

Democracy and Development: A Critical Reassessment of the Relationship**Yusuf Abubakar Wara, Ph.D.**

Kastamonu University

Kastamonu-Türkiye

ORCID ID: <https://orcid.org/0000-0003-3410-6113>**Abstract**

The relationship between democracy and development has been one of the major topics of discussion in developmental studies for several decades. Despite this extensive discussion and analysis, consensus on the nexus between the duo remains elusive among contemporary political scientists. This paper critically reassesses the democracy-development connection by examining empirical evidence and causal mechanisms linking the type of political system to developmental outcomes. The study adopts a systematic literature review, drawing on case studies from selected countries. The findings show that the relationship is neither linear nor unidirectional; rather, it is conditional upon institutional quality and state capacity. The paper advances the literature on the nuanced analysis of when and how democracy facilitates or constrains development in the contemporary world.

Keywords: Democracy, Development, Relationship, Institutional Quality, State Capacity**Introduction**

Voters around the world wonder why some democracies thrive and others do not in the twenty-first century. Responding to this question requires in-depth analysis not only of the features of democracy but also of the linking of principles to institutional quality and state capacity. Advanced democracies have strong institutions and a diligent state capacity that checks excesses and empowers state structures to render social services to the general public. These institutional qualities are highly inefficient in weak democracies; thus, despite adherence to democratic rule, societal development remains elusive, leading to the paradox of democratic development, which refers to the conflicting and non-linear relationship between democracy and socioeconomic development (Odi, 2007).

Among scholars, the nexus between democracy and development remains one of the most contested and evidently inconclusive. Scholars such as Khan (2005) question the premise that democracy or authoritarianism is a precondition for development. He argues that there is evidence that both can lead to societal development or stagnation, depending on whether they are influenced by market and state operations. Similarly, scholars such as Bhagwati (2002) view the relationship between democracy and development as conditional rather than automatic. Conditional in the sense that democracy can accelerate economic development when accompanied by functioning markets, competition, and innovative strategy.

Deducing from the above scholars' position on the nexus between democracy and development, this paper aims to reassess the nature of the relationship between the two concepts and to ascertain the conditions that promote or hinder development. The nature of the relationship between democracy and development is complex and conditional, in that development can be a prerequisite for democratic emancipation. This logic is the view of modernization theorists, who posit that positive socioeconomic conditions create social conditions favorable to democratic development (Lipset et al., 1993). In the same vein, democracy can promote development, as Bishop (2016) argues that the two are symbiotically linked, especially when democracy operates alongside competitive markets and economic liberalization.

In this paper, we argue that although the nexus between democracy and development can be reciprocal, with each enhancing the other's development, development does not necessarily lead to democracy, nor does democracy inherently ensure economic advancement. Thus, the relationship is neither linear nor universal but strongly depends on vital mediating variables such as institutional quality and state capacity. By arguing within this context, this paper enhances the discussion on the ideal relationship between democracy and development in the twenty-first century.

Literature Review

Conceptual Foundations of Democracy and Development

Within the context of examining the nexus between democracy and development, democracy can be defined as procedural and substantive. Democracy is procedurally defined if it is meant only to provide grounds for the emergence of political office holders and to grant citizens political rights

(Trantidis, 2017). This definition lies in the conceptual notion of democracy, defined as an organizational framework in which political leaders attain power through competitive elections. The procedural meaning of democracy encompasses political participation, inclusive elections, and political pluralism, focusing on the democratic transition from one government to another through periodic elections. Expanding on this notion of democracy, Saffon & Urbinati (2013) distinguish three main approaches. First, as a procedure that seeks the truth, second, as a mobilizer of political activities, and third, as competitive procedures through which leaders are elected. This view of democracy reduces the concept to mere electoral politics, thereby ignoring its socioeconomic dimensions.

