
| RESEARCH ARTICLE

An Analysis of the Relationship between Democracy and Capitalism Based on the Global Capitalist System: A Rebuttal to Almond's Thesis

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| ABSTRACT

This article critically examines the complex and often contradictory relationship between democracy and capitalism in the context of modernization, with a particular focus on rebutting Almond's (1991) thesis. Almond suggests that capitalism and democracy, despite their inherent tensions, can mutually reinforce each other through appropriate policies and institutions. In contrast, this article argues that the relationship between democracy and capitalism is not determined by a nation's will but rather by its position within the global capitalist system. For nations benefiting from this system, democracy, and capitalism may indeed promote each other. However, for those suffering under the global capitalist order, the two often conflict, leading to significant societal struggles. The article further explores the definitions of democracy and capitalism, emphasizing the inherent contradiction between political public ownership and economic private ownership. Through a critical analysis of historical and contemporary examples, the article demonstrates that democratization often emerges not from capitalism itself but from political movements against capitalist exploitation. The article concludes that the relationship between democracy and capitalism varies significantly between developed and developing nations, shaped by their roles within the global economic system. Ultimately, it calls for a reexamination of economic globalization's impact on democracy and explores pathways toward a more equitable global order.

| KEYWORDS

Democracy, capitalism, modernization, global capitalist system, democratization.

| ARTICLE INFORMATION

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1. Introduction

In the article "Capitalism and Democracy," Almond (1991) presents a realistic yet contradictory viewpoint. Capitalism and democracy support yet undermine each other, serving as mechanisms to address societal issues. Almond posits that although inherent tensions and contradictions exist between capitalism and democracy, a mutually beneficial relationship can be achieved through appropriate policy and institutional design, promoting overall societal well-being and stability. However, my article argues that the relationship between capitalism and democracy is not determined by a nation's will but rather by whether the nation benefits or suffers under the global capitalist system. For beneficiary nations, democracy and capitalism promote each other. For suffering nations, they tend to undermine each other, showcasing their respective struggles.

Almond (1991) does not provide direct definitions of democracy and capitalism in the original text, thus necessitating a discussion of their meanings before proceeding. Democracy, as understood in this article, is a political form where state intentions and actions reflect the interests of the majority of the populace. Any system that fails to do so, regardless of the degree of voting or freedoms allowed, is not considered democratic. Capitalism, as defined here, is an economic form characterized by clear and privatized property rights, where property is priced and traded in the market. Any system reflecting this is deemed a capitalist state.

Summarizing the Almond's (1991) viewpoint, the main contradiction between capitalism and democracy lies in capitalism's emphasis on competitiveness and materialism, which conflicts with democracy's advocacy for equality and justice. A well-functioning society is built on the compromise between these two. The deeper contradiction, according to my view, is the struggle between political public ownership and economic private ownership over resources and power. The essence of democracy indicates that the state belongs to all citizens, and the government acts to protect their interests. For capitalism, the government's value lies in violently endorsing clear and privatized property rights and maintaining market order. Democracy and capitalism inherently vie for whether various domains should be public or private. As capitalism progresses and its market competitions favor a minority through a 'Matthew effect,' the inherent contradictions between it and democracy intensify.

2. Methodology

This research employs a critical analysis approach, incorporating both historical and contemporary examples to examine the complex relationship between democracy and capitalism. The study reviews relevant literature, including theoretical works, case studies, and empirical research, to provide a comprehensive understanding of how these systems interact across different contexts. Emphasis is placed on maintaining the integrity of in-text citations to support the arguments presented.

3. Finding

How do capitalism and democracy interact amid these contradictions? Almond mentions that many countries have seen democratic movements emerge as capitalism reaches certain stages of development, also noting views that regard capitalism as a prerequisite for democracy. However, my article argues that it is not capitalism that directly fosters democracy; instead, political movements against capitalism have shaped democracy. In the pre-capitalist and early capitalist stages, despite many nations having parliaments or republic titles, their political essence often protected the interests of a few nobles, capitalists, and other upper classes and thus were not truly democratic. The democratization movement, beginning with the Chartism in Britain, initially reflected the proletariat's struggle against bourgeois exploitation (Cohen, 1998). The development of capitalism is accompanied by urbanization, with anarchists labeling cities as capitalist social prisons (Miller, 2023). However, it increased the proletariat's concentration, complicating the maintenance of the ruling order and facilitating their organization to fight for political power (Anthony & Crenshaw, 2014), thus shaping mass political movements for democratization (Resnick, 2012). The empirical research demonstrates that in democratization movements, the stronger the disruptive capacity of the proletarian struggle, the higher the degree of democracy achieved by the state (Usmani, 2018).

