

The Third Wave of Democratization and Economic Performance in Asia: Theory and Application*

Uk Heo**
Sung Deuk Hahm***

The Third Wave of Democratization did not avoid Asia, which had significant impact. In this paper, we survey the theories on the relationship between democracy / democratization and economic growth. Then we apply the theories to the Asian experience, which

* This study was supported by the National Research Foundation of Korea grant funded by the Korean Government (NRF-2010-330-B00031). Sung Deuk Hahm thanks financial supports from the LG Yonam Foundation and the Korean Institute for Presidential Studies.

** Uk Heo is Professor of Department of Political Science at the University of Wisconsin-Milwaukee, U.S.A. and international scholar at Kyung Hee University, Korea. He received his Ph.D. in Political Science from Texas A&M University, U.S.A. His recent publications include *South Korea since 1980* with Terence Roehrig (Cambridge University Press, 2010) and "Who Pays for National Defense? Financing Defense Programs in the United States, 1947-2007" with John Bohte in *Journal of Conflict Resolution* (2012). E-mail: heouk@uwm.edu.

*** Sung Deuk Hahm is Professor of Political Economy at Korea University, Korea. He is currently the Editor-in-Chief of *Korean Social Science Journal*, a co-editor of *International Public Management Journal* (Taylor & Francis), and an associate editor of *Administration & Society* (Sage). He received his Ph.D. in Public Policy Analysis from Carnegie Mellon University, U.S.A. His recent publications include "The Notion of Good and Bad Governance in Comparative Perspective" (2011) and "Emergence of East Asian TFT-LCD Clusters: A Comparative Analysis of the Samsung Cluster in South Korea and the Chimei Cluster in Taiwan" (2010). E-mail: hahm33@hotmail.com.

has both theoretical and policy implications. Findings of our study will help us better understand the relationship between democracy and economic performance.

Key Words: Transition to Democracy, Democratic Consolidation, Regime Type, Economic Performance

I. Introduction

According to Huntington (1991), there have been three waves of democratization in the modern world. The most recent wave started in 1974 in Portugal and spread out to Asia, Latin America, and East Europe. This wave of democratization, labeled "The Third Wave," renewed interests in studying factors that help transition to democracy. It also triggered many studies investigating democratic consolidation and the relationship between regime types and economic performance.

Since the Third Wave of Democratization started, almost four decades have passed. It is a good time to revisit the issue and study the relationship between democracy and economic performance. It is also meaningful to investigate the impact of democratization on economic growth because studying how the transition to democracy and democratic consolidation process affect economic performance is different from investigating the relationship between the level of democracy in a country and its economic growth.

The reason is that countries that went through the transition to democracy may require an adjustment period for political and economic reforms before taking advantage of the benefits of the democratic system, such as enhancing individual property rights, which in turn encourages private investment. For instance, transitions to democracy often allow labor unionization, which leads to a labor cost increase and a price hike of the industrial goods (see Haggard and Kaufman, 1994; Heo and Roehrig, 2010). Increased prices slow exports

and hamper economic growth, which is a common phenomenon in newly democratized countries (see Huntington, 1968; Rao, 1985).

Democratization is also accompanied or followed by economic liberalization, which encourages privatization, introduces new competition, and makes credit allocation process more transparent than before. This economic liberalization process often involves political and economic struggle, which temporarily suppresses economic growth. Thus, democratization is likely to have economic consequences depending on how quickly adjustment is made and democracy is consolidated (Haggard and Kaufman, 1995).¹

In this special issue, we study how the transition to democracy during the Third Wave of Democratization has influenced economic performance in Asia including India, South Korea, the Philippines and Taiwan which experienced the Third Wave of Democratization. Starting with surveying the theories on the democracy-growth nexus and democratization, we explore the Asian experience of democratization and its impact on the economy in this article. Then, an empirical analysis on how the transition to democracy affects economic growth in Asia and case studies of the Philippines, India, South Korea, and Taiwan will follow. Findings of these studies will help us better understand the relationship between democracy and economic performance including the impact of democratization on economic growth.

