

The Socio-economic Prerequisites of Democratic Transition; Case Study: Iran

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Abstract

This paper initially attempts to demonstrate that Iranian society has constantly attempted to democratize the authoritarian regime, but it usually fails in the transition stage. I have shown that the democratization process in Iran has often resulted in the creation of a newly shaped authoritarian structure rather than an institutionalized democratic regime. Meanwhile, I have argued that the democratic process has not been interrupted and some of the minimum criteria of the transition process, such as the politics of periodic elections, have been realized in Iran. In this study, the democratic transition has been explained through socioeconomic development. The data for this paper consist of forty-two cases of parliamentary and presidential elections. The hypothesis is evaluated using regression analysis technique. The empirical findings indicate that the proportion of the total variance of democratic transition which is explained by the socioeconomic development is 0.56 percent. This relation is positive and is statistically significant at .05 level.

Keywords: Democratic Transition, Participation, Competition, Modernization, Socio economic Development.

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1. Research Problem

This research discusses democratization in Iran. By democratization, I mean the long-term process of political change towards democratizing an authoritarian regime. Theoretically, the process of democratization consists of three phases: the breakdown of authoritarian regime, democratic transition and democratic consolidation (see Diamond, 1999; Gill, 2000; Huntington, 1995; Pother and et al. 1997). The first phase starts with the collapse of an authoritarian regime and ends with the establishment of processes and democratic institutions. The second phase is to realize these new structures and processes. Consolidation can be achieved when the newly installed structures and processes have been institutionalized. This theoretical approach to democratization can be used as a scientific criterion to empirically analyze some historical changes in Iran.

In the Middle East, at the beginning of the 20th century, Iranian society experienced the first wave of democratization, called Constitutional Revolution, which started in 1906. The second is the Oil Nationalization Movement (under the leadership of Muṣaddiq), which occurred in 1953. On 11 February 1979, the third wave of democratization occurred, which led to the breakdown of the Pahlavi dynasty. On May 23, 1997, the fourth wave of democratization, called the Reform Movement or the 2nd Khordad took place. On May 23, 1997, Muhammad Khātāmī, as a moderate and reformist candidate, defeated his conservative opponent. The above events show, for more than a century, Iranian constantly have attempted to democratize the authoritarian regime, but it alternates between democratization and authoritarianism and usually fails in the transition stage. For instance, the first wave of democratization was interrupted by the military intervention and Rezā-shāh emerged as a military dictator on December 11, 1925. On 19 August 1953 the cycle of authoritarianism was repeated again when the Oil Nationalization Movement failed and the Muṣaddiq government collapsed through a military coup, and Muhammad Rezā Shāh returned to absolutist kingship for twenty-six years (See Kātouzīān, 1981; Foran, 1993;

Sāei, 2007). These indicate that the democratization process in Iran has often resulted in the creation of a newly shaped authoritarian structure rather than an institutionalized democratic regime.

My main argument is that Iranian society has not yet fulfilled the requirements of a democratic system. Meanwhile, the democratic process has not been interrupted, as the evidence demonstrates that some of the minimum criterion of the transition process, such as the politics of holding periodic elections, have been realized in Iran. Therefore, it might be reasonable to argue that there is democratization in Iran, but not democracy, so democratization is used instead of democracy in this paper. I argue that Iran is currently in the transition zone, which has started since 1997, the beginning of president Khatami's era. This paper focuses on the second phase of democratization, democratic transition, by studying its two minimum criteria: electoral participation and competition. As I will demonstrate later, the rate of electoral participation and competition vary widely over time and its distribution is mostly different in the electoral periods in Iran. On the basis of the above discussion, the following research question is developed: "How can variation of the democratic transition be explained in Iran from 1909 to 2013"?

The main purpose of this research is to explain democratic transition by the modernization approach and to evaluate some critical aspects of democratization in Iran and to recommend some suitable solutions.

2. Democratization literature

The review of democratization literature indicates that there are different theoretical approaches to explain democratization (see Pother et al. 1997; Gill, 2000, Putnam, 1993, Inglehart et al., 2005), but according to the main purpose of this study, I emphasize the modernization approach. My argument is that the modernization approach focuses on changing social and economic structures favorable to democratization. Theoretically, the basic premise of the modernization approach is that the socio-economic

development is a necessary condition for democratization. The relationship between economic development and democratization can be demonstrated by the intermediate mechanism that connects them. Based on the causal mechanism idea, the economic development leads to the following outcomes:

1. The increase of literacy rate, education, and urbanization;
2. The creation and strengthening of middle class;
3. The creation of civil society;
4. The creation of democratic culture.

