



# Revisions to Lipset's Economic Theory of Democratic Development

## India as a Case Study

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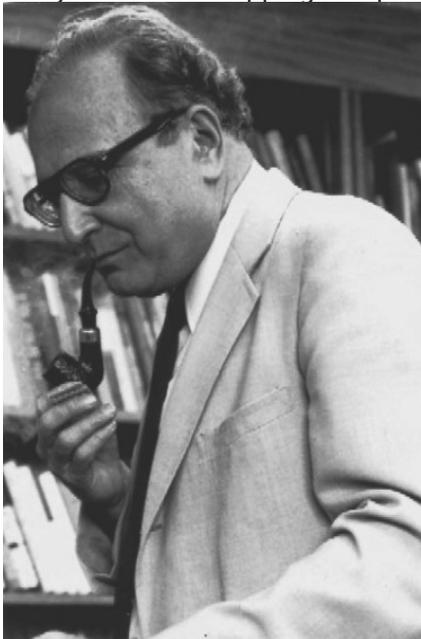
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Seymour M. Lipset dubbed economic development a “social requisite to democracy,” considering factors such as national wealth, a large degree of industrialization, and high levels of education to be necessary fertilizers to prepare a breeding ground for democracy. Citing many different cases throughout history leading up to the present (which, for him at the time of writing his article, “Some Social Requisites of Democracy,” was 1959), he famously posited that “the more well-to-do a nation, the greater the chances that it will sustain democracy.”<sup>1</sup> While these arguments may ring true for many countries (particularly Western ones), one country in particular does not follow that trend and, thus, fails to fit into his model. That country is India.

India has long been known as a relatively poor country; even today, as it is increasingly being referred to as an emerging world power along with China, it has a GNI per capita of just \$1,220. That is less than three percent of the United States’ GNI of \$46,360, for comparison.<sup>2</sup> The percent of the Indian population at or below the poverty line was a whopping 51.3 percent in

percent of the population living in poverty was still high, at 27.5 percent.<sup>4</sup> Yet, since its independence from British colonialism in 1947, India has had “more than five decades of periodic elections in which all offices are contested,” making it a “successful democracy.”<sup>5</sup> Clearly, this data provides a surprisingly strong challenge to Lipset’s theory. Lipset even goes as far as to say in his assessment, that “[i]n the rest of Asia east of the Arab world, only two states, the Philippines and Japan, have maintained democratic regimes without the presence of large antidemocratic parties since 1945.”<sup>6</sup> While it is true that India gained independence in 1947, a difference of two years is clearly not enough justification for Lipset’s monumental oversight. Thus, India’s case illuminates the inadequacy of Lipset’s argument. Possible revisions to his theory are removing the assumption of causality between the factors he mentions, understanding and giving attention to India’s special circumstances of post-colonialism, and adding a clause emphasizing the importance of a national set of values based on religion.

Lipset mentions three indicators of a country’s development towards democracy, or rather, social prerequisites for democracy: wealth, education, and industrialization. He seems to support Daniel Lerner’s step-by-step path to democracy: wealth leads to education (associated with literacy and media growth,



Seymour M. Lipset

1978, when India was already an independent democracy.<sup>3</sup> Even as recently as 2005, the

which mutually fuel one another), which leads to technology and industrial development. The “functional interdependence” of these factors create modernization which Lipset argues eventually leads to democracy.<sup>7</sup> The logic behind this argument of Lipset’s is that “only in a wealthy society in which relatively few citizens lived in real poverty could a situation exist in which the mass of the population could intelligently participate in politics and could develop the self-restraint necessary to avoid succumbing to the appeals of irresponsible demagogues.”<sup>8</sup> Each of these indicators of democracy as proposed by Lipset will now be discussed at length in relation to the case of India.

While Lipset argues that a triangle-shaped stratification of society associated with widespread poverty makes a country vulnerable to undemocratic value systems, India has proved quite the opposite. Lipset argues that increased national wealth changes the stratification of society from a triangle shape with the elite on top and a large lower class, to a diamond shape, with very few rich, very few poor, and a large, moderately well-to-do, middle class. The triangle shape is vulnerable to undemocratic value systems because the gap between the rich and poor creates pressure on the upper strata to treat the lower class as “innately inferior” or “a lower caste,” in order to legitimize their superiority in their own eyes.<sup>9</sup> Lipset’s use of the word “caste” here is an uncanny coincidence, as the religious caste system has, for years, been a source of great social and political inequality in India, a problem with which India still struggles. However, instead of the Indian democracy crumbling under the pressure of this and leading to undemocratic legislation or an oligarchy of the elite, quite the opposite has actually happened. The Indian democracy has instituted “constitutional safeguards to the backwards sections of the population”<sup>10</sup> and the government continues to try to erase long-ingrained prejudices through equalizing legislation.

