

Democratization and equality

Luiz Carlos Bresser-Pereira

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An imbalance between rich and poor is the oldest and most fatal ailment of all republics (Plutarch).

Democracy is both a form of government and an ideal of free and equal citizens, which rose with capitalism – the first form of social organisation in which the ruling class didn't impose a definitive veto on democracy.¹ Democratization is the historical process of transition to democracy and the following improvement of the quality of democracy. As "the government of the people," democracy implies the existence of citizens who are politically conscient and search to have a say in the governing process. Citizens possess civil and political rights that grant them freedom, but when it comes to equality, the issue is not as straightforward. Economic equality – equality in wealth and in income – is very difficult to achieve. Besides the opposition of the rich and the intrinsic logic of capitalism, individuals are not equal in talents, interests, knowledge, and ability to participate in political and economic organizations.

Democracy emerged in the turn to the twentieth century after a long fight of the labour unions and social democratic political parties strove for it. This was what I call the Democratic Revolution: all rich countries at the time, which had already assured the rule of law and the civil rights, agreed with the universal suffrage, which for long the liberals opposed. This was possible because organized labor and the new socialist political

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parties overcame numerous obstacles to achieve it.² Considering only the more advanced countries, after *minimal* democracy, it advanced in stages. In the 2020s we had *public opinion* democracy, in which citizens' opinions began to be heard; after the Second World War, and *public* democracy, in which economic equality started playing a role and the welfare state was created. After that, we don't know which will be the next step of democratization, but we may guess that will be *participative* democracy, in which will be created mechanism to hear the citizens and the social movements.

To understand the modern democratic state, we need a basic concept of democracy, but democratic theory must go beyond this concept. Once the Democratic Revolution defined minimally it, it becomes crucial to assess whether the quality of democracy improves over time, whether democratization is actually happening, and why. It is important to examine each country and many times. Thus, we should start with a simple and minimalist concept of democracy and then observe how democracy gradually progresses or democratization occurs.

Democracy has historically improved as economic development and education levels have advanced, and democratic institutions have become more representative and accountable. Despite the regression over forty years of neoliberalism, if we consider in the advanced democratic societies a period of 100 years, the political regime is more equal and representative today.³

Democracy, as a political regime, is minimally defined as a system where freedom of opinion and the rule of law are established (civil liberties), and where politicians governing the nation are elected through universal suffrage. Politics involves the art of argumentation and compromise to build majorities and govern. Democratization refers to the improvement of the quality of democracy, a historical process in which citizens become more equal in political rights as well in level of education, income and wealth, politicians become more representative and accountable, and civil society becomes more equal and cohesive.

This essay does not aim to provide scientific proof of these assertions. Based on observations, it assumes that democracy has indeed improved over time. The main focus is to explore the reasons behind this improvement – how national capitalist societies progress politically, and how and why democratization occurs. While the dominant approach in political science emphasizes the role of democratic institutions in this process, the paper adopts a societal approach. It investigates the interaction between the economy and politics, between civil society and the state to determine if the quality of democracy ultimately improves.

Complex historical process

In today's world, the relationship between society and the state works on both directions. The more democratic or equal a society is, the more democratic the state will become, and vice versa. This relationship is unbalanced in that in some countries have more democratic civil societies than democratic political institutions, and the inverse may occur. While sociologists and political economists bet on the societal change, political scientist and lawyers put their hopes in the institutions.

The historical relationship between democracy and capitalism is complex and interrelated. In the nineteenth century, the rising bourgeoisie admitted democracy in two stages, first by agreeing with the rule of law and the liberties, and second, with the universal suffrage.⁴ Liberalism has historically mistrusted democracy, viewing it as a threat to political stability and social order, but there is here a liberal contradiction because to achieve these two goals democracy cannot be minimal for long; as economic growth continues, people will demand higher wages or the standards of living and, so, the gradual construction of a welfare state

