

CDDRL

WORKING PAPERS

What Causes Democracy?

Eugene Mazo

Center on Democracy, Development, and The Rule of Law
Stanford Institute on International Studies



Number 38
February 18, 2005

This working paper was produced as part of CDDRL's ongoing programming on economic and political development in transitional states. Additional working papers appear on CDDRL's website:
<http://cddrl.stanford.edu>.

Center on Democracy, Development,
and The Rule of Law
Stanford Institute of International Studies
Stanford University
Encina Hall
Stanford, CA 94305
Phone: 650-724-7197
Fax: 650-724-2996
<http://cddrl.stanford.edu/>

About the Center on Democracy, Development and the Rule of Law (CDDRL)

CDDRL was founded by a generous grant from the Bill and Flora Hewlett Foundation in October in 2002 as part of the Stanford Institute for International Studies at Stanford University. The Center supports analytic studies, policy relevant research, training and outreach activities to assist developing countries in the design and implementation of policies to foster growth, democracy, and the rule of law.

About the Author

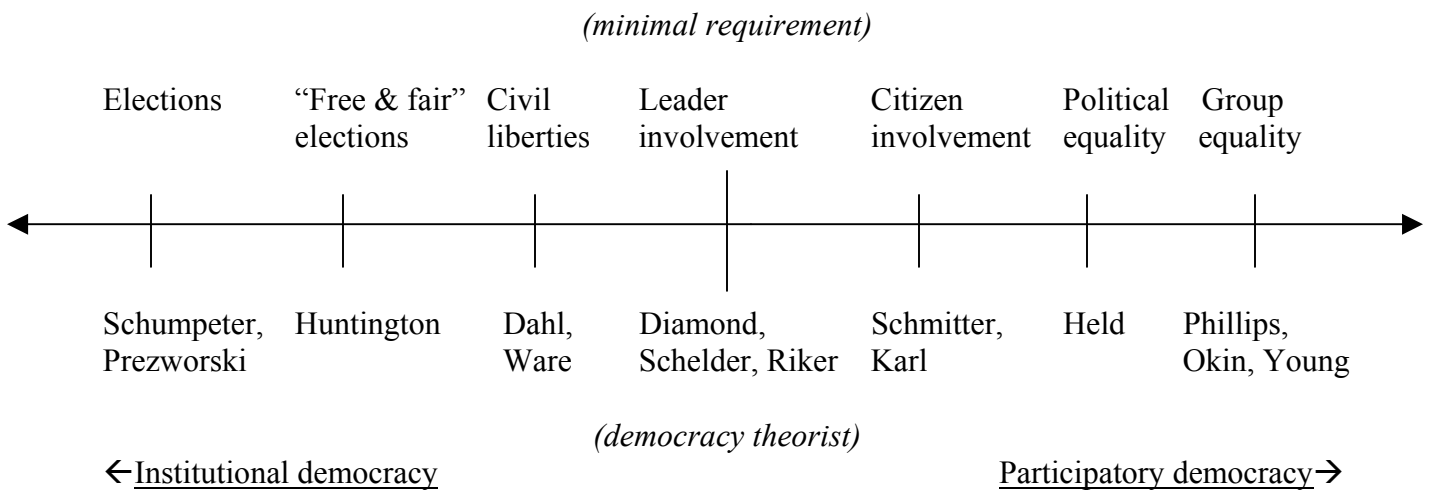
Eugene D. Mazo is a post-doctoral fellow and research scholar at CDDRL, a John M. Olin fellow in law and economics at Stanford Law School, and a fellow of the Stanford Center on Conflict and Negotiation (SCCN). He holds a BA from Columbia, and received his graduate education in economics at Harvard, in politics at Oxford, and in law at Stanford. Mazo's recent research concerns how countries create new legal institutions and how they make decisions about what kinds of constitutions to adopt. He is currently working on a book comparing the processes by which elites in several former communist states adopted new constitutions in the mid-1990s. His most recent publications include: *"Post-Communist Paradox: How the Rise of Parliamentarism Coincided with the Demise of Pluralism in Moldova,"* Working Papers Series, CDDRL, August 2004; and *"Constitutional Roulette: The Russian Parliament's Battles with the President Over Appointing a Prime Minister,"* Working Papers Series, CDDRL, February 2005.