These outcomes promote the differentiation of social structures which itself leads to the separation of political structures from other social structures (i.e., governing institution from economic or religious institutions). This social differentiation makes a society ready to proceed to democratization. The increase in socio-economic development stimulates the development of a new social class and intellectuals, who challenge the established social groups, demand civil rights and attempt to participate in political decision-making processes (see Diamond, 1999; Lipset, 1994, 1959; Gill, 2000; 1994; Putnam, 1993; Huntington, 1995; Vanhanen, 2003; 1997; 1993; 1990; Inglehart et al, 2005). Socio-economic development changes not only social structures, but also social values. Changing values (e.g. moderation, conciliatory, secularization and tolerance) in turn facilitates democratization (see Diamond, 1999). Socio-economic development is conducive to cultural change that helps stabilizing democracy. On the basis of this theory, the logical structure of theoretical apparatus has been formulated as follows:

[(Socio-economic development \supset democratization)]

As already discussed, this paper focuses on the transition stage, one of the three- phases of the democratization process, in Iran. My argument is that there is a positive relationship between the level of socio economic

development and democratic transition, so that if the degree of socio economic development increases, the degree of democratic transition increases too in Iran during 1909 to 2013.

3. Methodology

To test the above hypothesis, the following operational indicators for the concepts of democratization, Socio-economic development are defined.

Democratic transition: I use the following two dimensions to measure the concept of transition: electoral participation and competition. These indicators are the minimum criteria to measure the transition process. The rate of participation is obtained through calculating the proportion of participants in the elections to the population having the necessary qualification, multiplied by 100. The value of competition is calculated by subtracting the percentage of the votes of the elected person in presidential election and the arithmetic mean of the percentage of the votes of the elected persons in parliamentary election from 100; the higher this rate, the more higher the competition. In this paper, competition and participation are combined into an Index of transition, which is calculated by computing the arithmetic mean of the two variables: electoral participation (EP) and electoral competition (EC).

Socio-economic development: To measure socioeconomic development, the following three dimensions have been defined: economic development, educational development, and urbanization. Four operational indicators have been used to measure the level of economic development:

- Gross National Product (GNP);
- Investment in all economic sectors;
- Investment in industrial sector;
- Per capita income.

The index of economic development has been developed by calculating the arithmetic mean of the above variables. For educational development,

the indicators are the rate of literacy, the percentage of intellectuals (professors, teachers, and students in universities) and the percentage of students in schools. The index of educational development has been constructed by calculating the arithmetic mean of three variables: the rate of literacy, the percentage of intellectuals, and the percentage of students in schools. The rate of urbanization is measured by calculating the proportion of the total urban population to the total population multiplied by 100.

Finally, the index of socioeconomic development is calculated as follows:

Index of Socioeconomic development = (Zscore of Economic Development Index + Zscore of Educational Development Index + Zscore of urbanization Index) / 3.

Units of analysis: This study contains two analysis units: parliamentary and presidential elections. The number of parliamentary elections is 32 and of presidential elections is 10.

Data sources: Election data was collected from the electoral documents in the Official Documents Centre of Iranian Parliament and the Official Documents Centre of Ministry of Interior. The data for analyzing economic development was gathered from documents available on the website of the Central Bank of Islamic Republic of Iran. The data of urbanization, literacy rate, and the number of professors, teachers and students (in school and university) were obtained from the documents available in Statistical Centre of Iran, Centre of Iranian Parliament, Ministry of Education (Iran) and Ministry of Science, Research and Technology (Statistical Year Book, 1925; 1932 to 1948 ; 1956; 1966; 1979; 1983; 1986; 1991; 1992; 1993; 1994; 1996; 1999; 2001; 2002; 2003; 2006; 2011; 2013 ; Iran in Statistical Mirror, 1981; National Accounts of Iran in Central Bank of Iran; Statistics of Iran's Higher Education in 50 years of Pahlavi period, 1976; Statistics of Iranian Education, 1964; 1967; 1969; 1994; 2003; 2004; Statistics of Higher Education, 1975; 1978, 1991; 1996; 1998; 2003; 2004).

Analysis method: The hypothesis has been evaluated using linear regression technique.

4. Empirical analysis

In this section, the democratic transition in Iran is empirically discussed through descriptive and explanatory analysis. The results of descriptive statistics can provide a basis to understand the problem of transition in Iran based on elections periods. The sources of relevant data for transition are cited in reference list. The descriptive statistics of democratic transition for 1909 to 2013 are presented in Table 1.

