IMPACT OF ECONOMIC DEVELOPMENT ON DEMOCRACY: A CASE STUDY OF KAZAKHSTAN AND UZBEKISTAN FROM 1991-2016¹²

Erdi TOPÇUOĞLU Sezai ÇAĞLAYAN

ABSTRACT

The relationship between economic development and democracy has dominated academic discourses for decades. The theoretical and empirical evidence remain ambiguous about the direction of causality or the magnitude of the impact on each other. Exploiting a qualitative (case study) approach, this study examines the impact of economic development on democracy in Kazakhstan and Uzbekistan for the period 1991-2016. The study suggests that economic development in Kazakhstan and Uzbekistan may not have had an impact on the country's democratisation process. Although the study is limited by its case study design, it provides valuable insights into the democracy-economic development nexus.

¹ Arş. Gör Erdi TOPÇUOĞLU (Bartın Üniversitesi)

² Arş. Gör. Sezai ÇAĞLAYAN (Samsun 19 Mayıs Üniversitesi), sezai.caglayan

Introduction

The connection that political regimes and economic development have shared for a long time has been one of issues in academic debates. Yet, there is a bigger question as to which of two impress the other? Some argue that economic development constitutes to a basis for political regimes, but it is conversely argued that political regimes have the key role in economic development. Przeworski (2003: 1) argues that democracy can only be in question in developed countries. In other words, economic development has an ability to force states to get make their democracies better. This claim has found many other supporters (Przeworski et al., 2000; Huber, Rueschemeyer & Stephens, 1993; Djezou, 2014; Chen & Feng, 1999; Muller, Bollen & Jackman, 1995).

However, for the poor countries like in Africa and Asia, emergence and resistance of democracy do not show the fact that the above argument is utterly true (Ciasc, 2013), though being democratic is excessively a controversial issue. For the most part, a number of developing countries are presently shaped by the regimes in an autocratic or less democratic way although they try to advance their economic development over the years. This reveals the irrelation between economic development and democracy. This inference also confirmed by many studies (Haan & Siermann, 1995; Wu, 2012; Doucouliagos & Ulubasoglu, 2008; Libman, 2012; Diebolt et al., 2013). Even though the discussion as to the relationship between economic development and emocracy has not ended up, it is agreed that the two has an inextricable nexus.

The nexus between the two discourses has been excessively examined, yet this paper will investigate the impact of economic development on democracy. Academic studies carried out in this point have not assessed specific cases and thus they suggest general conclusions. In fact, as far as the researcher is concerned, no research has so far been conducted to investigate the impact of economic development on democracy in Kazakhstan and Uzbekistan. In order for the fulfilment of this gap, the paper will analyse if economic development has had any influence on Kazakhstan and Uzbekistan's political regimes. This paper consists of a case study of the influence of economic development on democracy in Kazakhstan and Uzbekistan

Literature Review

Theoretical Framework

Economic development essentially means to qualitative and quantitative changes in economy (Przeworski et al., 2000). Macroeconomic variables such as investment, capital stock, gross domestic product (GDP), per capital income, income allocation, human resources and social wellbeing are all included in economic development. Labour force, urbanisation, industrialisation, technological advancement and education are the other indexes for economic development (Lipset 1959: 75). Increases in GDP or per capita income are not the only concerns for economic development, socioeconomic welfare of citizens is also vital.

Democracy is a political regime that lets leaders to be elected in an independent contested elections (Przeworski, 2003; 3). According to Lipset (1959: 71), democracy is the political system guaranteeing constitutional changes for every political ruler. He also adds that democracy as social mechanism allows majority to choose only one among candidates. Edwards & Thames (2010: 185) defines democracy as the reinforcement of political establishments. The notion also refers to equality before the law and respect for human rights

Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

for all citizens as pointed out by Kubiszewska (2013:455). The need for property security and human rights protection, encouragement of investment incentives and finally social and economic welfare for everyone are important in this regard.