II. Theories on the Democracy-Growth Nexus

The relationship between politics and economics has been studied by social scientists for decades. One of the issues that received a lot of scholarly attention is the nexus between democracy / democratization and the economy. In general, these studies can be categorized into three groups: 1) economic development and the transition to democracy; 2) democratic consolidation; and 3) democracy (regime

1. A good case study example of this kind can be found in Jesse et al. (2002).

types) and economic growth. Next, we provide a brief review of the theories developed in the literature and empirical findings to portray a big picture of the relationship between these two variables.

A. Economic Development and the Transition to Democracy

The idea that economic development leads to an intensified demand by the public for the political benefits of democracy is widely accepted (Burkhart and Lewis-Beck, 1994). The reason is that economic development improves literacy and the level of education. Economic development also contributes to social modernization and increases middle class as a result of better redistribution of wealth.

Furthermore, as the economy develops, industrialization follows, and as a result of that, access to information on democracy and human rights becomes easier to obtain. The newly acquired information by the public often undermines the legitimacy of the non-democratic government system and gradually fosters democracy. As the political environment changes in favor of political liberalization, elite desire to emulate democratic nations also becomes enhanced (Lipset, 1959; Dahl, 1989; Huntington, 1991).

Many quantitative studies in political science and sociology report substantial evidence of this theory (e.g. Jackman, 1973; Bollen and Jackman, 1985; Brunk et al., 1987; Burkhart and Lewis-Beck, 1994). In fact, Brunk, Caldeira, and Lewis-Beck (1987) argue that economic development has more explanatory power in accounting for democratization than the rest of independent variables often included in quantitative studies.

In contrast, some scholars (Arat, 1988; Gonick and Rosh, 1988; Vanhanen, 1990) report rather weak or no systematic relationship between democracy and economic development. According to them, economic development may not improve the levels of democracy because so many factors affect democratization. Moreover, nations go through various experiences of political development because of the uniqueness in their political environment and history. For instance, countries like India, Pakistan, and the Philippines went through

democratization before their economy started developing. That is why Samuel Huntington (1991: 38) contends that no single factor is necessary or sufficient to account for transition to democracy in general.

Heo and Tan (2001) also argue that democratization can occur first and lead to economic growth later as well as vice versa. The reason is that, according to them (*Ibid.*: 463), "individuals in an economy want the maximum confidence that any property they accumulate will be respected, and only democratic societies provide the confidence." They found that improvement in the level of democracy preceded economic growth in 10 out of 42 developing countries they studied while in 11 out of 42 cases, economic growth led to democratization.

B. Democratic Consolidation

There are two different schools of thought regarding the definition of democratic consolidation: "minimalist" and "maximalist" (see Diamond, 1994, 1999; Linz and Stepan, 1996; O'Donnell, 1996; Schedler, 1998; Diamond and Shin, 2000). The "minimalist" definition posits that democratic consolidation is democratic survival. As long as the minimal condition of a democratic system, such as regularly held free and fair elections and slim/no chance of returning to authoritarianism, the democracy is considered to be consolidated. This definition is simple and straightforward. Thus, it is useful for scholars to decide whether a new democracy is consolidated.

However, some scholars disagree with the "minimalist" definition because it is possible for some new democracies not to practice all the components of democratic system although they may regularly hold fair and free elections. Thus, the "maximalist" definition focuses on the habitual practice of democracy, such as protection of civil rights and the democratic rule of law. In fact, the "maximalist" definition of democratic consolidation tends to include "popular legitimation, the diffusion of democratic values, the neutralization of anti-system actors, civilian supremacy over the military, the elimination of authoritarian enclaves, party building, the organization of functional interests, the stabilization of electoral rules, the routinization of poli-

tics, the decentralization of state power, the introduction of mechanisms of direct democracy, judicial reform, the alleviation of poverty and economic stabilization" (Schedler, 1998: 21-22).

Because of the debate on the definition of democratic consolidation, many definitions have been proposed. For example, Di Palma (1990: 138) defines democratic consolidation as "the formation of both valid democratic institutions and a democratic political culture to acquire political legitimacy." According to him, democratic consolidation includes institutionalization of the democratic system and the injection of democratic political culture and perception to politicians as well as voters.