Table1. Index of democratic transition (1909 to 2013)[\]

Variables	Minimum	Maximum	Range	Mean	Std. Deviation
democratic transition	19.45	64.63	45.1	40.8	13.119
Electoral Participation	7.51	79.92	72.4	49.1	17.710
Electoral Competition	5.48	67.30	61.8	31.5	18.281

The mean value of democratic transition in Iran during the last century is 40.82 and its minimum, which is 19.45, refers to the 20th parliament of the Muhammad Rezā Shah period. The maximum of democratic transition occurred in the 6th parliament after the Iranian revolution in 1979. The rate of electoral participation is 49.13 during 1909 to 2013; the highest of which occurred in 1997, i.e. the 7th presidential election. The mean value of electoral competition is 31.55, varying from 5.48 in 1989 to 67.30 in 1909. The findings imply that the distribution of democratic transition rate is mostly different in Iran. The following diagram highlights the problematic variation of democratic transition based on empirical data of Index of Democratic Transition in the total electoral phases.

\. This data excludes the 10th presidential election. In the 10th presidential election the rate of electoral participation was 84.83, which was incompatible with other elections.

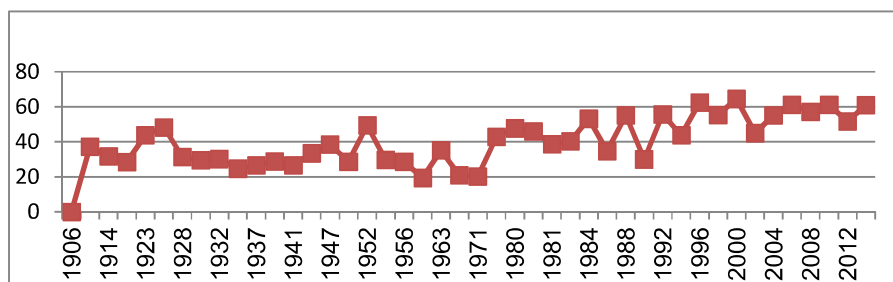


Diagram 1. Index of Democratic Transition

To explain this variation, as mentioned before, this study concentrates on the causal condition of socioeconomic development. At first, I evaluate the relation between the six basic explanatory variables and the measures of democratic transition. It provides a solid empirical basis to estimate prospect of democratic transition in Iran in terms of single variables. The relations are presented in table 2. Table below shows the results of simple linear regression of the economic development variable on democratic transition, and its components: Electoral Participation and competition.

Table 2. Regression of democratic transition on variables of socioeconomic development

Var	Democratic Transition					Electoral Participation					Electoral Competition				
	R	R ²	C	B	sig	R	R ²	C	B	sig	R	R ²	C	B	Sig
GNP	.68	.46	40.53	11.09	.00	.51	.26	53.18	9.37	.00	.55	.31	27.8	12.8	.00
RL	.73	.54	29.22	.29	.00	.69	.48	39.07	.32	.00	.51	.27	19.38	.27	.00
IIN	.68	.46	32.26	3.11	.00	.61	.37	42.72	3.24	.00	.49	.24	21.8	2.97	.00
PCI	.44	.19	40.18	8.46	.00	.23	.05	54.34	5.15	.2	.43	.18	26.02	11.7	.00
IAES	.65	.42	39.50	10.36	.00	.49	.24	52.25	8.8	.00	.52	.27	26.75	11.88	.00
IIS	.52	.27	46.4	7.05	.00	.27	.07	58.10	4.22	.1	.51	.26	34.62	9.89	.00

GNP(Gross National Product); RL (literacy Rate); IIN (intellectuals Index); PCI (Per capita income); IAES (Investment in all economic sectors); IIS (Investment in industrial sector).

Table2 indicates that all the explanatory variables are strongly correlated with the democratic transition, and the explained variance in democratic transition varies from 0.19 to 0.54 percent, and literacy explains the highest proportion of variation. The second highest are GNP and intellectual variables, with the same determination coefficients.

$$Y(\text{democratic transition}) = 29.22 + 0.29 (\text{literacy rate}).$$

The regression coefficient of literacy rate is 0.29; it means that if the change in the proportion of literacy increases by one unit, then the change in the proportion of democratic transition is expected to increase 0.29 units.

$$Y(\text{democratic transition}) = 32.26 + 3.11 (\text{intellectuals})$$

The empirical evidence shows that for every unit increase in the rate of intellectuals, we would expect a 3.11 increase in democratic transition. Per capita income explains 19 percent of the variation in democratic transition. The other results are interpreted in the same way.

To test socioeconomic development theory, the three basic explanatory variables, economic development, urbanization and educational development, were combined into an index of socioeconomic development by calculating their arithmetic mean. Specifically, I aggregated the variables and used their combination as the principal explanatory variable.

Table 3. Regression of democratic transition on socioeconomic development

	Democratic transition	Electoral Participation	Electoral Competition
R ²	0.56	0.35	0.53
Durbin-Watson	1.8	1.9	1.8
C	36.60	50.78	22.77
B	16.47	10.74	20.97
Sig	.00	.00	.00

Note: According to the value of Durbin-Watson statistic, after solving the problem of autocorrelation, I have presented the regression results in Table 3 and analyzed the findings in this study.