Przeworski et al., (2000: 19- 20) gives an exact definition of democracy by touching on two main components: 1) the election of chief executive and legislature must be realised by all citizenry; 2) the number of political parties must be at least two. It is possible to see the completion of this criterion, yet it is not possible to understand they apply real democracy because some countries are ruled by the same political party from the beginning of the establishment. In other words, there is no possibility for opposition parties to win elections. Botswana can be given a proper example for this case (Przeworski et al., 2000: 23). Even though some other countries meet the two criteria that Przeworski suggests, they are, however, known as media oppressor, human rights and civil liberty violators like freedom of expression. Cuba, Paraguay, Haiti and Venezuela are the ones in this case (Lipset, 1959: 74). Because of these reasons, it is controversial to clarify what attributes should comprise a democracy. Yet, it is not a great deal to differentiate whether the regime in question is democratic or not. There are three central schools of thought as to theoretic discussion between economic development and democracy: the conflict school of thought, the compatibility school of thought, and the sceptical school of thought (Fida & Zakaria, 2011: 70). Conflict school of thought argues that democracy is a valuable product and the-have-nots cannot afford it. Facilitation of economic boost as a result of strict economic policies can be seen in authoritarian regimes. This model briefly claims that democracy is an impediment for economic development.

On the other hand, the compatibility view claims that the leaders elected will become looters and democracy in this regard can be a tool for constraining them. According to this view, politics, economy and the society have systematically a relationship. This claim is the focus of the modernisation theory (Huber, Rueschemeyer& Stephens, 1993: 71). This view also adds that Haan&Siermann (1995: 200), political rights, civil liberties and democracy itself pave the way for economic development. Tight junction between political and economic environment is also expressed by political-economy literature (Gersbach&Siemers, 2014). Yet, Jaunky (2013: 987) warns that causality could be stronger in the short period.

The sceptic view claims that political regimes and economic development do not have any systematic relationship (Fida&Zakaria, 2011). According to this view, economic development is much more affective for institutional structure and organisation when compared to political regimes. Wu (2012: 384-385) likewise argues that natural resource endowment and external threats as structural elements are important for democracy to be effective on economic development. In the event that structural factors are leading for growth, autocracies might become more sufficient for economic development when compared to democracy as pointed out by Wu (2012). Precise assessment of the effect of democracy on economic democracy by Haan & Siermann (1995), appearing more oriented to the previous view (sceptical) argues that although the connection between economic development and democracy might be important, it is not robust. Markets do actually have force to deliver growth irrespective of political regime (Doucouliagos&Ulubasoglu, 2008: 64-65). Despite the fact that contradictions exist between democracy and economic development, the link between them is absolute.

The Relationship between Economic Development and Democracy

The nexus between economic development and democracy is still controversial in the literature. Yet, it is mostly accepted that political regimes have important power to shape

Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

economic development. Edwards & Thames (2010: 199), for example, assert that the more political development leads to the more economic development. Democracy is effective for economic development and it make stabilised political environment, promotes the rule of law and free selection as well as it hinders corruption and profitless policies (Fida&Zakaria 2011: 67; Wu, 2012: 365). This explanation shows how come stable democracies achieve to be good at managing crises, avoiding catastrophes and handling conflicts. (Gersbach&Siemers, 2014), state the importance of democratic institutions in favour of economic development and claim that constitutional rules properly established - not only majority voting – have the power to affect economic development. In reality, Sens (1999) highlights famine examples do not exist in democratic societies (cited in Diebolt et al., 2013: 734). That is why, democracy is a pillar for the maintenance of economic development.

Nonetheless, Przeworski et al. (2000: 13), express that realising the emergence and survival of political regimes are primarily needed in order to understand if political regimes affect economic development. Different trajectories can sometimes be a matter for democracy as far as its development is concerned. (Przeworski, 2003; 4). While transition from democracy to despotism might come into question, vice versa is also possible. Some countries even witness more than one transition. In spite of this, international pressure, government type, colonial heritage, natural culture, income allocation per capita income and education are the reasons that are responsible for the endurance of democracies (Przeworski et al., 2000: 81).