The process of democratization is complex and multifaceted and has been a source of confusion throughout history. The American Revolution, for example, was a bourgeois revolution led by an aristocratic group of landowners and intellectuals, which did not lead immediately to a democratic system despite claims to the contrary – despite, for instance, Alexis Tocqueville's *Democracy in America* (1835). Adam Przeworski remarked that while democracy was a political revolution, it was not an economic one, which is evident in the fact that the bourgeoisie remained the dominant social class.⁵

Democratization, unfortunately, did not advance enough to satisfy democrats and socialists who demanded greater economic equality. The opposition of the liberal capitalist class and the meritocratic professional classes was largely to blame for this. The neoliberal hegemony between 1980 and 2020 shows this. During this time, the richest one percent in capitalist societies became even richer, while wages of the poor remained almost stagnant. The recent evidence on this matter collected by researchers like Thomas Piketty, and Branco Milanovic is definitive. The antagonism between equality and liberty became evident during the French Revolution, when there was a major struggle between democrats and liberals, between the Jacobins and the Girondins. The liberals eventually won, but then idea of democracy as an ideal to be fought gained through time strength and political legitimacy. With the pamphlets and political fights of Gracchus Babeuf (1760-1797) and his Société des Égaux, the distinction between liberalism and democracy became clear. And his defence of equality was influential for a long time in France.⁶

Despite the opposition of liberal elites, in the nineteenth century, democracy progressed towards universal suffrage, but after it was achieved the term 'liberal democracy'

emerged – actually an oxymoron because liberalism is far from being democratic, or a pleonasm if the word ‘liberal’ means just the assurance of the rule of law and the liberties. Eventually, democracy became ‘public’ in Europe – public here meaning ‘social’ – a higher stage of democratization, but the adjective ‘liberal’ remained associated to democracy, likely because it defined the democracy in the United States, and also because if we call this type of democracy ‘social democracy’ – this expression will mix a form of democracy with a social formation characterized by a compromise between the popular, the bourgeois and the managerial classes.

If democracies are not committed to a reasonable level of economic equality, democratization will be an empty term. The conflict between liberty and equality arose in the French Revolution with its maxim ‘liberty, equality, and fraternity’. Equality and fraternity were consistent with each other, not liberty which the liberals soon proclaimed incompatible with equality – the threatening economic equality socialists defend. For them, freedom implies inequality; people doesn’t look just for higher revenues and wealth, they may prioritize other goals; thus, they conclude economic equality is impossible. Not just but mostly. Left writers acknowledges that people are different, but the conflict between equality and liberty can be managed provided that we view equality in a reasonable way and freedom in a republican way, not only as right but also as an obligation to the republic, the nation-state. Advances in economic equality were made as a result of the joint political action on the part of the left-wing political parties and the unions.

Summing up, the democratization process was characterized by progress towards political equality, while economic equality remains a contentious issue. The rising bourgeoisie prioritized freedom over equality and created a capitalist society that celebrated inequality as a necessary condition for individual motivation and economic efficiency. On the political side, while the social democrats and the developmentalists face the difficult task of reducing economic inequality, liberal capitalism hails inequality, which would be a condition for the individual freedom.

An optimistic social theory

In the second half of the twentieth century, after two world wars and a major depression, the rich world experienced fast growth and improved standards of living in the framework of a Golden Age. This was a time of real progress and social and political optimism, in which social theorists, either Marxist, Keynesian, or liberal-modernizing intellectuals, which reflected in the intellectual and ideological debates of the era. Two major ideologies – liberalism and socialism – along with two historical schools of social thought, modernization theory and Marxism, were engaged in active discussions. Both

ideologies shared a belief in progress and envisioned a bright future ahead. Liberals' utopia found its realization in American society, which they saw as the ideal democratic society of mass consumption. Walt W. Rostow (1960) formally identified this period as the last stage of economic development. For proponents of sociological modernization theory and the comparative political scientists, American society was not perfect, but it served as a model to be emulated by other countries.

When it came to the theory of democracy, political scientists and theorists of the 'modernization' had an advantage over Marxists. They could draw upon the American experience as a foundation for their theoretical framework, particularly in the development of the liberal philosophy of justice of John Rawls and the pluralist theories of democracy of scholars such as Seymour M. Lipset, Giovanni Sartori, Robert Dahl, and Norberto Bobbio, who emphasized the relative autonomy of politics, highlighted the importance of economic development for democracy, defended democracy's pluralistic nature, and recognized its cultural and value aspects.