EUGENE D. MAZO
Center on Democracy, Development, and the Rule of Law
Stanford Institute for International Studies
Stanford University

What Causes Democracy?

In previous work, I have tried to explain why, in pinpointing a definition of “democracy,” there is no single concept of the term on which all scholars agree. The question of “what a democracy is ... and is not,” to borrow a well-known title,¹ should rather be understood as falling along a continuum. The points of this continuum represent the minimum standards that modern theorists associate with the definition of a democracy, with the advent of new, more complex standards added as we move from one end of the continuum to the other. The minimalist standard, which can be termed Schumpeterian/Huntingtonian/Przeworskian, associates democracy with elections, while a more maximal standard, as advanced by post-modern theorists, including feminists and other advocates of minority rights, requires democracy also to encompass political, and ultimately group, equality. Table 1 demarcates the various points along this continuum.²

Table 1: What is a Democracy?



¹ See Terry Lynn Karl and Philippe C. Schmitter, “What Democracy Is ... and Is Not,” *Journal of Democracy*, Vol. 2, No. 3 (Summer 1991), pp. 75-88.

² I should say that since the creation of this table, I have benefited from some additional considerations that may, in future, cause me to alter several of its parameters. For example, the positions of Huntington, on one hand, and Schumpeter/Przeworski, on the other, may have to be switched thanks to two conversations I had with Terry Lynn Karl and Andreas Schedler on this topic. Moreover, as Karl points out, the table may in future have to be positioned in the opposite direction. That is because so-called conservative theorists, such as Schumpeter and Huntington, should be positioned to the right, while the liberal ones, including the feminist scholars, should be to the left. Finally, the table says nothing about where the largest number of democracy theorists fall along the continuum. This could be depicted by altering the graph slightly: if we imagine the continuum to be the base of a triangle whose third point rises high above the center line, we would find that the greatest number of theorists fall somewhere along a Dahlian-to-Schmitterian center, with minority outliers occupying both ends. This could also be drawn as a bell curve. For now, I have reproduced my original graph, unaltered.

Unable, or perhaps unwilling, to agree on a definition of democracy, many theorists have turned instead to answering a related question: “What conditions make democracy possible and what conditions make it thrive?”³ In other words, they turned to asking not what democracy *is*, but what *causes* it? Their answers can be positioned along another continuum. At one end of it, we find that the first scholars who tried to tackle this question began by arguing that there were certain conditions that a society needed to achieve before a stable democracy could exist within its confines.⁴ These scholars tried to examine the so-called “preconditions” or “prerequisites” of democracy. The forerunner of this group, Max Weber, correlated democracy with a certain work ethic that he associated with the Protestantism of the countries of northern Europe. This, he thought, was responsible for producing capitalism, “the existence of which was both a catalyst and a necessary condition for democracy.”⁵ Catholic and eastern Orthodox cultures—not to mention Islamic or Confucian ones—were implicitly, therefore, not predisposed to democracy.

Weber’s theories, discredited with the rise of Catholic democracies, were nonetheless an inspiration to other scholars for other reasons. For the political sociologist Seymour Martin Lipset, the most important variable that correlated with democracy was a basic minimal level for a society’s economic development. He found that the various indices of economic development, including average wealth, degree of industrialization and urbanization, and level of education, were all higher in democratic countries than in non-democratic ones.⁶ By contrast, other socio-economic factors, such as literacy rates, the existence of a middle-class, or the structure of social cleavages, correlated somewhat less with democracy. Another set of scholars hypothesized that the existence of a set of values and beliefs in a society fostering mutual trust and the willingness to tolerate diversity, and a tradition of accommodation and compromise, were what caused democracy. The requirement for such pro-democratic values, collectively known as a “civic culture,” was most famously advanced by Gabriel Almond and Sidney Verba.⁷

