

Democracy and Development: New Insights from Graphic Analysis

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Abstract

One of the most solidly established results in the social sciences is the positive correlation between higher levels of income and a higher incidence of democracy across countries. However, explanations for this relationship have proved varied and uncertain. This is because existing methodologies have treated the relationship as a linear and continuous one and searched for average incremental impacts of democracy on development, or of economic growth on transitions to democracy. This paper instead plots and examines the actual trajectories of countries between 1955 and 2000 in a two-dimensional space of democracy and economic development. The trajectories are often highly non-linear and exhibit extreme irregularity, belying the notion of any simple relationship between income and democracy. Instead, the dynamics suggest an underlying dual-equilibrium pattern, with one equilibrium unfavorable to both democracy and development, the other favorable to stable democracy and long-term economic growth. Most transitions to democracy fail to reach the favorable equilibrium, and instead create an unstable intermediate state, such that many countries 'bounce' or 'cycle' between dictatorship and democracy without achieving sustained economic growth. Describing these dual equilibria in terms of different social network structures resolves many of the paradoxes of democracy and development.