Marxists were critical of this theory of democracy and capitalism in general. They viewed the democracy described by pluralists as merely "formal" or "bourgeois" democracy. However, Marxists themselves did not offer an alternative definition of democracy. The works of Antonio Gramsci and Nicos Poulantzas helped them develop a more nuanced theory of the state, recognizing that the state was no longer simply the "executive committee of the bourgeoisie," but rather an expression of a wider and evolving civil society. Nevertheless, their positive discourse on democracy remained limited and unconvincing. As Norberto Bobbio (1984) highlighted, Marxists often criticized the shallowness and bias of those who sought to dismantle Marx's ideas on capitalism but were unable to discuss democracy unless it was combined with socialism.

If we examine the arguments put forth by scholars like C. B. Macpherson (1965), who radically criticized individualism, we can see a beautiful left-wing theory of democracy. Macpherson rightly pointed out that democracy, in a broader sense, entails an ideal of human equality, not just equality of opportunity to climb the class ladder. The democratic ideal goes beyond mere political equality and requires a reasonable level of economic equality as well. However, referring to the communist societies of Macpherson's time as "democratic in a broader sense" was not acceptable, although economic equality really advanced in that societies.

Utopian or pessimistic?

In the 1970s, a major economic crisis followed by the 1980 Neoliberal Turn opened the room for neoliberalism, low growth, high financial instability, and quasi-stagnant wages. And, in economic theory, for the crisis of Keynesianism and the rise of

neoclassical economics to the mainstream. The concept of liberal democracy thrived, and its proponents changed it into an export commodity. The United States Congress established the National Endowment for Democracy, tasked with spreading democracy worldwide. One of the means employed was the purportedly academic journal called the *Journal of Democracy*. Liberty became the supreme political value, and democracy was seen as the instrument to ensure freedom. Socialism was transformed into evil, and public democracy was ignored as if the European experience of democracy was no different from the American one. Sociology, social theory, and Keynesian macroeconomics, along with their respective structural and historical methods, lost relative academic legitimacy. In their place, institutionalist and normative political theory, rational choice political science, and neoclassical economics became dominant.

The publication of John Rawls's liberal *Theory of Justice* in 1971 and Robert Nozick's neoliberal *Anarchy, State, and Utopia* in 1974 ushered in a new era for political theory while sociology and social theory lost relative influence. In the United States, the intellectual heroes shifted from sociologists like Talcott Parsons, Robert Merton, and Wright Mills to political theorists and political scientists. Instead of analyzing society and democracy as real historical phenomena, studying their conflicts, contradictions, and tendencies as social sciences traditionally do, the prevailing approach became normative, institutionalist, and voluntarist. Rather than considering economic and social structures and their relationships with the ideological system and institutions, the focus shifted to individual action, with "methodological individualism" gaining prominence. Historical or empirical research gave way to a hypothetical-deductive method, and institutional reforms were seen as a panacea. This shift led prominent sociologists like Jürgen Habermas and Ralf Dahrendorf to make the transition from social to political theory. In economics, neoclassical economics and general equilibrium theory experienced a resurgence, later complemented by Robert Lucas's neoclassical macroeconomics and endogenous institutionalist growth theories.

The success of neoclassical economics, marked by its dominance in university economics departments, prompted political scientists to adopt similar reasoning in political science. Liberal political theory of the rational choice kind often relied on an idealized egoistic individual – the corresponding axiomatic figure of the homo economicus assumed by neoclassical economics. However, it became evident that a fully hypothetical-deductive methodological individualism, as employed in economics with bad results, was simply not viable in political science. Since power, not just money, is at play in political science, rational choice political scientists assume that political officials made trade-offs between rent-seeking and the desire for re-election, or promotion in the case of technobureaucrats. This approach abandoned the notion of making precise predictions about future economic behavior, as assumed by neoclassical

economists, and emphasized empirical research or a posteriori rational explanations of observed collective behavior in broad historical political analyses.