Per capita income in Mali governed by dictatorship in 1985 grew by 5.35 % (Przeworski, 2003: 2). Thus, the question that has to be asked turns into this type of question: would the growth rate have been different had the country been a democracy? This question requires an answer whether the effect of democracy on economic development is to be found. Mali cannot be the proper instance for established democracy in 1985, France can thus be used for comparative analysis. France governed by democracy had \$12,206 per capita income and it grew by 1.4 % in 1985. Then, can a question be asked as to the relationship between slower growth rate and democracy? It is also vital to make a comparison that on 1985 - dictatorship that would be like the economic development of 1985-France. Singapore was recorded as the wealthiest dictatorship in the same term. However, per capita income in Singapore was \$11,968, slightly blow that Franca had (Przeworski, 2003; 2). These indications show that there is a complex relationship between economic development and political regimes.

It is a fact in reality that democracy exists in most developed societies whereas dictatorship is shown in mostly less developed countries and thus democracy can be regarded as the accelerator of economic development. Yet, this is not valid all the time because political regimes vary in different conditions (Przeworski, 2003; 2). It means that per capita income is not the only indication to verify the impact of democracy on economic development. Civil war, international pressure, economic crises, colonial heritage and collapse of dictators have also effects on the relationship in question (Przeworski, 2003; 5). However in general, it is fact that developed societies are willing to be governed by democracy whereas the have-nots tend to be governed by dictatorships. Democracy therefore finds a place for itself to emerge in economically developed areas as pointed out by the modernisation theory. But, as it is seen in India, it is also possible that democracies may come in sight in economically undeveloped societies. Democracies anyway survive in developed countries once established. In the same vein, a country has more potential to sustain its democracy as long as it maximises its economy (Lipset 1959: 75). Democracies not properly established may easily face to be vanished.

Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

Lipset (1959) approached to the nexus between economic development and political regimes from sociological and behavioural perspectives. He (1959: 75-85) further claims that sociological and behavioural factors like education, literacy rates, religious beliefs and urbanisation that promote democracy are requirements of economic development. Yet, this is not valid all the time because countries may have different democratic transitions though they have the same literacy or urbanisation level. For example, Balkan states come into existence from the same political-economic system in 1990s, they, however, have no one type and stage of democracy or economic development at the moment (Kubiszewska, 2013: 454). Lipset (1959) overall argues that durability of democracy is promoted by economic development. Some middle-income and upper middle-income countries such as Portugal and Spain in 1960s and 1970s are not places where this assertion realised since they were predominantly surpassed by some other countries like Turkey, Argentina, South Korea, Malaysia and Brazil (Muller, Bollen& Jackman, 1995: 1980). Discrepancies in income equality leading to authoritarianism and instability explain the above situation in some modernising countries.

A test as to the influence of economic development on democracy has also been realised in developing countries. According to a case study called Cote d'Ivoire carried out for the relationship between economic development and democracy within the period of 1960-2012, economic development is a precondition for the establishment of democracy (Djezou, 2014). Yet, there must be a considerable economic increase to make an effect on democracy. Comparative analysis carried out by Chen & Feng (1999) illustrates that countries' political regimes are extremely related to economic development of that country in question. Countries like Chile, South Korea, Taiwan, Russia and most Eastern European countries that have passed from dictatorship to democracy since 1980s partially verify this assertion. Chen & Feng (1999: 2) claim that this transition has mostly realised by economic wealth. However, these countries may relatively have lower democratic scale when compared to the countries such as Switzerland, Canada, Australia and the UK with more democratic values.

Even though there is a strong link between economic development and democracy, there are other cases that claim opposite. For example, Brunei is economically a developed country, but it is still governed by monarchy (Ciasc, 2013: 301). Singapore and Malaysia are also countries with economic development stage but they are not examples of stable democracies. Economic development is not really an indication for democracy. Most of countries with economic welfare define democracy as an impediment.