Another point Lipset emphasizes is that economic development leads to higher levels of education, which then lead to democracy; in

the case of India, however, this is where Lipset’s logical progression first falters. Lipset finds the relationship between increased wealth and higher education to be consistent at the primary, post-primary, and higher educational level. In the case of India, however this relationship is not untrue. Although India is far less economically developed than other major world democracies, its education level is still up to par with some of the strongest democracies of the world, including the United States. For example, India’s higher education system is second only to the United States and China.<sup>11</sup> Furthermore, India produces 350,000 engineers a year, which is twice as many the United States produces.<sup>12</sup> In fact, in a line graph of primary school completion rates for India, the United States, and Japan (which has the strongest education system in the world, with a 100 percent primary school completion rate), one can see that India is on the verge of overtaking the United States and moving beyond, closer to Japan.<sup>13</sup> In other words, India’s education system is growing faster than either of the other two countries. In contradiction to Lipset’s theory, then, economic development is *not* a prerequisite for high levels of education, as this has not been true in the Indian case. Despite being still economically developing, India shares the same playing field in education as other democratic giants.

Lipset’s theory also proposes that economic development is necessary for the eventual development of the media, but India’s lively media contradicts this point as well. Both Lipset and Lerner assert that once a country becomes wealthy, education leads to widespread literacy, which fertilizes growth of a robust media. Lerner explains: “There is a close reciprocal relationship between [literacy and media growth], for the literate develop the media which in turn spreads literacy.”<sup>14</sup> The proposal, then, is that the widespread media would, presumably, bolster support for personal and civic freedoms, which would lead to a struggle for democracy. Even though India did not start out with the wealth, which Lipset and Lerner regard as necessary for these developments, India still does “enjoy free

and lively media...[with] considerable scope to express political dissent and protest."<sup>15</sup> Some of the fastest growing media markets in the world are those in the Asia-Pacific, and among those, "India is one of the most important markets from a growth perspective."<sup>16</sup>

Finally, the third factor contributing to democracy, for Lipset, is industrialization; and yet again, India does not fit the theory. One of the indices for industrialization, according to Lipset, is "the percentage of employed males in agriculture."<sup>17</sup> As recently as 2010, the percent of India's population living in rural, agricultural areas was an overwhelming majority of 70.3 percent of the population.<sup>18</sup> (For the purpose of comparison, the United States had just 18.0 percent of the population living in rural areas in the same year.<sup>19</sup>) The other index by which Lipset quantifies industrialization is "the per capita commercially produced "energy" being used in the country...per person per year."<sup>20</sup> This statistic, in terms of kilograms of oil per capita, was just 560 kilograms in 2010 in India, an extremely small figure.<sup>21</sup> (Again, as a point of comparison, the United States consumed 7,051 kilograms per capita in the same year.<sup>22</sup>) This vast disparity clearly illustrates that India's industrialization still lags far behind other countries; perhaps the most so of the three indicators of democracy that Lipset proposes. Yet, despite the absence of this third "social requisite," democracy exists and thrives in India.

As shown thus far, India's strong democracy does not fit comfortably into Lipset's theory of economic development leading to democracy, and instead seems to cut jagged holes into the logical progression of his argument. Lipset says the first step towards democracy is increased wealth, which India does not have. Although India has very recently been developing economically to compete with China and the rest of the world, its democracy has thrived since 1947, back when this was not the case. Lipset says increased wealth will lead to higher levels of education and media development, which also have occurred in India without the prerequisite of wealth. Finally, he says education

and literacy will lead to industrialization and urbanization, culminating in democracy, and on this last point, India again does not fit, as it is still considered a developing country that is not fully industrialized. So, the story of the Indian democracy within the context of Lipset's theory of economic development is a series of exceptions, deviations, and inconsistency. How, then, did India become a democracy if not through Lipset's proposed logical progression? Is there some flaw in Lipset's theory, or some key element he missed?

### ***Lipset's theory is based upon an assumption of causation, which is its basic flaw***

Lipset left room for exceptions to his theory, and this is important to understand while considering its critique, based on India. In fact, Lipset practically begins his paper with a disclaimer stating that he does not claim to have covered every possible case of democracy in his theory, and that an exception or two to the general trends he proposes "cannot be the sole basis for rejecting the hypothesis."<sup>23</sup> While this may be true, this stark exception to this theory cannot be ignored, either. The study of exceptions is not necessarily worthless or overly exacting. Studying the case of India as it relates to Lipset's thesis can still yield worthwhile insight into the theory and how it can be revised to be more all-encompassing. With this perspective in mind, the causes of India's atypical democratic development and possible revisions to Lipset's theory will now be discussed.