Diamond (1999: 65) argues that democracy is consolidated when "the norms, procedures, and expectations of democracy becomes so internalized that actors routinely, instinctively conform to the written (and unwritten) rules of the game, even when they conflict and compete intensely." In other words, democracy is secured when all the political actors including political elites, political parties and organizations, and the mass public comply with the rules, institutions, and procedures of the democratic system (Diamond and Shin, 2000: 18-19).

Similarly, Linz (1990: 158) considers a democracy consolidated when "none of the major political actors, parties, organized interests force or institutions consider that there is any alternative to democratic processes to gain power, and that no political institution or group has a claim to veto the action of democratically elected decision makers." Przeworski (1991: 26) also provides a similar definition. According to him, democratic consolidation is achieved "when under given political and economic conditions a particular system of institutions becomes the only game in town, when no one can imagine acting outside of the democratic institutions, when all the losers want to do is to try again within the same institutions under which they have just lost."

Studies on democratic consolidation have also focused on what factors affect consolidating a new democracy because some democracies become mature quickly while others struggle to institutionalize and secure their new system. According to Linz and Stepan (1996), in order for a new democracy to consolidate, the existence of democratic

political institutions based on the rule of law is crucial. On the other hand, O'Donnell (1996) contends that practice of the democratic rule of law is more important than the formal structure and institutions of democratic systems because political institutions do not matter if they are not regularly and habitually practiced.

By contrast, Almond and Verba (1989) assert that the values and attitudes that emerge from political participation and practice of democratic institutions and the rule of law are important in consolidating a new democracy. The reason is that once citizens of new democracy develop values and attitudes that expect the habitual practice of democratic system, democratic institutions will mature and it will be extremely difficult to return to authoritarianism. Fukuyama (1995) also focuses on the importance of moral values, civic-ness, historic traditions of democratic culture, and civil society. According to him, countries that have a political culture that values democratic norms, moral values, and civic-ness, will adjust to democratic institutions better than countries that do not. He also argues that countries with previous experience of democracy consolidate democratic system faster than countries without.

In a similar vein, Heo and Hahm (2012) argue that political culture plays a significant role in the democratic consolidation process. According to them, one of the main reasons for South Korea to struggle to consolidate its democratic system is the Confucius culture, which does not value the basic rules of democracy, such as the majority rule. The Confucius culture also emphasizes the importance of family values, and the hierarchy and stability of the system, which may have a negative impact on democratic consolidation because of overlooking the values of pluralism and communication. For the same reason, Tusalem (2009) argues that nations with Protestantism accept democratic values better and thus consolidate democratic institutions more rapidly than other cultures.

In addition, Heper (1992) values the strength of the state. Since democratic system is based on the rule of law, the strength of state is important to implement national laws. Thus, the strength of the state becomes crucial in the institutionalization of democratic system. Koo

(2002), on the other hand, values the role of civil society in democratic consolidation process because civil societies may play the role of political watch dog to make sure the practice of democratic institutions and norms.

C. Democracy (Regime Types) and Economic Growth

There have been three perspectives developed on the relationship between democracy (regime types) and economic growth: 1) Conflict perspective (Chirof, 1977; Rao, 1985); 2) Compatibility perspective; and 3) Skeptical view (Sirowy and Inkeles, 1990). According to the conflict perspective, democratic system is not effective for economic growth because it pursues political and economic equality. On the other hand, the compatibility perspective (e.g. Barro, 1990; Przeworski, 1991) posits that democracy is better for the economy than other types of government because of its protection of private property, which promotes private investment, a crucial element of economic growth. In contrast, proponents of the skeptical view argue that there are too many factors that can influence economic growth, such as political stability, institutional structures, national economic strategies, international political, economic condition, and so on. Thus, democracy is only one of many elements that determine economic growth (Sirowy and Inkeles, 1990: 25).

Gerring et al. (2005) and Heo and Hahm (2011) argue that the democracy-growth nexus may vary according to the institutional maturity of the system because democratization often leads dispersed interest groups to organize, which may increase demand to the new government (Tarrow, 1998; Gerring et al., 2005). Since the institutional maturity of the new democracy is low, the transition to democracy may result in a harmful effect on economic performance in the short-term.