In this new intellectual and liberal environment, political theorists and rational choice political scientists adopted diverging approaches to democracy. Liberal political theorists defined equality as equality of opportunity and embraced a normative, idealistic, and optimistic theory of democracy, known as deliberative democracy. In contrast, rational choice political scientists, consistent with their negative view of human nature, adopted a pessimistic outlook on democracy. While the former associated social justice with equality of opportunity within capitalism, asserting the possibility of achieving social justice, the latter often warned of the perils of state intervention due to rent-seeking behavior. Challenged, the rational choice approach expanded to include political scientists from various ideological traditions, all committed to empirical research aimed at improving democratic institutions. This diverse group of scholars ranged from progressive theorists like Adam Przeworski, who emphasized the role of history and institutions in shaping political behavior, to radically conservative and neoliberal theorists associated with the public choice school. The public choice school often viewed public officials as rent-seeking individuals, and their approach reflected a pessimistic view of politicians and public servants. While rational choice political scientists offered predictions that were often accurate in the short term, their skepticism toward democracy led them to believe that it would always be of a limited nature. They argued that democracy could only provide a set of rules that ensured the rule of law, civil liberties, and the alternation of power between mass political parties dominated by political elites. However, this pessimistic outlook made it difficult for them to explain the historical improvement in the quality of democracy over time.

Liberal political theorists successfully set the intellectual agenda in the Neoliberal Years, displacing social theory from its long-held position established by Marx, Durkheim, Weber, and Norberto Elias, who demonstrated the potential for building highly generalized and explanatory social theory. However, social theory persisted and found expression in the works of communitarian and republican political theorists such as Michael Walzer, Charles Taylor, Steven Lukes, and Michael Sandel. These theorists offered alternative approaches that emphasized the importance of community, shared values, and civic participation in democratic societies. On the left, critical perspectives on democracy emerged in the writings of authors such as Claude Lefort, Chantal Mouffe, Boaventura de Sousa Santos, and Jacques Rancière. These scholars critically examined the limitations and contradictions of liberal democracy, highlighting issues of power, inequality, and social justice.

The hatred of democracy

Over the past 40 years the quality of democracy in rich countries, particularly in the United States, deteriorated, while economic inequality has increased, and radical individualism has prospered. A study by Susan Pharr and Robert Putnam (2010) found that citizens in most Trilateral democracies are less satisfied with the performance of their representative political institutions. This dissatisfaction has not led to a decline in commitment to the principles of democratic government, however. Pipa Norris (2002) has written a book to revise popular assumptions of a contagious plague of citizens' apathy, arguing that reports of the obituary of civic activism are premature.

Ronald Dworkin (2006) has remarked that American society lost its reasonable cohesion after World War II as it became radically divided into conservatives and progressives, contributing to his dismal assessment of democracy in the United States. Meanwhile, several middle-income countries such as Spain, Portugal, Greece, Argentina, Brazil, Mexico, South Africa, South Korea, Indonesia, and many eastern European countries have made their transitions to democracy. Under the influence or pressure of the United States and of the middle-income countries in the same region of a given country, local business elites favored democracy, and many poor countries that had not completed their respective capitalist revolutions also made their transitions to democracy, but the resulting political regime proved unstable.

The increase in economic inequality was not the only reason why democratization stopped if not deteriorated in the rich world over the past 40 years. The ambiguous attitude of the capitalist and managerial classes was also a factor. They are democratic when they support the rule of law and civil rights; they hate democracy when they continue to fear the universal suffrage and impose limits to democracy. Democratization is a slow process due to the resistance to if not the hatred of democracy. The two dominant social classes in modern capitalist societies view democracy as a restriction or a negation of their own "natural" political power, as a limitation of the power to which they feel entitled because they control the two strategic factors of production in modern societies: capital and knowledge. This hatred of democracy, that Jack Rancière detected and criticized in a 2005 book, is not limited to the political far right but is hidden or unconscious among most of the capitalist and managerial elites.