Such explanations and approaches to the study of what causes democracy can broadly be labeled as “structuralist” approaches. That is, these theories point to background conditions, or structures, that must exist in order for society to determine where, or perhaps more importantly when, democracy can blossom. These theories show that once democratization occurs, for whatever reason, it usually survives in countries that attain a certain minimum level of economic development.⁸ Yet structuralist theories have been criticized for their inability to resolve the

³ Dankwart A. Rustow, “Transitions to Democracy: Towards a Dynamic Model,” *Comparative Politics*, Volume 2, (April 1970). The quote remained relevant 20 years later! See Terry Lynn Karl, “Dilemmas of Democratization in Latin America,” *Comparative Politics*, Vol. 23, No. 1 (October 1990), p. 1 (quoting Rustow and thus emphasizing the contemporary relevance of his original question).

⁴ Karl, p. 3.

⁵ See Max Weber, *Essays in Sociology* (New York: Oxford University Press, 1946). The quote can be found in Seymour Martin Lipset, “The Social Requisites of Democracy: Economic Development and Political Legitimacy,” *American Political Science Review*, Vol. 53 (March 1959), p. 85.

⁶ *Ibid.*, pp. 75-79. It is important to note that Lipset also placed emphasis on the nature of political system as a determinant of democracy, an observation for which he is less famous and which is not often credited. As he explained it, “the stability of a given democratic system depends not only on the system’s efficiency in modernization, but also upon the *effectiveness* and *legitimacy* of the political system” (italics in original). *Ibid.*, p. 86. See also Seymour Martin Lipset, “The Social Requisites of Democracy Revisited,” *American Political Science Review*, Vol. 59 (February 1964), pp. 1-22.

⁷ See Gabriel Almond and Sidney Verba, *The Civic Culture* (Princeton: Princeton University Press, 1971).

⁸ See Adam Przeworski and F. Limongi, “Modernization: Theories and Facts,” *World Politics*, Vol. 49 (1997), pp. 155-83.

chicken-and-egg dilemma. After all, it is not clear whether the observed empirical correlations between democracy and development mean that a high level of development *causes* democracy, or rather whether the existence of democracy allows for this development to occur. And the existence of the correlation might more likely suggest not the greater likelihood that a more developed country will democratize, but the improbability that it will revert to authoritarianism.⁹

In short, while structural theories described the necessary conditions for democracy to exist (and even then, somewhat controversially), they were not as powerful at explaining when or how democracy actually occurred—in other words, its *timing* or *sequence*. To address this problem, a second group of theorists came along. We may label them as belonging to the “sequence-based” or “historical-development” schools for their proposition that what best explains the relative success or failure of stable democracy is the *pattern* of relationships among the actors in society.¹⁰ Scholars in this tradition have argued, for example, that the “order in which various crises of modernization appeared and were settled”¹¹ determined whether democracy would result. It was the *configuration* of things, rather than their condition, that was determinative. For Barrington Moore, for instance, democracy followed a certain historical pattern of relationships among the landowning aristocracy, the peasants, and the crown, and could not occur without (or, in sequence terms, *before*) the creation of a bourgeois class.¹² Later theorists would stress other models of configuration and patterns of historical development. Leonard Binder, for example, believed democracy was more likely to come about if questions of national unity are resolved prior to establishing a government, and if the establishment of a government, in turn, comes before the advent of political parties.¹³ Robert Dahl also understood the importance of historical sequence. He contended that political competition (C) had to *precede* political participation (P), or the inclusiveness of the franchise, for a country to be likely to introduce and sustain democracy (his “polyarchy”). This route (C-P) was more likely to lead to democracy than the reverse sequence (P-C), or than a short simultaneous route (S),¹⁴ because a substantial period of open competition among elites prior to the mobilization of the electorate permits attitudes of trust and structures ensuring mutual security to become predominant.¹⁵

Evolutionary historical sequences, said later theorists working in this tradition, were to be considered in tandem with the mode of “inaugurating the democracy.” For example, whether a state arose from an existing hegemonic regime, was granted independence by a colonial power, was militarily conquered, or attained democracy through a nationalist struggle for independence, was important.¹⁶ There was, however, a problem with these historical sequencing approaches. Tracing a country’s evolutionary historical sequence and correlating it with the mode of democratic inauguration, as Robert Dix explains, is largely an artifact of democracy’s first wave.