However, benefits of democracy are likely to appear in the long run as its institutions mature (see Barro, 1990; Przeworski, 1991; Olson, 1993; Feng, 1997; Quinn and Woolley, 2001; Gerring et al., 2005). The reason is that politicians in democratic systems are accountable

for poor economic performance. Thus, they focus on economic development in their policy-making decisions to stay in power (see Przeworski et al., 2000: 142-145). This is the reason for Olson (1993) to argue that democracy is the best type of system for economic growth because it has the institutions that are most conducive to economic development.

De Haan and Siermann (1995) as well as Leblang (1994) also note the benefits of democracy with respect to economic performance through private property protection. According to them, democracy's institutional checks and balance system prevent systemic abuse, such as predatory take away of private property which happens in authoritarian system. Pastor and Sung (1995: 225) also wrote, "a potentially positive relationship between democracy and investment may exist precisely because more open political systems allow policymakers to better read and respond to distributive pressures and thereby reduce social conflict; we also suggest that democracy is likely to allow private capitalists (as well as other citizens) institutional access to policy-makers." Thus, Heo and Hahm (2011: 11) conclude that, "democracy with mature institutions provides many benefits (e.g. political stability, a market-oriented economic system, respect of private property rights resulting in higher private investment) to economic development despite some negative effects in new democracies. Thus, as democratic institutions mature, the economy is likely to develop."

III. The Third Wave of Democratization

Huntington (1991: 45-46) argues that several factors have contributed to the Third Wave of Democratization: 1) the legitimacy problem of authoritarian governments due to economic failures, military defeats, and oil shocks; 2) global economic growth in the 1960s; 3) economic crises; and 4) "snowballing" effects of democratization. Overall, the transition to democracy during the Third Wave of Democratization can be classified in two types: 1) gradual power transition during the period of solid economic performance; and 2)

abrupt collapse of authoritarian regimes due to economic crisis or struggling economy (Haggard and Kaufman, 1995).²

In the case of gradual transition to democracy during the Third Wave of Democratization, economic development led to the expansion of the middle class, higher education, and civic culture attitudes, which results in support for democratization. In other words, the middle class leads the movement toward democratization (Huntington, 1991). With the pressure for regime change, often negotiations between the ruling party and opposition party occur or conflict within the authoritarian leadership break out. Gradual political and economic reform policies are adopted. How soon the transition will occur depends on the level of resistance by the authoritarian leadership and the groups that are enjoying the current system, which also affects the success of reform policies coming after the transition.

In contrast, economic crisis also leads to the transition to democracy because solid economic performance may extend the life of authoritarian governments, which often legitimize their leadership with good economic performance. Since the primary concern of the majority of the public is their everyday life, the public tends to be tolerant with the authoritarian government as long as the economy is growing and real wages are rising.

Once the economy becomes sluggish, however, the legitimacy of the dictatorship evaporates as Huntington (1991) pointed out. In other words, poor economic performance or economic crisis raises the issue of legitimacy of the authoritarian government, which leads to the collapse of the authoritarian governments and results in democratization. That is why Londregan and Poole (1994) concluded that the stability and durability of dictatorship governments often rely on overall economic development and economic conditions.³

In cases of crisis leading to democratization, the crisis often started

2. Haggard and Kaufman (1995) labeled this type as "crisis-induced transition."

3. Haggard and Kaufman (1995) surveyed 27 transitions to democracy between 1970 and 1990. They found that poor economic performance, such as high rate of unemployment and inflation, preceded transition in a substantial majority of the cases.

with the balance-of-payments problems caused by ineffective domestic policies and external shocks. The crisis led to weaker control over macroeconomic policy, which resulted in heavy external borrowing to finance deficits. External cash based finance, however, could not last forever, and the government had to raise tax with some adjustment policies, such as tighter fiscal and monetary policy. By then, the problem is so severe that a crisis breaks out. In response, the government starts liberalizing the political and economic system, but the public is not patient enough to wait to see the outcome. Mass mobilization follows and regime change occurs (Haggard and Kaufman, 1995). The Third Wave of Democratization had both types of the transition to democracy: 1) economic development leading to democracy; and 2) economic decline resulting in democratization.