Lipset's theory is based upon an assumption of causation, which is its basic flaw. He asserts that wealth leads to education, which leads to industrialization, which leads to democracy, but it is clear that for India, these events have not necessarily occurred, nor are they necessarily occurring, in that order. While a robust democracy and a strong education system have already been achieved, the country is still economically and industrially developing. However, it cannot be ignored that *most* strong democracies around the world are indeed wealthy and possess the

characteristics that Lipset has pointed out, so the basic foundation of his theory is true. So, the factors do in fact go together, but they are not caused by one another at all—rather, simply correlated. Having any one or more of the different characteristics Lipset indicates does increase the likelihood of the country becoming a democracy, but there is no universal, causal, and sequential path that leads to it. Democratic countries must not necessarily be, but rather *tend* to be wealthy and industrialized with an educated, growing middle class. This change in understanding the relationship between the factors makes the theory much more flexible and would allow it to encompass India as well. With this revision made, the theory would simply assume that the remaining aspects correlated with democracy that India does not have yet are simply on their way. This claim seems to be true so far, for there has been a growing buzz about India's development over the past few years. With a record growth rate of 9.5 percent per year in economic development, India is second only to China in this field, and is expected to overtake it by the year 2013.<sup>24</sup> India is industrializing as well, albeit more slowly. Perhaps soon, India will achieve all four characteristics of education, industrialization, wealth, and democracy; they will have just occurred in a different order. So, Lipset's mistake was to assume causality among a set of variables that were really only correlated. Removing causality from the argument would render the theory less exact, but more accurate.

Another point to consider is that the beginning of "India" as it is known today, was an atypical one, and this may have contributed to its relative ease of becoming a democracy. Lipset pointed out that "a deviant case...often may actually strengthen the basic hypothesis if an intensive study of it reveals the special conditions which prevented the usual relationship from appearing"<sup>25</sup> and this precisely relates to India. Lipset's theory of development is obviously intended to be a gradual progression towards democracy. That is to say, over the course of a hundred, two hundred, or more years, Lipset would expect the country to acquire the different

characteristics leading to democracy. India does not fit Lipset's and a few other development theories because they presume this slow development into democracy, and India had quite the opposite. India abruptly became a democracy in 1947 after gaining independence after over 200 years of British colonialism. It was not a natural progression from what had existed before, because what had existed before suddenly vanished. Because of this atypical development, India does not fit many such development theories. For example, Barrington Moore's theory of democratic development is similar to Lipset's in that it also presumes gradual political development from one form of government to the other. Moore posited that hegemonies and competitive oligarchies transform into "near-polyarchies," then near-polyarchies into full polyarchies, and lastly, full polyarchies into democracies in the third wave of democratization.<sup>26</sup> This kind of development was impossible for India, because it went from being a loose collection of hundreds of states with regional rulers, to spending 200 years under British rule, and then suddenly being allowed to choose its own government after gaining independence, with the newly created Pakistan, and soon after, Bangladesh, as neighbors. There were no other styles of self-government preceding democracy for India, because it only became a unified country after its freedom from colonialism. Lipset himself said that "a political form may develop because of a syndrome of fairly unique historical factors"<sup>27</sup> and this is most definitely true for India.

Furthermore, the very phenomenon of struggling to free itself from an oppressive colonizer can invoke in a country an intense reverence for the democratic virtues such as civil rights and freedoms, making it more likely to become a democracy after emancipation. This also could have contributed to India's immediate choice of democracy as the form of self-government after independence. In this way, India is very similar to the United States. In his analysis of democratic development, Samuel Huntington notes the same effect of

the special circumstance of British colonialism on development in America. The experience of oppression by a tyrant makes the country so fearful of strong government that it becomes predisposed to think of government as something to be restricted rather than something to build up. This naturally leads its people to prefer democracy and the freedoms it affords as their choice for self-government. Huntington's own words on the topic are very cogent, and thus worth quoting at some length:

Huntington's description of American political development rings uncannily true for India as well. After 200 years of being oppressed by Great Britain, like Americans, Indians were not willing to entrust that much power again with any uncontested entity or person, and thus, they chose democracy. So, the special circumstance of post-colonialism is a two-fold reason for why India does not fit Lipset's theory. First, India's democracy did not develop from a previous form of self-government, and second, the struggle against a foreign oppressor made people prefer restricted government, creating a value set of rights, freedoms, and liberties, which gave way to a democracy.

