original thesis does indeed find empirical support, and that certain structural conditions are conducive to stable democracy.

Introduction

Few questions in political science have been studied as extensively as the relation between socio-economic development and political democracy. Are poor countries less likely to be democratic than rich countries? And if yes, why is this so? Most generally these are the questions we aim to answer in this paper. We will do so by reviewing theoretical arguments and empirical evidence concerning what is commonly known as modernization theory. This field of research is indebted to the tradition of Lipset (1959), who in his seminal contribution first laid out the research agenda. Thus, contrary to elite-oriented (sometimes called agency) approaches to the study of democratization (e.g., O'Donnell & Schmitter 1986), this paper is concerned with the structural and societal conditions conducive to democracy, especially in the socio-economic domain.

The paper proceeds as follows: In the next section, we review Lipset's (1959, 1960) original account of the relation between socio-economic development and political democracy. We then discuss early qualitative and quantitative studies on the topic, as well as influential critiques of modernization theory. Next, we are concerned with more recent developments in the studies on socio-economic development and democracy. In particular, we provide an overview of influential studies on the robustness of the relationship between economic development and democracy. Here, our focus is on the study by Przeworski et al. (2000; Przeworski & Limongi 1997), which is perhaps the most influential and most heavily debated study in recent years. We then go beyond macro-correlations and review recent substantiation of the causal mechanism by focusing on the contributions by Boix (2003), Acemoglu and Robinson (2005) and Inglehart and Welzel (2005). The final section summarizes and concludes.

Lipset's Thesis: Conditions of Democracy

At a time when democratic forms of government were the exception rather than the rule, it was Lipset who in his seminal 1959 piece *Some Social Requisites of Democracy: Economic*

*Development and Political Development*¹ first established the theoretical link between the level of development of a given country and its probability of being democratic: "the more well-to-do a nation, the greater the chances that it will sustain democracy" (Lipset 1959, 75). Without a doubt this notion has since become conventional wisdom. Leaving aside some methodological flaws,² Lipset (1959, 1960) was able to confirm a suspected correlation between democracy and development on empirical grounds in one of the earliest empirical comparative studies, and it is not by chance that his 1959 article ranks amongst the all-time top-ten citations of the discipline's flagship-journal, the American Political Science Review (Siegelman 2006).

Yet, it appears that Lipset is more frequently cited than read, as he is often misrepresented in reducing his complex theory to a simplistic understanding of economic development in a narrow economic sense. In other words, Lipset is often attributed with positing a simple correlation between per capita income and democracy, when in fact he deliberately argued more broadly that "all the various aspects of economic development – industrialization, urbanization, wealth, and education – are so closely interrelated as to form one major factor which has the political correlate of democracy" (Lipset 1960, 41). It is this list of factors which constitute the conditions, not necessarily causes, for democracy according to Lipset.

In this context, for any democratic regime to survive, it must provide sufficient legitimacy as perceived by its citizens. This, Lipset argued, is typically achieved by continuous economic development (effectiveness). At the same time, drawing heavily on Marx, Lipset emphasized the strengthened role of the middle class in a modernized society by pointing towards the social mechanisms. Here equality is central, both in socio-political terms and in economic terms. "The gap between income of professional and semi-professional (...) and ordinary workers (...) is much wider in poorer than in developed countries" (Lipset 1960, 49). Thus, modernization according to Lipset manifests itself largely through changing social conditions that foster a democratic culture. Stronger in human capital,

¹The article was re-published in virtually identical form as chapter 2 of Lipset (1960)

²For instance, Lipset used different criteria to classify countries as democratic or not depending on their geographical location.