Democracy is understood as a substantive act that goes beyond the mere normative framework of elections. This notion of democracy focuses on the quality, freedoms, and inclusiveness that are closely associated with democratic governance. Morlino (2004) categorized the substantive dimension of democracy into two, which together serve as vital factors for good democracy. According to him, the first enforces the legal system that guarantees citizens' freedom and equality—the second concerns how these freedoms are granted to citizens without limiting them or harming others. The bottom line regarding the definitional distinction between procedural and substantive democracy is a country's ability to ensure equality in the distribution of political and economic power. A country can be best at procedural democracy yet fall short at substantive democratic practice. In other words, a country may hold periodic elections and provide avenues for political participation, but still lack the basis for freedom and good governance. This scenario can occur when the citizens of a country experience restrictions on political freedoms and limited protection of fundamental rights. Thus, a robust democracy assesses not just the methods of government selection but also how political authority is exercised and the safeguarding of individuals' rights and interests.

In the context of establishing the ideal nexus between development and democracy, development can be assessed as a situation in which citizens obtain inalienable rights and freedoms within a given society. In other words, development has to be understood as a multidimensional, people-centered process that goes beyond economic growth, through which the government expands individuals' socioeconomic and political freedoms, enabling them to participate in the state's social and political affairs (Mohamed et al., 2026). One important aspect of the concept of development

is that it has to be sustainable. Without sustainability, which encompasses social and moral factors, a large portion of society would remain marginalized and excluded from access to basic services, eventually leading to societal underdevelopment. These notions of development go beyond the conventional view of development as merely economic expansion and encompass advancements in education, healthcare, quality of life, civic engagement, human rights, equity, and personal liberty.

In an attempt to define development beyond mere economic growth, UNDP sees the concept as a process of enlarging people's choices (Semasinghe, 2020). This definition rejects the view of development as merely economic growth and accepts the idea that true development must be people-oriented, with the basic socioeconomic needs of the people adequately addressed. Consistent with UNDP's view of development, Sen (2014) frames development as the enhancement of fundamental human liberties. His description of development entails eliminating undesirable factors responsible for underdevelopment, such as major sources of unfreedom. He classified these sources into several strata, including oppressive governance, destitution, limited economic prospects, systemic social disenfranchisement, and neglect of public infrastructure.

Discussion

Democracy as a Necessary but Insufficient Condition for Development

Although democracy provides avenues for political participation through which citizens can vote and be voted for, such procedural features alone are not enough to ensure the real development of a society. The perception that democracy can actually promote development during the Cold War era has been challenged by scholars in the twenty-first century. Several theorists now question the assertion that democracy is not just a political ideal but a functional prerequisite for economic and social development. Democracy is thus not an ideal remedy for underdevelopment; however, the concept can offer intrinsic values such as participation and freedom within a given community (Deneulin, 2009). Our discussion was centered on the paradox of democratic development, but it did not counter or challenge the relevance of democracy in society; rather, it supported and expounded on the notion that democracy, if not supported by mediating variables, cannot ensure ideal development in society.

Critical Mediating Variables as Conditions for the Development of a Democratic Society

The critical mediating variables that ensure development in democratic societies are institutional quality, state capacity, and historical legacies (resources and conflict). Our core propositions to justify the claim that, without these mediating variables, democratic governments may be lacking in promoting societal development are testing whether the quality of institutions is contingent on the effective relationship between democracy and development. Second, whether state capacity mediates the relationship between democracy and development, and third, how historical legacies of countries shape the connection between democracy and development.

A critical mediating variable that is required for democratic government to prosper is strong institutions. Countries with weak institutions, even if democratic, where periodic elections occur, may not have ideal and sustainable development. These institutions, when strong, even in autocratic regimes, can facilitate the development of society (Acemoglu & Robinson, 2008). Democracy itself does not foster development without strong institutions. Effective organizations in society are the backbone of economic and socio-cultural enhancement (Leftwich, 2003; 2005). The relevance of institutions to societal development lies in their ability to formulate laws and procedures that shape political behavior, promote accountability, and ensure the effective and equitable distribution of public goods.