As stated by Przeworski et al. (2000) and other studies carried out in the field, though poor or developing countries do have democratic regimes, it is not easy to keep democracy in these countries stable. Like the above examples Singapore and Malaysia, China has also had important economic achievements since 1980s. Development of democracy has been facing serious problems in this country (Djezou, 2014: 262). Some even argue that economic boost in China is just to be sustained in an undemocratic political regime (Zheng, 1994). Nega (2011:320) claims that the reason why economic development cannot promote democracy is authoritarian regimes. According to Krieckhaus (2006: 317),that economic development does not sustain democracy in China and other Asian countries is related to the fact that elites in these countries overwhelmingly focused on dramatic industrialisation. Therefore, the pressures for democracy might be an obstacle for economic development. The states like China and Singapore with adequate economic stage do not have sufficient level of democracy and this situation casts another doubt into the compatibility between the two.

On the other hand, social and economic performance can directly be affected by lack of democracy. This is valid for African societies. Krieckhaus (2006) argues that patrimonialism

Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

has shaped African countries and the leaders leading to corruptions can be removed from power by democracy.

Some studies show that economic development and democracy have no linear relationship. According to them, when the link between economic development and democracy in Pakistan between the periods of 1947-2006 is examined, democracy has weak negative effects on economic development as stated by Fida & Zakaria (2011). The reasons that cause this are lack of accountability, sense of responsibility on the part of elected representatives, limited participation of middle class in politics, military interferences and weak socioeconomic structure (Fida&Zakaria, 2011: 69-70).

In a Meta-analysis of 84 studies as to democracy and economic development, Doucouliagos & Ulubasoglu (2008) show that economic development is not directly influenced by democracy. This analysis, however, demonstrates that there is an indirect impact of democracy on economic boost with regard to lowering inflation, managing high level of economic freedom, human capital and encouraging political stability. A study of Russian regions adds further driving forces to the idea that a non-linear nexus between democracy and economic performance does not exist (Libman, 2012). This case study says that bureaucracy mostly associated with autocracies may negatively affect economic development. According to the study which was conducted by Piatek, Szarzec & Pilc (2013) over 25 post-socialist countries defends the impartiality between economic development and political freedom.

Even though compelling proof seems for the presence of a nonlinear nexus between democracy and economic development, it is vital that most studies in the field concentrate upon a few elements of economic development like labour force, mortality ratios, capital stocks, income allocation, human capital, industrialisation, education and technological development. These studies conducted thus do not wholly show the clear link between political regimes and economic developments. It is vitally controversial that how each of the various economic factors are influenced by the basic political regimes. For example, GDP growth and investment are not affected by political regimes though per capita income makes great progress in democratic regimes when compared to dictatorships as pointed out by Przeworski (2003;1). Nevertheless, stability of politics makes extremely an effect on economic development (Przeworski et al., 2000: 187). Growth rate of economy, in other words, depends on a proper political climate regardless of character of the underlying political regime.

In a nut shell, theoretical and empirical evidences demonstrate that there is no agreed point on the nexus between democracy and economy. Yet, this is certain that economic development and political regimes are embrangled. What makes the studies conducted in the field inefficient is that they have been carried out in a single region or in a group of countries. Specifically, no research has been made on Kazahstan and Uzbekistan in this regard. Thus, an assumption exists that findings resulted from previous researches express the nexus between economic development and democracy in individual countries. This cannot be true all the time. For these reasons, this paper aims to examine if economic development has made any contribution on Kazakhstan and Uzbekistan's democracy.

Methodology

This study aims to examine the impact of economic development on democracy, with a special focus on Kazakhstan and Uzbekistan. In order to achieve the aim, a case study design is adopted. Though this design permits an in-depth understanding of the phenomenon under

Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

investigation, its findings may not be readily generalised to the larger population (Bryman, 2008). Nonetheless, the approach is deemed the most appropriate for achieving the research objective.