⁹ For further elaboration of this point, see Barbara Geddes, “What Do We Know About Democratization After Twenty Years?” *American Political Science Review*, No. 2 (1999), pp. 117-18.

¹⁰ See Robert Dix, “History and Democracy Revisited,” *Comparative Politics* (October 1994), p. 91.

¹¹ This is Karl’s depiction of them. See Karl, p. 3.

¹² See Barrington Moore, *The Social Origins of Dictatorship and Democracy: Lord and Peasant in the Creation of the Modern World* (Boston: Beacon Press, 1966).

¹³ See Leonard Binder et al., *Crises and Sequences in Political Development* (Princeton: Princeton University Press, 1971). Also, listed in Karl, p. 18 (fn. 11).

¹⁴ See Dix, p. 94-95.

¹⁵ *Ibid.*, p. 100.

¹⁶ *Ibid.*, p. 96.

After World War II, these two forces were much less likely to occur in tandem, and were thus less able to be predictive about the democratic future.¹⁷

The evolutionary process theories, moreover, were unconvincing because they did not distinguish between historical variables and economic and social ones. In addition to this, a new phenomenon occurred within the third wave democracies that began to worry democratization theorists: this was what Larry Diamond had called the growing “gap between electoral and liberal democracy.”¹⁸ Indeed, this led theorists to turn away from looking at the preconditioned historical variables that had to do with *society* and to examining the qualities of the *state* itself. For these theorists, no doubt, sequencing still remained important, in part because the state was thought to desire certain characteristics *before* society could democratize. Dankwart Rustow posited one background condition that had to be in existence: “national unity.”¹⁹ For Richard Rose and Don Chull Shin, the condition was the existence “of a modern state.” Many third-wave democracies, they thought, started “democratization backwards, introducing free elections *before* establishing such basic institutions as the rule of law and civil society.”²⁰ By contrast, their claim was that a state has to be modern before it becomes democratic.²¹ These theories may be broadly described as “institutionalist,” in the sense that they emphasize, or begin to emphasize, the role of democratic institutions, rather than of democratic attitudes,²² in the democratization process.

Terry Karl seems to be an institutionalist as well. Although she calls her own theory “structured contingency,”²³ it is essentially a variant of “new institutionalism.” This school of thought, often associated with James March and Johan P. Olson, stresses that “political democracy depends not only on economic and social conditions but also on the design of political institutions.”²⁴ Institutionalists like to look “at the range of choice facing policymakers at a given moment ... [asking] why the particular range may be wide in some circumstances and narrow in others.”²⁵ Important in this regard is the role that path-dependency sometimes creates. Institutions, in other words, can often structure the preferences and incentives that motivate actors in a transition.²⁶ Terry Karl and Barbara Geddes are both interested in how these actors function within institutions, but they differ in terms of which institutions they believe structure

¹⁷ Ibid., p. 99. On the definitions of the “waves” of democratization, see Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman, OK: University of Oklahoma Press, 1991). For a criticism of Huntington’s methods, if not concepts, in quantifying the “waves,” see Rensket Doorensplee, “Reassessing the Three Waves of Democratization,” *World Politics*, Vol. 52 (2000), pp. 384-406.

¹⁸ Larry Diamond, *Developing Democracy: Toward Consolidation* (Baltimore: Johns Hopkins University Press, 1999), p. 10.