The hatred of democracy is the hatred not of freedom but of equality. Although democracy has turned into a universal value, the rich and the neoliberals still have an underlying distrust of democracy that they express through their actions. The demoralization of public officials and politicians who act according to such suspicion ultimately reduces their ability to respond to the demands of the people. The hatred of

democracy is a dangerous and unpredictable sentiment that continues to hinder the democratization process.

A simple model of democratization

We can now propose a simple model of democratization in the post-war period using only two concepts: political equality and economic equality. Figure 1 is the graphic representation of the model, which depicts the democratization trajectory of affluent countries since around 1900, when democracy began with the adoption of the universal suffrage. The vertical axis measures economic equality, while the horizontal axis represents political equality, which encompasses civil rights, universal suffrage, and citizen participation. The bottom left corner of the graph, Y, represents zero for both political and economic equality, while the opposite corner, Z, signifies the "ideal democracy corner" where a high level of political and economic equality is achieved. The diagonal line, A, connecting these corners defines the *balanced* path of democratization. A second diagonal line, B, starts in the vertical axis (economic equality) a little above the corner (0) (let's say, in point 25%) and extends to a point in the horizontal line (political equality) equivalent to 75% of this line. The fact that the starting point in the economic equality axis is only 25% and the final point of the political equality axis is 75% reflects my assessment that a minimal democracy requires less economic equality than political equality. According to the minimal definition of democracy, a political regime is considered democratic when it guarantees civil liberties, free elections, and universal suffrage, without necessarily addressing economic equality. The resulting B line represents "democracy's threshold line." Above and to the right of this line, democracy exists, while below and to the left, authoritarianism prevails. Thus, the model assumes that the minimum concept of democracy requires a modest but effective level of economic equality.

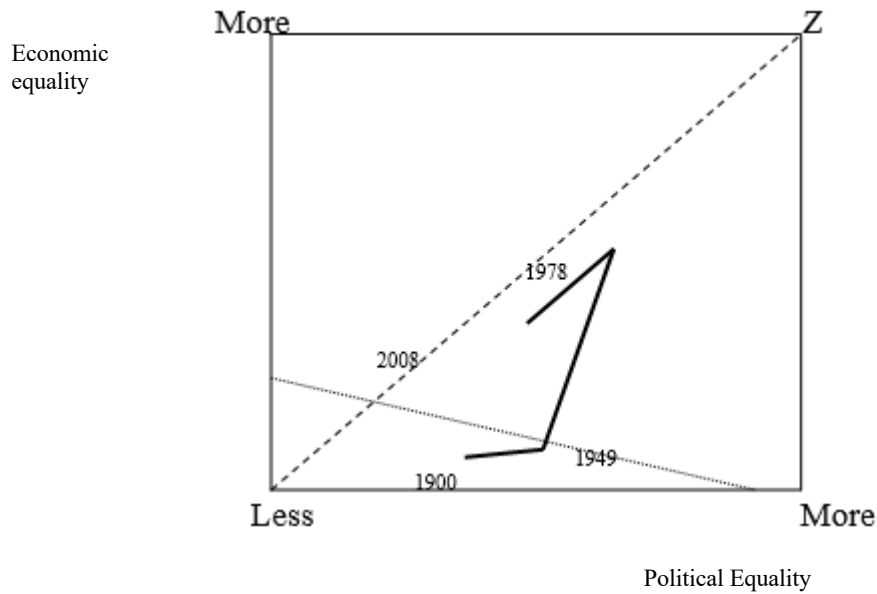


Figure 1: Hypothetical Democratization Trajectory of Affluent Countries

The progression towards improved democracy in each country involves advancements towards greater political and economic equality. In Figure we have a democracy thread representing the democratization process in the rich country beginning in 1900, when the country makes its transition to democracy crossing line B. Until 1950, in the framework of modest growth rate, inequality is low and practically stagnant, while political equality is already moderate and grow moderately as civil and political are better assured. In 1950, the country jumps from liberal to social-democratic and developmental stage, economic growth accelerates, and the two equalities grow satisfyingly. In 1980, however, the country embarks in neoliberalism, and both equalities fall, the economic more severely than the political equality.