Developed and developing nations exhibit different behaviors in addressing the contradictions between democracy and capitalism, with democracy being national and capitalism supranational. Developed countries, often at the core of the global system, transfer the contradictions faced in democratic movements to developing nations through the hierarchical order of the world system. Capitalism, from its inception, has involved cross-border trade, and in a fundamentalist capitalist global market, governments merely serve the service sector without a community national status (Peters & Pierre, 1998). The world system denotes an economic order with different nations undertaking varying roles; this division of labor may align with comparative advantage theory but is inherently unequal. In the market, the primary comparative advantages that developing countries can offer are cheap labor and untapped resources, while the scarcity of industrial goods from developed countries far exceeds that of labor and land from developing countries, forcing developing countries to sacrifice the protection of their people and land to successfully integrate into the capitalist world system, thus causing contradictions with democracy. However, when democratization movements occur in developed countries, capitalism compromises with domestic democracy to establish modern national machinery serving capitalism's global expansion, maintaining this world system.

For countries not at the core of the world system, facing the shift of contradictions between democracy and capitalism from core nations results in four observable outcomes: becoming "banana republics," capitalist dictatorships, socialist states, or fascist states.

"Banana republic" was originally coined by American writer O. Henry in his 1904 novel "Cabbages and Kings" to describe a fictional Central American country plagued by severe economic exploitation and political corruption. I use it to refer to all non-core nations in the world system where democracy and capitalism continuously clash, characterized by having both democracy and capitalism but a limited exhibition of each. In the homeland of the Banana Republics, Central America, corruption significantly affects the level of democracy in local governments (Ruhl, 2011), while the development of capitalism is characterized by monopolistic giants and dependency on the United States (Langley, 1993).

Capitalist autocracies refer to countries that maintain their rule relying on the forces of the capitalist world system rather than domestic democratic power. This is manifested in the privatization of politics and the suppression of democratic forces. The economies that rose in East Asia after World War II were largely developed under this model (Kuhonta, 2012). In these countries, the development of capitalism often leads to urbanization and the formation of an urban proletariat, which in turn leads to democratic movements against dictatorship, ultimately promoting the process of democratization (Holliday, 2000).

Socialist states often establish democracies through socialist revolutions with the goal of developing public economies and creating economic ties independent of capitalist nations. These states advocate for a system where the community or the state owns and manages production and resources, prioritizing social welfare over profit. For instance, Joseph Stalin proposed isolating socialist countries from capitalist markets to protect them from capitalist influence and maintain ideological and economic independence. By promoting a dual economic system, Stalin aimed to build a resilient socialist bloc that could offer an alternative to capitalism centered around economic equality and communal ownership, thereby solidifying the global stature of socialist states against capitalist dominance (Wang, 2002).

Fascism, which has historically presented ambiguities with socialism and broader mass political movements, can trace its ideological origins to left-wing syndicalism (Marsella, 2004). Fascist regimes have endeavored to synthesize elements of democracy and capitalism, subsequently employing coercive measures to forge a new world order with themselves at its core. The militaristic inclinations observed in fascist states are not merely incidental but serve as a fundamental extension of these political aspirations. This approach reflects a deliberate strategy to consolidate power and restructure global relations under a fascist hegemony.

4. Conclusion

This analysis, from a new perspective on the definitions of democracy and capitalism, elucidates the intricate and contradictory interactions between democracy and capitalism within the world system, pointing out that the relationship between democracy and capitalism depends on the position of subordinate countries within this system. The development of capitalism is related to the process of democratization, but it does not progress through peaceful promotion; rather, it evolves through mutual opposition. In developed countries at the core of the world system, the forces of democracy and capitalism often align, while in peripheral countries, their relationship is much more complex and often develops through fierce opposition. Socialism and fascism are two specters haunting the capitalist world system, shaped by the contradictions between capitalism and democracy, and the dictatorial or chaotic states are also a result of the structural dilemmas of this capitalist world system. This reveals that to better understand and address global issues, we need to go beyond the national level and consider broader global forces and structures. We must reconsider the impact of economic globalization and explore how to promote a fairer and more sustainable democratization process globally. Only in this way can we effectively address the complex relationship between capitalism and democracy, paving the way for a more equitable and enduring global development.

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