¹⁹ Rustow, p. 350-351. As he explained it, “To single out national unity as the sole background condition implies that no minimal level of economic development or social differentiation is necessary as a prerequisite to democracy. These social and economic factors enter the model only indirectly as one of several alternative bases for national unity or for entrenched conflict.” Ibid., p. 352.

²⁰ Richard Rose and Don Chull Shin, “Democratization Backwards: The Problem of Third-Wave Democracies,” *British Journal of Political Science*, Volume 31 (2001), p. 333.

²¹ Ibid.

²² See, for example, Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: Princeton University Press, 1993).

²³ See Terry Lynn Karl, *The Paradox of Plenty* (Berkeley: University of California Press, 1999), p. 10.

²⁴ See James G. March and Johan P. Olson, “The New Institutionalism: Organizational Factors in Political Life,” *American Political Science Review*, Vol. 78 (1984), p. 738

²⁵ Karl, *Paradox of Plenty*, p. 10.

²⁶ Ibid., p. 11.

incentives. Whereas Geddes believes the type of authoritarianism regime that was in existence before the transition is what structures a transitional actor's movements, Karl emphasizes the developing state's economy—for example, whether it was a “mining state” or a “petro-state”—as the variable structuring incentives: “Countries that depend on the same export activity are likely to display significant similarities in the capacities of their states to guide development.”²⁷

At the end of our continuum, we get to “agency” theory. These theorists are the precursors (some of them would roll over in their graves if they knew it) of contemporary rational choice. Frustrated by the fact that after 20 years of research, the only empirical truth on which all agreed was that there exists a positive relationship between democracy and development, these theorists turned to the role of elites—as agents of change—to explain democratization. To some extent, their intellectual forefather was actually Dankwart Rustow, whose famous 1970 article in *Comparative Politics* attributed the start of a democratic tradition to a “prolonged and inconclusive political struggle” among elites, likely “to begin as the result of the emergence of a new elite that arouses a repressed and previously leaderless social group into concerted action.”²⁸ Looking at Sweden and Turkey as his case studies, Rustow predicted that in the preparatory phase of the transition, “the serious and prolonged nature of the struggle is likely to force the protagonists to rally around two banners.”²⁹ This phase was marked by polarization, not pluralism, and would last until another phase, the decision phase, came about. It was then that democracy, if instituted at all, would be negotiated by the elites. As Rustow put it, “Since precise terms must be negotiated and heavy risks with regard to the future taken, a small circle of leaders are likely to play a disproportionate role.”³⁰ This does not mean that certain preconditions did not have to exist, of course. Before the elites could begin to bargain amongst themselves, there had to be “serious conflict,” and afterwards the bargaining had to be followed by “habituation” to the new rules. Still, it was the bargaining itself that resulted in democracy.

Drawing on Rustow for inspiration, Guillermo O'Donnell and Philippe Schmitter's work tried to explain democratization by examining the role of actors within an authoritarian regime. O'Donnell and Schmitter thought there was no such thing as a “transition whose beginning is not the consequence—direct or indirect—of important divisions of the authoritarian regime itself.”³¹ Focusing on Latin America, they found democratization to be caused by different kinds of splits within the military authoritarian governments of these states. O'Donnell and Schmitter's elite-centered theories gave no weight whatsoever to popular mobilization or mass protests as causes of democratization. While their findings were criticized for focusing too heavily on Latin America and too heavily on military authoritarian regimes, their work is nonetheless seminal for its advancement of an actual *theory* of democratization—which they put forth before the democratizations in Latin America had occurred. O'Donnell and Schmitter hypothesized that the transition to a democracy began when a split occurred between the “hard-liners” and “soft-liners” in an authoritarian government, with the latter distinguishing themselves from the former “by proclaiming that some form of democracy is the necessary outcome of the authoritarian

²⁷ Ibid., p. 13.

²⁸ Rustow, p. 352.

²⁹ Ibid., p. 354.

³⁰ Ibid., p. 356.