Thus, the path towards improved democracy depicted in Figure 1 is real but unbalanced. In plotting the actual historical democratization trajectory for each nation, this line will always lean towards the right of the balanced path line since the level of political equality usually in capitalism is higher than the level of economic equality.

In his time, Marx assumed that the economic structure had progressed more than the institutional and ideological superstructure, which opened for a time for revolution. What happened in the twentieth century was the opposite. Due to improved institutions and a stronger civil society, political equality progressed more than economic inequality, opening room for right-wing national populism of a lower middle class that was left behind in the Neoliberal Years. As institutions and the value system progress in relation to the economic structure, they pave the way for a majority of non-degree impoverished individuals who don't become indignant with capitalism as socialists supposed, but with

the government and the enriching economic, political, and intellectual elites, an embrace populist politicians who identifies themselves the people and offers salvation with right-wing nationalism, like the one Donald Trump and Victor Orban represent, if not with extreme liberalism as is the case of Javier Milei.

E pur si muove

Democracy has made many undelivered promises. It promised to be the government by the people, but it rather appears to be government of elites elected by the people. It promised to be representative but rejected the imperative mandate or the possibility of revoking politicians that fail to fulfill their commitments. It promised to involve the whole public space but reserved several areas to bureaucratic and oligarchic power. It promised transparency, to eliminate "invisible power," but failed to do so.

Nevertheless, I believe that the quality of democracy has improved despite the attack of neoliberalism and, more recently, of conservative national populism – two political movements that don't want to put an end to democracy but reduce their quality in different ways. Democratization is an ongoing process that has faced its share of obstacles and challenges, yet it continues to move forward. Civil society has today a critical role in democratization as it resists bravely against more the attack of conservative national populism than of neoliberalism. A resistance that shows that democracy really became a universal value.

In the fight for the economic equality side of democracy, while the unions work in defense of wages and working conditions, civil society defends the welfare state. In the Neoliberal Years, liberal elites were unable to dismantle the welfare state. This is a possible indication that conservative elites will likely be unable to resist the next democratic advancement – the guarantee of environmental and republican rights.⁷ These rights assert that citizens have the right to not see individuals and companies to have the “right” to use the public patrimony with private means legally (with the due authorization of the law) or face a silent law. For instance, the extorting interest rates that, since 1992, the Brazilian state is paying to rentiers and financier due to the decisions of the Central Bank is a case of the abuse of republican rights acknowledge by the law; another case is the abuse of nature that many have practiced and continue to practice because the law was silent on the matter. Republicanism, which aims to safeguard the public patrimony against powerful individuals and companies that capture it legally was object of an increased interest since the end of the twentieth century and has become the theoretical concept that may legitimize a new and progressive ideology that combines socialism with republicanism and democracy.⁸

The push for democratization is not limited to the popular classes. Many citizens within civil society endowed with socialist values and republican virtues strive for a more democratic society and press for better democracy. Good politicians often make trade-offs between their private interests and the public interest. While they are a minority, their actions contribute to political progress and democratization.

Despite obstacles, I believe that democratization will continue to progress. The popular and middle classes will persistently push for a better democracy, and a minority of republican and social-democratic citizens and politicians will keep playing a significant part in democratization. Another reason for optimism is that technological advancements increasingly allow for standards of living even when wages that wages are not increasing with productivity. After the war, this was the case of the television; more recently, of the internet and the mobile phones. While public democracy and socialist and republican values were shared for many, there will have room for democratization. After public democracy, participative democracy may emerge where citizens' voices are heard before laws and policies are approved in the parliament, and also for an increasing demand for accountability on the part of governments.

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¹ Bresser-Pereira (2012).

² Therborn (1977); Przeworski (1985: Chap. 1).

³ Before neoliberalism, I used to say democratization was being achieved every 50 year. In the neoliberal year the regression of the American democracy was impressive, and I had to refer to 100 years.

⁴ Bresser-Pereira (2012).

⁵ Przeworski (2009).

⁶ Dunn (2005: 124–126)

⁷ Bresser-Pereira (2025) forthcoming by Oxford University Press.

⁸ Bresser-Pereira (2002).