Economic development is treated as an independent variable, while democracy the dependent one. As it is mentioned earlier, the economic development variable is an aggregation of several sub-variables ranging from GDP and per capita income to investment level, capital stock, income distribution, human capital, social welfare, labour force, urbanization, industrialization, technological advancement, and education. Nonetheless, due to the unavailability of data, it was not possible to include all these items in measuring Kazakhstan's and Uzbekistan's level of economic development. The study therefore focused on the following elements: GDP growth rate, per capita income, percentage of population living in poverty, life expectancy at births and infant mortality rate. Information about these elements was obtained from the World Bank website. The study paid attention to the period 1991 to 2015. The choice of this period was informed by the fact that it was only possible to get democracy indexes for both Kazakhstan and Uzbekistan from 1991 and also this year is the year of gaining freedom for the given countries.

A major concern when measuring the extent to which a country is democratic relates to what attributes constitute a democracy (Edwards & Thames, 2010: 188). Whereas it is universally agreed that competitive political elections are a major hallmark of democracy, it is also felt that democracy extends beyond elections to respect for human rights, press freedom and political participation. Democracy was measured using data from Freedom House. Freedom House's democracy index aggregates the political participation, and the functioning of electoral processes, pluralism and political participation, and the functioning of government) and the civil liberties index (which measures press freedom, freedom of speech and expression, freedom of religious association, and rule of law) (Jaunky, 2013; 989). The index ranks the level of freedom in 195 countries on a scale of 1 to 7, with 1 depicting the freest and 7 the least free.

The choice of Freedom House data was informed by its popularity and extensive use in literature, especially in studies relating to the relationship between economic development and democracy. The index is, however, criticised for potential biasness and errors owing to the subjectivity employed when aggregating it (Jaunkey; 2013; 1989). Additionally, the index may not be a complete depiction of a country's level of democracy given the multifaceted nature of the democracy variable. The index all the same provides a more comprehensive definition of democracy as compared to the minimalist approach of other indexes.

To avoid technicalities in data analysis, the collected data was analysed and presented in simple descriptive tables. Data analysis and interpretation simply involved comparison of economic development as a whole to democracy index at a given point in time.

Findings And Discussion

Economic Development in Kazakhstan

The history of modern Kazakhstan dates back to 1991, when the country gained independence. Since then, the country has made significant strides in terms of economic development. On 16 December 1991, Kazakhstan became the last Soviet republic to declare independence. Its communist-era leader, <u>Nursultan Nazarbayev</u>, became the country's first

Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

President, a position he has since retained. Kazakhstan's economy is larger than those of all the other Central Asian states largely due to the country's vast natural resources (CIA, 2016).

Today, Kazakhstan boasts the 39th largest economy in the world in terms of purchasing power parity (PPP), with a GDP growth rate of 1.2% as at 2015 (World Bank, 2016). Table below 1 below summarises Kazakhstan's economic development indicators.

Year/Indicator	1991	1996	2001	2006	2011	2015
GDP growth rate (%)	-11	0.5	13.5	10.7	7.2	1.2
Per capita income (PPP) (\$)	1,512	1,350	1,490	5,296	12,102	10,508
% of population in poverty (\$1.90 a day)	-	-	2.56	0.11	0.01	0
Life expectancy at birth, total (years)	67	64	65	66	68	71
Infant mortality rate (per 1,000 live births)	44,5	44	35,7	26,8	17,5	12,6

Table 1: Economic development indicators (Source: World Bank)

Democracy in Kazakhstan

As a free country Kazakhstan has a unitary republic political system. Its first President Nursultan Nazarbayev is still in charge. The President might veto legislation that has been passed by the Parliament. He is also the commander in chief of the armed forces. The Prime Minister chairs the Cabinet of Ministers and serves as Kazakhstan's head of government. Current issues include: developing a cohesive national identity; expanding the development of the country's vast energy resources and exporting them to world markets; managing Islamic revivalism; diversifying the economy outside the gas, oil, and mining sectors; enhancing Kazakhstan's economic competitiveness; developing a multiparty parliament and advancing political and social reform; and strengthening relations with neighbouring states and other foreign powers. (CIA, 2016).