The findings indicate that there is a positive relationship between the level of socio economic development and democratic transition. The proportion of the total variance of democratic transition which is explained by the socioeconomic development is 0.56. The explained part of variation

1. Treating time series data as independent may lead to problem of autocorrelation. The autocorrelation problem was tested using Durbin-Watson statistic. Its value ranges from 0 to 4. A value near to 2 indicates non-autocorrelation. A value close to 0 indicates positive autocorrelation, while a value of 4 indicates negative autocorrelation.

in democratic transition can be regarded as a high degree of explanation, which is statistically significant at the .05 level.

Socioeconomic development explains 0.35 percent of the variation in participation and 0.53 percent of the variation in competition. Only 44 percent of the variation in democratic transition remains statistically unexplained. The unexplained part of variation seems to be due to other explanatory variables, including historical and institutional setting and also measurement errors.

$$Y(\text{democratic transition}) = 36.60 + 16.47(\text{socioeconomic development})$$

The intercept value is equal to 36.60, i.e., the value of democratic transition, when the change in the proportion of socioeconomic development is zero. The regression coefficient of socioeconomic development is 16.47. It means that if the change in the proportion of socioeconomic development increases by one unit, then the change in the proportion of democratic transition is expected a 16.47 unit increase.

The relations of the socioeconomic development with the electoral participation and electoral competition is the same.

$$Y(\text{electoral participation}) = 50.78 + 10.74(\text{socioeconomic development})$$

$$Y(\text{electoral competition}) = 22.77 + 20.97(\text{socioeconomic development})$$

The coefficients for predicting the electoral participation and electoral competition from the variable of socioeconomic development are 10.74 and 20.97 respectively. It means that for a one- unit increase in socioeconomic development, we would expect a 10.74 increase in the electoral participation and a 20.97 in the electoral competition.

As a result, it can be said that the findings of this research empirically confirm the first hypothesis by 0.56 percent. It means that democratic transition is positively correlated with socioeconomic development, so that the greater the degree of socioeconomic development, the greater the degree of democratic transition. In another word, the empirical evidence indicates that if the rate of socioeconomic development increases, the degree of

democratic transition also increases. This observational statement temporarily supports the hypothesis about the positive relation between socioeconomic development and democratic transition, at the same time the hypothesis as a theoretical statement is possible to be falsified.

5. Discussion and Conclusion

As I said earlier, the modernization-oriented approach focuses on the changes of social and economic structures suitable to democratization. The socioeconomic development facilitates the process of democratization. The structural conditions are significant for democratizing processes and democratic changes are less likely to happen when the level of development is low and citizens are poorly educated. The empirical findings indicate that the theory of this research has a high explanatory power. The relationship between democratic transition and a combination of socio-economic variables is 0.67 which is considered very high in social sciences. This result can be regarded as a high degree of explanation. It means that greater socioeconomic development implies greater democratization.

As a result, if there is positive change in the proportion of the socioeconomic development, then the proportion of democratization will be increased in Iran. In other words, if the positive changes of the socioeconomic development continue, a suitable structural conditions would be strengthened for the stability of democracy through changes in the class structure, and in turn, it will lead to increase the number of intellectuals and middle class citizens. If the majority of a society is able to write and read, the social conditions for democratic consolidation are more suitable than in a society in which the majority of the population is illiterate. It can be said that the effective democracy would be created and stabilized by the modern social forces like literate citizen, intellectuals and middle class citizens. The modern social forces are important for democracy. They

could usually pursue their own profits and gain more civil rights by forming civic community such as voluntary association, and social networks of civic engagements and in turn challenge authoritarian regimes.

As for the theoretical implication of this research it can be said that observational statements about democratization are compatible with our theory. However, the following model is reformulated as a theoretical outcome¹.



Model. 2

According to model2, economic development explains democratization through causal mechanism of the new middle class and civil community. The logic behind this theoretical reasoning stipulates that socioeconomic development has a positive effect on emerging and increasing middle class. The middle classes follow their social values and profit through the establishment of democratic institutions and civic community. Then civic community leads to democratic consolidation. The more civic community develops, the more the ability of political actors in effecting political processes (pressure on authoritarian regimes) will intensify.

Generally, it must be considered that scientific research is based on trial and error. The end of every research is the beginning of a new problem. In this research, explained variance of democratization is 0. 46, which means that the residual variance is 54%. This variance is related to other factors that are not presented in this research. Hopefully, other researchers will continue researching on democratization in Iran with the observations which have been made in the present paper.

1. This model focuses on middle class. It seems middle class is important in the historical political processes. My argument is that the process of socioeconomic development generates middle class that can potentially facilitate the process of democratization. In fact, socioeconomic development provides prerequisites of democracy and middle class can make it.

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