Next, we discuss the case studies included in this special issue along with an empirical analysis that quantitatively analyzed how the transition to democracy during the Third Wave of Democratization affected economic growth in Asia. By doing so, we apply the theories discussed thus far to draw lessons from Asian experience.

IV. Asian Cases of the Third Wave of Democratization

During the Third Wave of Democratization period, ten nations experienced the transition to democracy in Asia. India was the first one to experience democratization in 1977, and there was a domino effect on other Asian neighbors. For instance, Sri Lanka democratized in 1983, the Philippines in 1987, South Korea and Pakistan in 1988, Thailand and Mongolia in 1990, Bangladesh and Nepal in 1991, and finally Taiwan in 1992.⁴ Democratization and liberalization experience after the transition vary according to countries. Because of the unique-

4. The year of democratization varies according to sources. We followed Heo, Hahm, and Kim's study which determined the year of democratization based on the Polity IV data set. Taiwan is not a UN recognized nation, but we treat it as a nation in this study following Heo, Hahm, and Kim's work, which appears in this special issue.

ness of each country, not only do we need to draw a big picture with a quantitative study of the entire set of the countries that experienced the transition to democracy during the Third Wave of Democratization, but we also need to analyze individual cases. By doing so, we can learn from each country's experience and get a big picture of the relationship between democracy/democratization and economic performance. Thus, we review the articles included in this special issue.

The first article in this special issue, "The Impact of Democratization on Economic Growth in Asia: An Interrupted Time-Series Analysis," by Uk Heo, Sung Deuk Hahm, and Dohee Kim, uses an interrupted time-series method to analyze how the transition to democracy affected economic growth in the Asian countries that experienced democratization during the Third Wave of Democratization. According to them, there is no dominant theoretical framework or empirical results on how democratization affects economic growth. They expected that democratization will have a significant impact on economic performance because nations go through liberalization after a democratic government is installed. Moreover, some nations (e.g. South Korea, Taiwan) gradually democratized because of economic development while others (the Philippines and Thailand) went through democratization after the collapse of the authoritarian regime due to economic crisis. In other words, economic performance was one of the main factors that led to democracy.

Contrary to the authors' expectation, their study did not find a statistically significant effect of democratization on economic growth. All states included in the analysis consistently showed the lack of association between the two variables, implying changes to a democratic government does not necessarily help or hamper economic growth. Instead, it seems to be just one of the many factors that influence economic performance as Sala-i-Martin (1997) noted in his study of economic growth. Heo, Hahm, and Kim's study is meaningful for two reasons. First, it provides a big picture of the relationship between democratization and economic growth in the Asian countries that experienced the transition to democracy during the Third Wave of

Democratization period. Second, this study is the first one to empirically test how democratization affects economic performance in Asia.

It is widely believed that, particularly in poor countries, democracy cannot easily survive long periods of subpar economic performance. In the context of this conventional wisdom in the study of democracy and economic growth, Rodelio Cruz Manacsa and Alexander Tan examine "Strong Republic" Sidetracked: Oligarchic Dynamics, Democratization, and Economic Development in the Philippines." More particularly, they examine why democratization in the Philippines in 1986 failed to bring about economic growth and development. It is quite curious to us that with democratization, there was an expectation that Philippines will do a bit better economically. But since 1986 Philippine economic performance is still bad.

They argue that the failure of the American colonial regime to transform the basis of political power, and their transplantation of their style of representative democracy over an iniquitous economic structure, allowed the oligarchy to obtain a stranglehold on state institutions and economic policy formulation. Successive administrations after formal independence, from Quezon to Marcos, operated in this context of state besieged by powerful clans and families. Indeed, Philippine politics became stuck in pre-1972 structures and in fact democratization in 1986 after Marcos' dictatorship brought those politics and those oligarchs back again.

In other words, the flow and dynamics of Philippine economic policy and the way oligarchs capture the state have not really been interrupted through regime change and democratization in the Philippines. Democratization has failed to foster significance economic change because the institutional design since 1986 has not enabled a strong republic to develop. Therefore, they insist that without fundamental changes to the sources of political capital, democratization will continue to be a non-factor in economic performance in the Philippines.