Today, Freedom House ranks Kazakhstan as a not free country (Freedom House, 2016). Table 2 below summarises the extent to which Kazakhstan is democratic.

Dumlupınar Üniversitesi Sosyal Bilimler Dergisi / Dumlupınar University Journal of Social Sciences Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

	Status	Freedom Rating	CL	PR
1999	NF	5.5	5	6
2001	NF	5.5	5	6
2004	NF	5.5	5	6
2007	NF	5.5	5	6
2010	NF	5.5	5	6
2013	NF	5.5	5	6
2015	NF	5.5	5	6

Key: PF = Partly Free, CL = Civil Liberties, PR = Political Rights

Table 2: Democracy Index, Kazakhstan (Source: Freedom House)

Economic Development in Uzbekistan

Uzbekistan is a landlocked country with more than 60% of the population living in densely populated rural communities. Since its independence in September 1991, the government maintained its Soviet-style command economy with subsidies and tight controls on production and prices. Despite ongoing efforts to diversify crops, Uzbekistani agriculture remains largely centered on cotton; Uzbekistan is the world's fifth largest cotton exporter and sixth largest producer. Uzbekistan's growth has been driven primarily by state-led investments, and export of natural gas, gold, and cotton provides a significant share of foreign exchange earnings. (CIA, 2016)

Today, Uzbekistan boasts the 60th largest economy in the world in terms of purchasing power parity (PPP), with a GDP growth rate of 8% as at 2015 (World Bank, 2016). Table 3 below summarises Uzbekistan's economic development indicators.

Dumlupınar Üniversitesi Sosyal Bilimler Dergisi / Dumlupınar University Journal of Social Sciences Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

Year/Indicator	1991	1996	2001	2006	2011	2015
GDP growth rate (%)	-0,4	1.7	4.2	7.3	8.3	8
Per capita income (PPP) (\$)	652	600	456	642	1,544	2,132
% of population in poverty (\$1.90 a day)	-	20(1998)	22(2002)	-	-	-
Life expectancy at birth, total (years)	66	66	67	67	67	68
Infant mortality rate (per 1,000 live births)	58,5	56,8	51,4	44,6	38,4	33,9

Table 3: Economic development indicators (Source: World Bank)

Democracy in Uzbekistan

After Uzbekistan declared independence from the Soviet Union in 1991, an election was held, and Islam Karimov was elected as the first President of Uzbekistan. President Islom KARIMOV, who rose through the ranks of the Soviet-era State Planning Committee (Gosplan), remained wedded to the concepts of a command economy, creating a challenging environment for foreign investment. Islam Kerimov died in 2 September 2016 and since then post-Karimov succession is the main concern of the country. The other current concerns include economic stagnation, pervasive corruption, declining quality of social services, persistent inability to adequately meet the country's energy needs outside of Tashkent, the curtailment of human rights, and the lack of democratization (CIA, 2016).

Today, Freedom House ranks Uzbekistan as a not free country (Freedom House, 2016). Table 4 below summarises the extent to which Uzbekistan is democratic.