³¹ Guillermo O'Donnell and Philippe C. Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions About Uncertain Democracies* (Baltimore: Johns Hopkins University Press, 1986), p. 19.

episode that they ‘unfortunately’ had to impose.”³² While the authors did focus on Latin America and, to an extent, on Southern Europe, overwhelmingly, these being their areas of expertise, their agency theory crediting elites for initiating democratization has, however, found support in other parts of the world.³³ Building on the work of O’Donnell and Schmitter, future agency theories would turn more closely to looking at the formation of “pacts” between elites during the transition,³⁴ as well as at the “balance of power” hypotheses that examined the negotiating power of democrats versus *ancién regime* elites,³⁵ to determine the likelihood of democracy.

Given that O’Donnell and Schmitter were writing in a vacuum, as it were, their pioneering study was still influenced, whether they admit it or not, by the sequence-based theories with which they were so familiar (for example, Dahl’s) and to which I alluded above. As such, perhaps their book’s greatest contribution to the study of democracy was its detailed analysis of democratization as a *process* that was to be carried out in a particular order and that was comprised of separate, identifiable steps. “Democracy itself may be a matter of principles,” they wrote, “but democratization involves putting them into practice through specific and detailed rules and procedures.”³⁶ In this sense, they were able to move from a discussion of preconditions to a discussion of processes, identifying democracy as the outcome of the actions of agents. A democratic “transition”—defined as the interval between one political regime and the next³⁷—was separated into analytically and empirically distinguishable phrases, which may be overlapping to some extent but may also exist distinctly from each other. These help us further understand why some transitions to democracy begin and are completed successfully, while others revert back to some form of authoritarianism, or stall, sometimes remaining protracted or “stuck,” as Levitsky and Way claim, for so long that they signal new types of regimes.³⁸ O’Donnell and Schmitter’s stages of “transition” are liberalization, democratization, socialization (a term that has not caught on, it must be said, like the others), and, to be theorized later, consolidation. What distinguished them, according to Przeworski, was the degree of uncertainty that existed at each stage. Graphically, I depict them as follows:³⁹

³² Ibid., p. 17.

³³ For example, see Archie Brown, *The Gorbachev Factor* (Oxford: Oxford University Press, 1996) (crediting a single agent, Gorbachev, for initiating liberalization, and eventually democratization, in the Soviet Union in 1985).

³⁴ See, in general, Karl’s article on Latin America. Also see Caroline Hartzell and Donald Rothchild, “Political Pacts as Negotiated Agreements: Comparing Ethics and Non-Ethic Cases,” *International Negotiation*, Vol. 2 (1997), pp. 147-171.

³⁵ For this argument in Latin America, see S. Aguero, “The Military and the Limits of Democratization in South America,” in Mainwaring, O’Donnell, and Valenzuela (eds.), *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective* (South Bend: University of Notre Dame Press, 1992), pp. 153-98. For this argument in Eastern Europe and the former Soviet Union, see Michael McFaul, “The Fourth Wave of Democracy and Dictatorship: Non-Cooperative Transitions in the Post-Communist World,” *World Politics*, Vol. 54, No. 2 (January 2002), pp. 212-244.