Manacsa and Tan are followed by Shale Horowitz and Deepti Sharma, "Democracy with Economic Stagnation, and Democracy with Rapid Growth: Understanding the Indian Enigma." The history

of India seems to confound conventional wisdom in the study of democracy and economic growth: democracy cannot easily survive long periods of subpar economic performance. India is a relatively poor country, and for the first 30 years after independence, saw a weak and deteriorating growth performance. Yet India's democracy remained robust through almost all of this period.

Horowitz and Sharma explore why did Indian democracy survive despite weak early economic growth performance, especially during the rule of Indira Gandhi? They argue that the early Congress Party system was beautifully adapted to India's almost-overwhelming diversity. Congress' ideology successfully targeted the numerically preponderant lower-caste Hindu and Muslim center-left, and it established a solid institutional position through grassroots party organization, patronage in the state and army, and a first-past-the-post electoral system. Democracy was a core part of this system, setting down roots that survived Indira Gandhi's authoritarian tendencies and the decline of Congress' hegemony. Over the last 30 years, Indian democracy was furthered strengthened by stronger economic growth. Greater ideological legitimacy and consensus was added to an increasingly competitive party system. Beyond the Congress Party, traditional institutional and ideological strengths remained or grew stronger. The state and army remained apolitical and loyal to democracy and the society grew more interconnected and autonomously organized.

What is the broader theoretical significance of Horowitz and Sharma's study for the Indian case? Consider first the effect of economic growth on democracy. In hegemonic party systems, weak growth matters less, because the primary threat is likely to come from hegemonic party leaders. As the Congress Party dominance has declined, economic growth has become a source of strength for Indian democracy. Any major, protracted decline in economic growth will be a more significant threat than it was in the early decades. Nevertheless, India's structural diversity, combined with her other institutional and ideological strengths, are likely to keep her democracy resilient. For the effect of democracy on economic growth and policymaking, India shows that democracy's effect is more unpredictable in the

presence of a hegemonic party system — due to the influence of relatively unconstrained individual leaders. In this respect, they argue that hegemonic democratic systems are more like authoritarian regimes than democracies in India.

In the fourth article, Clark and Tan analyze "Taiwan's Increasingly Boxed-in Economy: Economic Performance and Democratization." Taiwan's economic miracle of the 1950s through the 1980s is certainly coming under challenge as economic growth has slowed while inequality has increased. They argue that these economic strains result from an "increasingly boxed-in economy" in which previous opportunities for rapid growth have been curtailed. Taiwan's rapid ascent up the international product cycle has left it increasingly squeezed between industrializing developing countries and the most advanced economies in the world, such as the United States and Japan.

Furthermore, Taiwan's "political miracle" of a rapid and smooth democratic transition in the late 1980s and early 1990s has, ironically, exacerbated these problems. More particularly, democratization opened Taiwan's political processes to strong interest groups, thereby undercutting the ability of the dispersed Small and Medium Enterprises to obtain governmental aid for retaining their competitiveness; democratization opened decision-making to private political pressures, leading to corruption and rent-seeking; and democratization led to political polarization over cross-Strait relations which made handling the economic opportunities and threats that China presented much more difficult. Finally, they argue that this is certainly not to take any luster off Taiwan's political miracle, which has provided many benefits to the society. Rather, in a complex political economy, there are many interactions and unintended consequences.

The issue concludes with "Democracy in South Korea: Consolidated but in deficits" by Seongyi Yun and Hee Min. When we see its remarkable performance of politics and economy, there is no margin of suspicion that South Korea's democracy is well consolidated. South Korean people, however, are not happy about their democracy. They do not trust their government and representatives. According to the

Inter-Parliamentary Union (IPU) public opinion poll in 2009, only 18% of South Korean people trust their government, which is far lower than the average of surveyed countries' 44%. Why South Korean people are not satisfied about their democracy in spite that political and economic index assures its consolidated democracy? Yun and Min use the concept of 'democratic deficit' to find answers for this puzzle. Democratic deficit is measured by the gap between political efficacy and evaluation of democratic governance. Therefore, if people have a strong sense of political efficacy and low level of satisfaction about their democracy, they are more likely to feel democratic deficit.