Dumlupınar Üniversitesi Sosyal Bilimler Dergisi / Dumlupınar University Journal of Social Sciences Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

	Status	Freedom Rating	CL	PR	
1999	NF	6.5	6	7	
2001	NF	6.5	6	7	
2004	NF	6.5	6	7	
2007	NF	7	7	7	
2010	NF	7	7	7	
2013	NF	7	7	7	
2015	NF	7	7	7	

Key: PF = Partly Free, CL = Civil Liberties, PR = Political Rights

Table 4: Democracy Index, Uzbekistan (Source: Freedom House)

IMPACT OF ECONOMIC DEVELOPMENT ON DEMOCRACY IN KAZAKHSTAN AND UZBEKISTAN

Against the global economic crisis in last decades, both Kazakhstan and Uzbekistan has registered fair economic performance in the last two decades. Data from the World Bank (2016) demonstrates that though the rate of GDP growth has been volatile, the two countries have depicted impressive performance on more qualitative development indicators like per capita income, proportion of the population living below \$1.90 a day, infant mortality rate and life expectancy. Per capita income in Kazakhstan, for instance, has increased consistently from \$1,512 in 1991 to \$10,508 in 2015. Equally, the proportion of the population living below \$1.90 a day has decreased from 2.56% to 0% in 2015. These are certainly significant improvements in terms of socioeconomic wellbeing and the improvements also can be seen in Uzbekistan's data.

Nonetheless, a question that needs to be answered is whether the impressive economic performance has translated to improved democracy. According to data from Freedom House (2015), Kazakhstan has been on a stable trend since 1991, whereas Uzbekistan has been on a downward trend as far as freedom rating is concerned and both of them are ranked as a not free country in general. On the one side Kazakhstan's freedom rating was 5.5 in 1999, and this has not changed until now. On the other, Uzbekistan's freedom rating was 6.5 in 1999 and it decreased to 7 in 2007 (according to Freedom House' standards, '1' is the best '7' is the worst).

The increasing economic wellbeing of both Kazakhstan and Uzbekistan on one hand and the freedom house's data on the other suggests either of this: 1) economic development has negatively impacted the country's democratisation process; or 2) economic development may not have had any impact on the country's democratisation process. The first instance is highly unlikely as there is no evidence economic development negatively affecting democracy. Nonetheless, the second scenario is highly likely since there is an overwhelming wealth of

Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

evidence demonstrating that economic development does not necessarily lead to democracy as suggested by modernisation theory (Ciasc, 2013: Djezou, 2014: Zheng, 1994; Nega, 2011; Krieckhaus, 2006; Fida & Zakaria, 2011; Doucouliagos & Ulubasoglu, 2008; Libman, 2012; Piatek, Szarzec & Pilc, 2013). The deteriorating democratic reputation of Kazakhstan and Uzbekistan may perhaps be mediated by other factors such as dictatorship.

CONCLUSION AND RECOMMENDATIONS

This paper sought to investigate the impact of economic development on democracy in Kazakhstan and Uzbekistan. It has emerged that economic development in both Kazakhstan and Uzbekistan have had no direct relationship on the two countries' democratisation processes. Whereas the findings of this paper make significant contributions to the political-economic literature, specifically in Kazakhstan and Uzbekistan, it is important to note that there are some limitations. For instance, the data used to determine the extent of democracy in Kazakhstan and Uzbekistan may not be free of errors. Furthermore, it is difficult to take into account all the pertinent characteristics of a country when examining the relationship between economic development and political regimes. It would therefore be important to test the relationship between economic development and democracy by including more elements of economic development and more elements of democracy. Most significantly, the findings of this study may not be readily generalizable to other countries given the uniqueness of each country.

REFERENCES

Bryman, A 2008, Social research methods, 3rd edition, Oxford University Press, Oxford.

Central Intelligence Agency (CIA) 2016, The world factbook, Retrieved from:

https://www.cia.gov/library/publications/the-world-factbook/geos/kz.html

https://www.cia.gov/library/publications/the-world-factbook/geos/uz.html

Chen, B & Feng, Y 1999, 'Economic development and the transition to democracy: a formal model', *Social Choice and Welfare*, 16(1): 1-16.

Ciasc, R 2013, 'Do democracy and economic development compose a requisite association?', *Analele Universitatii 'Eftimie Murgu' Resita*, pp. 301-303.