Nevertheless, for institutions to perform these functions effectively, they must be strong; otherwise, weak institutions become a burden on societies. Effective institutions must be characterized by the rule of law, accountability, and transparency- attributes that may convert democratic engagement into strategies that foster inclusive and sustainable advancement. Weak and poorly organized institutions, characterized by corruption, favoritism, indiscipline, and inequality, limit the development benefits of a democratic society (Ferraz & Finan, 2025). Thus, a democratic society with strong, well-performing institutions can achieve sustainable development, whereas those with weak institutions remain stagnant.

For instance, recent empirical research indicates a close relationship between institutional quality and development (Valeriani & Peluso, 2011; Nawaz et al., 2014). Countries such as Denmark, Singapore, and Sweden demonstrate sustainable development due to their institutional capacities, as they meet the World Bank's core dimensions of institutional quality, including government

effectiveness, regulatory quality, rule of law, and control of corruption (Kibria & Toufique, 2023). The 2024 World Intellectual Property Organization (WIPO) Worldwide Governance Indicators, based on the World Bank's governance data, rank the three countries at the top of the list for remarkable institutional quality (WIPO, 2024). Botswana and Costa Rica are two democratic countries with sound institutions that support societal development (Boeninger, 1991; Cook & Sarkin, 2010; Lehoucq, 2010; Robinson, 2013). According to the World Bank, the two countries have sustained long democratic rule, supported by strong institutions that protect civil liberties and by anti-corruption campaigns (Lehoucq, 2005; DC, 2007; Good, 2008). The basic argument is that democracy offers political prospects. However, institutions determine how effectively those prospects translate into growth, thereby substantiating the assertion that without robust institutions, democracy alone seldom leads to genuine progress.

Even when states practice democracy, development may be limited without strong institutions. Countries such as Nigeria and Pakistan have demonstrated a strong commitment to democratic rule; however, due to low institutional quality, sound development has not yet been achieved. In these two nations, deficiencies in governance, accountability in the public sector, and corruption control have diminished the effectiveness of the transformation of public resources into developmental outcomes (Agu, 2024; Faisal & Jafri, 2017). The fact that the two countries adopted democratic rule yet struggle to achieve real development further buttressed the ongoing argument that democracy alone is not sufficient for achieving effective development. Democracies without strong institutions can provide political ground and enhance political participation, but still struggle with insecurity, inequality, and corruption if the institutions are not vibrant enough to engineer a progressive society.

State capacity, which includes the productive capacity and capability of countries to effectively implement fiscal policies, manage their finances, and deliver public services to the general public, is another vital mediating variable that facilitates development in a democratic society (Besley & Persson, 2010; Cingolani, 2013). Countries with strong and efficient state capacity can achieve development even if their democracy is weak or they are authoritarian. Development does not lie only in the basic principles of democracy, such as election campaigns, periodic elections, and political participation. Development includes critical features such as discipline, anti-corruption strategy, peaceful coexistence, and effective resource control. Countries such as China and

Rwanda, although somewhat authoritarian, have recorded developmental successes (Friedman, 2012; Heberer, 2016). In other words, these countries choose to forgo certain aspects of democratic principles, such as civil liberties and human rights protection, by adopting an authoritarian approach to achieve rapid economic growth and development (Ngcayisa, 2023). Thus, it justifies the premise that state capacity mediates the democracy-development relationship.

Historical legacies of states at critical junctures and path dependencies can mediate the nexus between democracy and development. Countries that inherited sound democracies and effective institutions, such as the United States and Great Britain, have achieved significant development through democratic practices. Countries such as Nigeria and Pakistan, which have inherited fragile democratic systems, have yet to achieve significant societal development despite their democratic practices. Colonial masters in most of their colonies, such as Nigeria, established statecraft institutions aimed at extracting resources for the colonial masters (Orugbani, 2025). These extraction legacies persist to date and are responsible for the underdevelopment of several regions in the country.