Empirical findings of Yun and Min's study showed that older generations and high educated people have more perception of democratic deficit, compared to younger generation and lower level of education. To find out determinants of democratic deficit, they performed linear regression analysis with eight independent variables including age, education, income, respect for authority, a fair distribution of wealth, subjective evaluation of home economy, political information, and political ideology. Among the independent variables, subjective indicators of economy such as "fair distribution of wealth" and "home economy" turned out to be the most critical predictors of democratic deficit. Finally they argue that democracy can reach a matured stage and can satisfy their people, when input (individuals) and output (institutions) of political system are well balanced in South Korea.

The contributors to this special issue are well aware of the enormity of the challenge of developing and applying systematic knowledge with regard to the nexus between democracy/democratization and economy in diverse political settings. We hope the articles that follow will help move this effort forward by providing theoretical arguments and perspectives, empirical findings, and research frameworks that will prove useful as platforms for future studies on the nexus between democracy/democratization and economy.

References

- Almond, Gabriel and Sidney Verba, *The Civic Culture: Political Attitudes and Democracy in Five Nations* (Newbury Park: Sage Publication, 1989).
- Arat, Zehra F., "Democracy and Economic Development: Modernization Theory Revisited," *Comparative Politics*, Vol. 21, No. 1 (1988).
- Barro, Robert J., "Government Spending in a Simple Model of Endogenous Growth," *Journal of Political Economy*, Vol. 98, No. 5 (1990).
- Bollen, Kenneth A. and Robert W. Jackman, "Political Democracy and the Size Distribution of Income," *American Sociological Review*, Vol. 50, No. 4 (1985).
- Brunk, Gregory G., Gregory A. Caldeira, and Michael S. Lewis-Beck, "Capitalism, Socialism, and Democracy: An Empirical Inquiry," *European Journal of Political Research*, Vol. 15, No. 4 (1987).
- Burkhart, Ross E. and Michael S. Lewis-Beck, "Comparative Democracy: The Economic Development Thesis," *American Political Science Review*, Vol. 88, No. 4 (1994).
- Chirot, Daniel, *Social Change in the Twentieth Century* (New York: Harcourt Brace Jovanovich, 1977).
- Dahl, Robert, *Democracy and Its Crisis* (New Haven: Yale University Press, 1989).
- De Haan, Jakob and Clemens L. J. Siermann, "A Sensitivity Analysis of the Impact of Democracy on Economic Growth," *Empirical Economics*, Vol. 20, No. 2 (1995).
- Di Palma, Giuseppe, *To Craft Democracies: An Essay on Democratic Transitions* (Berkeley: University of California Press, 1990).
- Diamond, Larry, *Developing Democracy: Toward Consolidation* (Baltimore: Johns Hopkins University Press, 1999).
- _____, "Toward Democratic Consolidation," *Journal of Democracy*, Vol. 5, No. 3 (1994).
- Diamond, Larry and Doh Chull Shin, "Introduction: Institutional Reform and Democratic Consolidation in Korea," In Larry

- Diamond and Doh Chull Shin (eds.), *Institutional Reform and Democratic Consolidation in Korea* (Stanford: Hoover Institute Press, 2000).
- Feng, Yi, "Democracy, Political Stability and Economic Growth," *British Journal of Political Science*, Vol. 27, No. 3 (1997).
- Fukuyama, Francis, "The Primacy of Culture," *Journal of Democracy*, Vol. 6, No. 1 (1995).
- Gerring, John, Phillip Bond, William Barndt, and Carola Moreno, "Democracy and Economic Growth: A Historical Perspective," *World Politics*, Vol. 57, No. 3 (2005).
- Gonick, Lev S. and Robert M. Rosh, "The Structural Constraints of the World-Economy on National Political Development," *Comparative Political Studies*, Vol. 21, No. 2 (1988).
- Haggard, Stephan and Robert R. Kaufman, *The Political Economy of Democratic Transitions* (Princeton: Princeton University Press, 1995).
- _____, "The Challenges of Consolidation," *Journal of Democracy*, Vol. 5, No. 4 (1994).
- Heo, Uk and Sung Deuk Hahm, "Political Culture and Democratic Consolidation: A Case Study of South Korea," Paper presented at the Southwestern Political Association, San Diego (2012).
- _____, "Democracy and Economic Development: A Simultaneous Equation Analysis," Working Paper, Department of Political Science, University of Wisconsin at Milwaukee (2011).
- Heo, Uk and Terence Roehrig, *South Korea since 1980* (New York: Cambridge University Press, 2010).
- Heo, Uk and Alexander C. Tan, "Democracy and Economic Growth: A Causal Analysis," *Comparative Politics*, Vol. 33, No. 4 (2001).
- Heper, Metin, "The Strong State as a Problem for the Consolidation of Democracy: Turkey and Germany Compared," *Comparative Political Studies*, Vol. 25, No. 2 (1992).
- Huntington, Samuel P., *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991).
- _____, *Political Order in Changing Societies* (New Haven: Yale