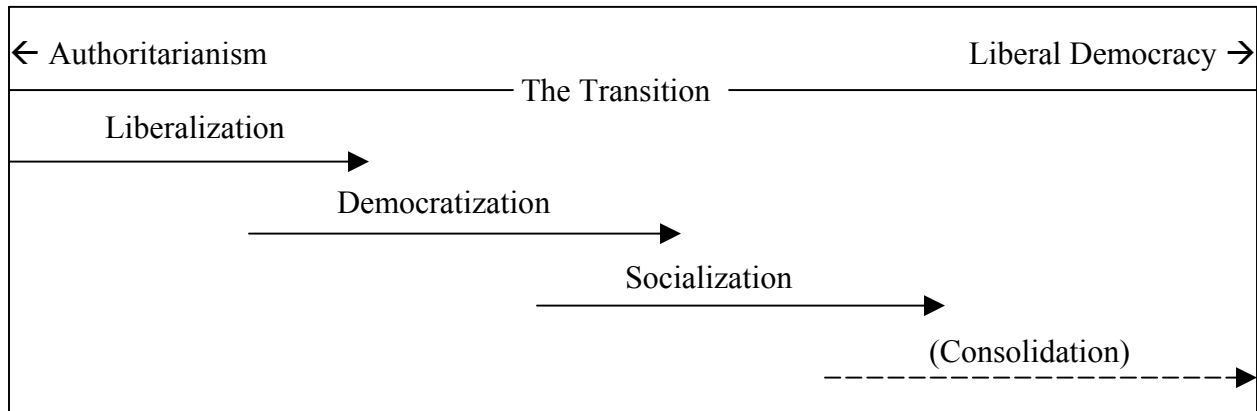
³⁶ O’Donnell and Schmitter, p. 10.

³⁷ Ibid., p. 6. They elaborate further as follows: “Transitions are delimited, on the one side, by the launching of the process of dissolution of an authoritarian regime and, on the other, by the installation of some form of democracy, the return to some form of authoritarian rule, or the emergence of a revolutionary alternative.” Ibid., p. 6.

³⁸ On the final type of regime, which the authors called “competitive authoritarianism,” see Steven Levitsky and Lucan Way, “The Rise of Competitive Authoritarianism,” *Journal of Democracy* (April 2002), pp. 51-65.

³⁹ I recognize that this representation is different from O’Donnell and Schmitter’s, who prefer the use of a two-dimensional matrix. (See O’Donnell and Schmitter, p. 13.) However, their matrix is somewhat confusing and does not stress, as they themselves do repeatedly in the text, that liberalization must *precede* democratization, although later it can coexist alongside it.

Table 2: The Stages of Democratic Transition



From this depiction, a logical question might follow: namely, where does the graph from Table 1 fall within the scheme outlined in Table 2? In other words, at what point during the process, or mechanism, of transition, can we begin to think of a regime as a democracy? The answer, it seems, of course may depend on the definition of democracy we have in mind, but certainly we may begin to see the characteristics of an “electoral” democracy, although perhaps not a fully consolidated or, for that matter, liberal one, during the overlap of the consolidation and socialization phases—perhaps in the same way that we can recognize the outlines of a human being, though not of a fully formed adult, in the womb during a woman’s pregnancy.

O’Donnell and Schmitter have been criticized for not distinguishing between the “different kinds of authoritarianism” that “differ from each other as much as they differ from democracy.”⁴⁰ For example, Barbara Geddes posits that there are three dominant types of authoritarianism—these are personalist, military, and single-party regimes, and there are, of course, also amalgams of the three pure types—and that democracy’s likelihood depends on the type of regime that was previously in existence. She finds military regimes, for example, to be more fragile, whereas struggles among elites within single party regimes do not usually result in transitions.⁴¹ However, Terry Karl, writing by herself,⁴² Karl and Schmitter writing together,⁴³ and Gretchen Casper,⁴⁴ all stress a different factor as being determinative of democracy: not the nature of the authoritarian regime, but the nature of the *transition*—as a process—itself. Absurdly enough, the most difficult transitions may be the most likely to lead to the most stable democracy, says Gretchen Casper, a statement that seems to echo O’Donnell and Schmitter’s earlier observation of what they call the “fortunate paradox”: the fact that the weaker the authoritarian regime, the more the likelihood that a society will revert back to it. By contrast, a

⁴⁰ See Geddes, p. 121.

⁴¹ Ibid., p. 131.

⁴² Karl, “Dilemmas of Democratization in Latin America,” pp. 1-21 (see fn. 2, above).

⁴³ See Terry Lynn Karl and Philippe C. Schmitter, “Modes of Transition in Latin America, Southern Europe, and Eastern Europe,” *International Social Science Journal* (1991), pp. 269-284.