Conclusion

In this study, we argue that the relationship between democracy and development is conditional upon the institutional quality, state capacity, and democratic historical trajectories of states. By rejecting the linear relationship between democracy and development, the research contributes to the emerging discussion about what, exactly, makes development and a progressive society achievable in the twenty-first century. We argue that although the democratic system can promote popular participation and facilitate the successful transition of government from one regime to another through periodic elections, it cannot ensure real development on its own. To achieve societal progress and growth, democratic government needs to be supplemented by mediating mechanisms such as strong institutions, the state's productive capabilities, and favorable legacies.

Strong democratic institutions promote education, health, and socio-cultural sectors in society. These institutions serve as custodians of rules and regulations that protect society from vices, checkmate corruption, and ensure accountability within every arm of government. By so doing, the institutions ensure the applicability of the rule of law, respect for the judiciary, and checks and balances-features that are the bedrock of societal development. Countries such as Singapore and

Sweden can achieve significant progress across the education and technology sectors owing to the capacity of their institutions. In contrast, most underdeveloped countries in the third world struggle to record progress because their institutions are too weak to ensure the effective implementation of governmental policies.

State productive capacity is a vital mediating factor that determines the success or otherwise of a democratic country. Even authoritarian countries, such as China, can achieve remarkable development as a result of the effective productive capacity of their state structures. Closely related to state capacity in determining development is the state's historical legacy. Countries such as the United States, which have inherited sound institutions and principles, can achieve development much higher than that of countries whose histories are marred by domination, insecurity, disregard for the rule of law, corruption, and inequality. Therefore, while the relationship between democracy and development depends on the significant mediating variables, the discussion itself remains a central challenge for political science and development practice.

Language Editing

Grammarly was used only for minor grammatical and linguistic adjustments.

References

- Acemoglu, D., & Robinson, J. (2008). *The role of institutions in growth and development* (Vol. 10). Washington, DC: World Bank.
- Agu, J. C., Nkwo, F. N., & Eneiga, R. U. (2024). Governance and anti-corruption measures in Nigeria: Strategies for enhancing transparency, accountability, and public trust. *International Journal of Economics and Public Policy*, 8(1), 1-15.
- Besley, T., & Persson, T. (2010). State Capacity, Conflict, and Development. *Econometrica*, 78: 1-34. <https://doi.org/10.3982/ECTA8073>
- Bhagwati, J.N. (2002). Democracy and Development: Cruel Dilemma or Symbiotic Relationship? *Review of Development Economics*, 6: 151–162. <https://doi.org/10.1111/1467-9361.00147>
- Bishop, M. L. (2016). Democracy and development: a relationship of harmony or tension? In *The Palgrave Handbook of International Development* (pp. 77–98). London: Palgrave Macmillan UK.
- Boeninger, E. (1991). Governance and Development: Issues and Constraints, *The World Bank Economic Review*, Volume 5, Issue suppl_1, December. Pages 267–288, https://doi.org/10.1093/wber/5.suppl_1.267