Nationally shared democratic values can also be created from a source other than just education, as Lipset suggests, or traumatic experiences of colonialism, as discussed above. Another common source is religion. Lipset takes a very economy-based approach to the development of democracy. That is not to say that he ignores the role of values and the spread of ideas entirely, but rather, he embeds it into his theory of economic development. He regards democratic values and ideas as being a direct result of a growing economy, because he says that increased wealth leads to better education, which "broadens men's outlooks, enables them to understand the need for norms of tolerance...and increases their capacity to

make rational electoral choices."<sup>28</sup> By contrast, he claims that "'homeless illiterates'...provide a ready audience for...extreme ideologies."<sup>29</sup> This is an oversimplification of a much more complex dynamic, one that includes more variables. For example, Lipset himself points out that Germany and France, while highly educated nations of Europe, did not easily stabilize into democracies. He is unable to explain why, vaguely attributing these gaping exceptions to "other anti-democratic forces" at work.<sup>30</sup> In reality, while it is true that the economics and finance of a country have much to do with its



*A farmer ploughs his field with oxen in Kadmati Village, Brahampur, West Bengal, India*

propensity to become a democracy, religion can also contribute to the spread of democratic ideas as well. The values promoted by the religion of the majority of a country can incline it towards becoming democracy or not. For example, as Huntington claimed, "Confucian heritage, with its emphasis on authority, order, hierarchy, and supremacy of the collectivity over the individual, creates obstacles to democratization."<sup>31</sup> So far, this has proven to be true, for China remains the world's largest communist state. In India's case, 80 percent of Indians are Hindus.<sup>32</sup> Hinduism is known as a religion of tolerance and acceptance,<sup>33</sup> and these religious values helped build the foundation of democratic principles in India, despite widespread poverty and slow industrialization. "The support for democracy in India under such difficult conditions cannot be understood without an appreciation of the tremendous strength that Gandhi drew from some traditional Hindu religious values and

styles of action in his peaceful struggles for independence [and] democracy..."<sup>34</sup> Indeed, a drawback to Lipset's theory is that he virtually ignores the monumental effect that the religious consciousness of a country can have on developing political ideals. The case study of India illustrates the importance of ingrained values and beliefs in a people, often from religion and not from education or industrialization. Lipset's theory could be revised to add this important point to have a more holistic set of variables that lead to democracy.

Seymour Lipset boldly claimed that "only in a wealthy society in which relatively few citizens live...in real poverty could a situation exist in which the mass of the population could intelligently participate in politics and could develop the self-restraint necessary to avoid succumbing to the appeals of irresponsible demagogues,"<sup>35</sup> but this claim is only partially and sometimes true, and requires revision. While the general correlation seems to ring true for most democracies, India is a major exception. India poses a great challenge to his theory because it boasts a strong democracy without having followed the trajectory Lipset claimed necessary for its development: increased wealth leading to strong education, which leads to industrialization, which leads to democracy. India fits some but not all of these categories, and there are several reasons why. First of all, Lipset erroneously assumes sequence and causality among a set of factors that are simply

loosely correlated. Second of all, India's unique history of post-colonial political development is a "special circumstance," as Lipset calls it, allowing India to relatively easily settle into a stable democracy without having the "social requisites." Finally, Lipset ignores—or at least, greatly underappreciates—the role of religion in imbuing a nation's collective consciousness with democratic values. While education has quite an impact as well, the Hindu principles of toleration and acceptance have gone a long way towards creating and maintaining a stable democracy in India.

In short, Lipset's theory is not incorrect, but rather inadequate, and certain revisions are in order. Changing the presumption of causality to correlation would be the first step towards amending it. Secondly, a clause should be added acknowledging the role of a nationally shared value set, deriving often from religion, in leading to a democracy. India, in particular, also had the "special circumstance" of post-colonialism, which further encouraged the emergence of democracy there. To conclude, a revised, adjusted theory (that would account for India, as well) would be: Wealth, education, industrialization, and democratically-inclined religious beliefs are all associated with stable democracies. The more a country has of any of these factors, the more likely it is to develop and sustain a democracy.

## Endnotes

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5 Atul Kohli, *The success of India's democracy* (Cambridge: Cambridge University Press, 2001) 3.

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25 Lipset, 75

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28 Lipset, 79.

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31 Huntington's *Class of Civilizations*, quoted in Alfred Stepan, "Religion, Democracy and the "Twin Tolerations,"" *Journal of Democracy*, 11.4 (2000): 38.

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