Diebolt, C, Mishra, T, Ouattara, B & Parhi, M 2013, 'Democracy and economic growth in an interdependent world', *Review of International Economics*, 21(4): 733-749.

Djezou, W 2014, 'The democracy and economic growth nexus. Empirical evidence from Cote d'Ivoire', *European Journal of Comparative Economics*, vol. 11, no. 2, pp. 251-266.

Doucouliagos, H & Ulubasoglu, M 2008, 'Democracy and economic growth: a metaanalysis', *American Journal of Political Science*, vol. 52, no. 1, pp. 61-83.

Edwards, J & Thames, F 2010, 'Growth volatility and the interaction between economic and political development', *Empirical Economics*, 39: 183-201.

Fida, B & Zakaria, M 2011, 'Democracy and growth: a case study of Pakistan', *International Journal of Economic Perspectives*, vol. 5, no. 1, pp. 67-82.

Freedom House 2016, *Freedom in the world: Kazakhstan*, Retrieved from: <u>https://freedomhouse.org/report/freedom-world/2016/kazakhstan</u>

Afro-Avrasya Özel Sayısı-Aralık 2016 / Special number of Afro-Eurasia-December 2016

Freedom House 2016, Freedom in the world: Uzbekistan, Retrieved from:

https://freedomhouse.org/report/freedom-world/2016/uzbekistan

Gersbach, H & Siemers, L 2014, 'Can democracy induce development? A constitutional perspectives', *Public Choice*, 159: 177-196.

Haan, J & Siermann, C 1995, 'A sensitivity analysis of the impact of democracy on economic growth', *Empirical Economics*, 20: 197-215.

Huber, E, Rueschemeyer, D & Stephens, J 1993, 'The impact of economic development on democracy', *Journal of Economic Perspectives*, vol. 7, no. 3, pp. 71-85.

Jaunky, V 2013, 'Democracy and economic growth in Sub-Saharan Africa: a panel data approach', *Empirical Economics*, 45(2): 987-1008.

Krieckhaus, J 2006, 'Democracy and economic growth: how regional context influences regime effects', *British Journal of Political Science*, 36(2): 317-340.

Kubiszewska, K 2013, 'A democracy and economic development in Western Balkan', *Economic* and Social Development: Book of Proceedings, pp. 454-462.

Libman, A 2012, 'Democracy, size of bureaucracy, and economic growth: evidence from Russian regions', *Empirical Economics*, 43: 1321-1352.

Lipset, S 1959, 'Some social requisites of democracy: economic development and political legitimacy', *The American Political Science Review*, vol. 53, no. 1, pp. 69-105.

Muller, E, Bollen, K & Jackman, R 1995, 'Economic determinants of democracy', *Americal Sociological Review*, 60(6): 966-982.

Nega, B 2011, 'Short changing the value of democracy for economic development in Africa', *Forum for Social Economics*, 40(3): 313-334.

Piatek, D, Szarzec, K & Pilc, M 2013, 'Economic freedom, democracy and economic growth:
a causal investigation in transition countries', *Post-Communist Economies*, vol. 25, no.
3, pp. 267-288.

Przeworski, A 2003, *Democracy and economic development*, New York University, Retrieved 9 July 2015 from: http://politics.as.nyu.edu/docs/IO/2800/sisson.pdf>

Przeworski, A, Alvarez, M, Cheibub, J & Limongi, F 2000, *Democracy and development:* political institutions and wellbeing in the world, 1950-1990, 1st Edition, Cambridge University Press, Cambridge.

World Bank 2016, World development indicators, Retrieved from:

http://data.worldbank.org/country/kazakhstan

http://data.worldbank.org/country/uzbekistan

Wu, C 2012, 'When is democracy better for economic performance and when it is not: the interaction between polity and structural factors', *Studies in Comparative International Development*, 47: 365-388.

Zheng, Y 1994, 'Development and democracy: are they compatible in China?', *Political Science Quarterly*, 109(2): 235-259.