- Cingolani, L. (2013). The State of State Capacity: a review of concepts, evidence, and measures. AFD-MGSoG/UNU-Merit Working Paper Series on Institutions and Economic Growth: IPD WP13. UNU-MERIT Working Papers No. 053
- DC. (2007). World Bank: Governance has improved, <https://www.dandc.eu/en/article/world-bank-governance-has-improved>
- Deneulin, S. (2009). Democracy and political participation. In *An Introduction to the Human Development and Capability Approach* (pp. 185–206). Routledge.
- Faisal, F., & Jafri, A. R. (2017). Corruption as a source of failure of good governance and management in Pakistan: Proposed remedial measures. *Journal of the Punjab University Historical Society*, 30(1), 57–75.
- Ferraz, C., & Finan, F. (2025). Malfunctioning democracies: Understanding accountability failures in developing countries (No. w34198). National Bureau of Economic Research.
- Friedman, A. (2012). Kagame's Rwanda: Can an authoritarian development model be squared with democracy and human rights? *Rev. Int'l L.*, 14, 253.
- Good, K. (2008). Diamonds, dispossession & democracy in Botswana. Boydell & Brewer Ltd.
- Heberer, T. (2016). The Chinese ‘Developmental State 3.0’ and the resilience of authoritarianism. *Journal of Chinese Governance*, 1(4), 611–632. <https://doi.org/10.1080/23812346.2016.1243905>
- Khan, M. H. (2005). Markets, states and democracy: Patron–client networks and the case for democracy in developing countries. *Democratization*, 12(5), 704–724. <https://doi.org/10.1080/13510340500322157>
- Leftwich, A. (1993). Governance, democracy, and development in the Third World. *Third World Quarterly*, 14(3), 605–624. <https://doi.org/10.1080/01436599308420345>
- Leftwich, A. (2005). Democracy and development: Is there institutional incompatibility?. *Democratization*, 12(5), 686–703.
- Lehoucq, F. (2010). Political Competition, Constitutional Arrangements, and the Quality of Public Policies in Costa Rica. *Latin American Politics and Society*, 52(4), 53–77. <https://doi.org/10.1111/j.1548-2456.2010.00098.x>
- Lehoucq, F. E. (2005). Costa Rica: paradise in doubt. *Journal of Democracy*, 16(3), 140–154. <https://doi.org/10.1353/jod.2005.0047>
- Mohamed, A.A., Al-Thani, A.J., Al-Marri, A. *et al.* Human Development in the People-Centered SDGs: Poverty, Health, Education, Gender, and Environmental Burdens. *Circ.Econ. Sust.* 6, 220 (2026). <https://doi.org/10.1007/s43615-026-00948-6>
- Morlino, L. (2004). What is a ‘good’ democracy? *Democratization*, 11(5), 10–32. <https://doi.org/10.1080/13510340412331304589>

- Nawaz, S., Iqbal, N., & Khan, M. A. (2014). The Impact of Institutional Quality on Economic Growth: Panel Evidence. *The Pakistan Development Review*, 53(1), 15–31. <http://www.jstor.org/stable/24397923>
- Ngcayisa, L. (2023). Developmental Authoritarianism in Africa: The cases of Ethiopia, Rwanda, and Uganda. *Journal of Central and Eastern European African Studies*, 1(3), 93–118. <https://doi.org/10.59569/jceas.2021.1.3.31>
- Odi, A. R. M. (2007). Analyzing the relationship between democracy and development: Defining basic concepts and assessing key linkages. *Development*, 23, 25.
- Orugbani, I. (2025). Contemporary Governance Issues, Colonial Roots and the Plight of the Niger Delta. *International Journal of Diplomacy, Law & Politics* 4(1), 19-38,
- Robinson, J. (2013). Botswana as a role model for country success. Achieving development success: strategies and lessons from the developing world, 187–203.
- Semasinghe, W. M. (2020). Development, what does it really mean?. *Acta Politica Polonica*, (49), 51-59.
- Sen, A. (2014). Development as Freedom (1999). *The globalization and development reader: Perspectives on development and global change*, 525.
- Trantidis, A. (2017). Is government contestability an integral part of the definition of democracy? *Politics*, 37(1), 67-81. <https://doi.org/10.1177/0263395715619635>
- Valeriani, E., & Peluso, S. (2011). The impact of institutional quality on economic growth and development: An empirical study. *Journal of Knowledge Management, Economics and Information Technology*, 1(6), 1-25.
- WIPO, (2024). Government effectiveness, <https://www.wipo.int/gii-ranking/en/indicators/112?utm>