- University Press, 1968).
- Jackman, Robert W., "On the Relation of Economic Development to Democratic Performance," *American Journal of Political Science*, Vol. 17, No. 3 (1973).
- Jesse, Neal, Uk Heo, and Karl DeRouen Jr., "A Nested Game Approach to Political and Economic Liberalization in Democratizing States," *International Studies Quarterly*, Vol. 46, No. 3 (2002).
- Koo, Hagen, "Civil Society and Democracy in South Korea," *The Good Society*, Vol. 11, No. 2 (2002).
- Krieckhaus, Jonathan, "Democracy and Economic Growth: How Regional Context Influences Regime Effects," *British Journal of Political Science*, Vol. 36, No. 2 (2006).
- _____, "The Regime Debate Revisited: A Sensitivity Analysis of Democracy's Economic Effect," *British Journal of Political Science*, Vol. 34, No. 4 (2004).
- Leblang, David, "Property Rights, Democracy and Economic development," *Political Research Quarterly*, Vol. 49, No. 1 (1994).
- Linz, Juan J., "Transitions to Democracy," *The Washington Quarterly*, Vol. 13, No. 3 (1990).
- Linz, Juan J. and Alfred Stepan, *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe* (Baltimore: The Johns Hopkins University Press, 1996).
- Lipset, Seymour Martin, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review*, Vol. 53, No. 1 (1959).
- Londregan, John B. and Keith T. Poole, "Does High Income Promote Democracy?" *World Politics*, Vol. 49, No. 1 (1994).
- O'Donnell, Guillermo, "Illusions about Consolidation," *Journal of Democracy*, Vol. 7, No. 2 (1996).
- Olson, Mancur, "Dictatorship, Democracy, and Development," *American Political Science Review*, Vol. 87, No. 3 (1993).
- Pastor, Manuel Jr. and Jae Ho Sung, "Private Investment and Democracy in the Developing World," *Journal of Economic Issues*, Vol. 29, No. 1 (1995).

- Przeworski, Adam, *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America* (Cambridge: Cambridge University Press, 1991).
- Przeworski, Adam, Michael E. Alvarez, and Jose Antonio Cheibub, *Democracy and Development: Political Institutions and Well-Being in the World 1950-1990* (Cambridge: Cambridge University Press, 2000).
- Quinn, Dennis and John Woolley, "Democracy and National Economic Performance: The Preference for Stability," *American Journal of Political Science*, Vol. 45, No. 3 (2001).
- Rao, Vaman, "Democracy and Economic Development," *Studies in Comparative International Growth*, Vol. 19, No. 4 (1985).
- Sala-i-Martin, Xavier, "I Just Ran Two Million Regressions," *American Economic Review*, Vol. 87, No. 2 (1997).
- Schedler, Andreas, "What is Democratic Consolidation?" *Journal of Democracy*, Vol. 9, No. 2 (1998).
- Sirowy, Larry and Alex Inkeles, "The Effects of Democracy on Economic Growth and Inequality: A Review," *Studies in Comparative International Development*, Vol. 25, No. 1 (1990).
- Tarrow, Sidney G., *Power in Movement: Social Movements and Contentious Politics* (Cambridge: Cambridge University Press, 1998).
- Tusalem, Rollin F., "The Role of Protestantism in Democratic Consolidation Among Transitional States," *Comparative Political Studies*, Vol. 42, No. 7 (2009).
- Vanhanen, Tatu, *The Process of Democratization: A Comparative Study of 147 States, 1980-88* (New York: Crane Russak, 1990).