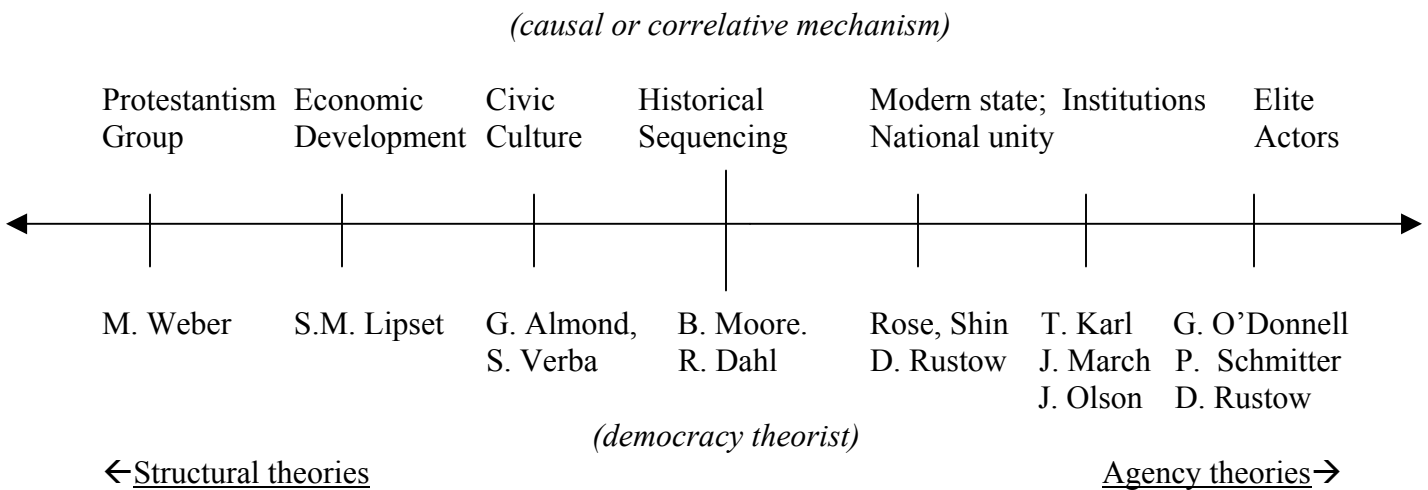
⁴⁴ See Gretchen Casper, “The Benefits of Difficult Transitions,” *Democratization*, Vol. 7, No. 3 (Autumn 2000), pp. 46-62.

particularly “successful” authoritarian regime’s “good old days” will not be remembered with such fondness, and in times of uncertainty elites are less likely to support a reversion to them.⁴⁵

At we near the end of our continuum, we find that the switch to agency perhaps natural given the earlier failures of structural theorists to distinguish between democracy and its product—to decipher, that is, if their independent variables, such as a society’s high level of economic development, were actually dependent ones.⁴⁶ It is for this reason that theorists began moving their focus to “strategic calculations, unfolding processes, and sequential patterns,”⁴⁷ not to mention the actors that function within them, to explain democracy’s causes. It must be pointed out, however, that elite actors do not function in a vacuum. Rather, their choices are structured by the institutions in which they act. Meanwhile, the institutions themselves, if I may stretch the analogy, attribute their existence to certain preconditions in society. While today’s path-breaking theorists probably will tend to straddle the agency-institutionalist divide, none of our three theoretical “guarantors” of democracy—social and economic preconditions, political institutions, or elite actors—should ultimately be understood to act in exclusivity of the others.

Finally, then, we must not forget our new continuum. Like the *idea* of democracy, its *causes* can be graphed along a straight line—as Table 3, below, suggests.

Table 3: The Conditions That Cause – or Correlate with – Democracy



⁴⁵ This argument is elaborated in O’Donnell and Schmitter, pp. 29-32 (especially on p. 31).

⁴⁶ This point is made eloquently in Karl, p. 5.

⁴⁷ Ibid.