

## РОЗДІЛ 2

## ЕМПІРИЧНІ ДОСЛІДЖЕННЯ СУЧАСНОГО СУСПІЛЬСТВА

УДК 316+334

DOI: 10.26565/2227-6521-2022-48-04

## ON THE EVOLUTION OF REPUBLICAN DEMOCRACY

**Kuklin Volodymyr** – Doctor of Physical and Mathematical Sciences, Professor, Head of the Department of Artificial Intelligence and Software of V. N. Karazin Kharkiv National University, 4, Svobody Sq., Kharkiv, Ukraine, 61022, e-mail: v.m.kuklin@karazin.ua, ORCID <https://orcid.org/0000-0002-0310-1582>

**Sirenka Anna** – Leading engineer and environmental expert freelancer, Kharkiv, e-mail: savkontakt@ukr.net

*The paper is devoted to the process of penetration of democratic ideas and principles of state building in Europe, that is considered using examples from the past. Various forms of democracy are presented in the composition of the aristocratic, bourgeois estates, as well as all citizens, and the stability of such democracies is considered. The reasons for the emergence of democracies, as well as the mechanisms of their destruction are discussed. Also, the paper discusses the principles of the state structure of modern developed democracies and countries of the developing world - imperfect democracies, where republican institutions to a greater extent imitate their democratic counterparts. Based on statistical data, assumptions about the nature of changes in the social structure of such states in the direction of their greater democratization are presented. To analyze the trends in the social development of countries, a fifteen-year period of crisis-free development of the world economy at the beginning of the 21st century was chosen. It is noted that in a number of imperfect democracies two economies are being formed, a modern one, where the owners of assets are oligarchs, and an archaic one, where the bulk of the poor are employed. In the final part of the work the nature of the destruction of oligarchic rule is considered. In particular, these are the processes of expansion of the modern innovative economy into marginal geographical areas and industries of countries. The growth in the capitalization of assets, the increase in the number and wealth of their owners and top managers leads to increased competition and to the suppression of the influence of individual oligarchic clans. New groups of the low-income population are being drawn into production. The number and wealth of the middle class is growing. Increases his ability to participate in political life. We can talk about the tendencies of strengthening democracy and development of republican institutions in many countries of the world. Particular attention is paid to the conditions for the transition of oligarchic imperfect democracies to authoritarian regimes.*

**Keywords:** perfect and imperfect democratic republics, evolution of imperfect democracies.

---

Для цитування: Kuklin V., Sirenka A. On the Evolution of Republican Democracy. *Visnyk of V. N. Karazin Kharkiv National University. Series "Sociological studies of contemporary society: methodology, theory, methods"*. 2022. 48. С. 29-49 <https://doi.org/10.26565/2227-6521-2022-48-04>

---

*Remember that the price paid for freedom falls when demand rises.  
Stanislaw Jerzy Lec*

**Setting the problem in its general form and its connection with important scientific or practical tasks**

The principles of the democratic structure of society were formed in history by trial and error. Various forms of democracy arose in the composition of the aristocratic, bourgeois estates, as well as all citizens. Of particular interest are the causes of the emergence of democracies, as well as the mechanisms of their destruction. Therefore, it is useful to consider the conditions of existence and discuss the nature of the sustainability of modern democracies in developed countries.

Previously, it was not in vain that there was an idea that democracy is the recognition and implementation in societies of a set of rules – laws. It was assumed that no individuals, clans and communities would interfere with this<sup>1</sup>. But in addition to such an agreement, there should also be sanctions for violations of the rules and a

<sup>1</sup> Now B. Franklin's formulation that "democracy is an agreement on the rules of conduct between well-armed gentlemen" sounds allegorical, but in his time it had a direct reading.

mechanism for applying these sanctions. Democracies arose among people who were able to stand up for themselves. In the modern world, this ability is determined by the independence of a person, which means a person who is sufficiently wealthy<sup>2</sup>. Members of the democratic community did not want people like them to decide for them, so all regulations and rules were given to the Law. But democratization is not only the formation of a social contract, it is also democratic institutions that provide all rights and obligations.

In the economy, European civilization, for the safety of people employed in business life, used the institution of a legal entity introduced by the Papal Throne. These legal entities assumed responsibility, which had previously been a heavy burden on the shoulders of people (however, in the criminal environment and in the shadow economy, this transfer of responsibility was not recognized). In addition, bankruptcy requirements were relaxed. The criminal liability of debtors has been replaced by a milder form of civil liability. Nations needed universal suffrage. The authorities, executive, legislative and judicial became independent, in the sense that they could only appeal to the Law. Freedom of speech was introduced and state censorship was actually abolished. An independent court finally got the opportunity to implement the moral law formulated by Count Vittorio Alfieri: "Fate takes care that there is no happiness obtained at the cost of crime."

The nature of society's choice of an ever greater democratization of the way of social life is as follows. It is useful to pay attention to the trends in the widespread, albeit uneven, growth in the capitalization of assets, to the steady increase in the number of rich people – owners and managers of enterprises, as well as their individual wealth. Business activity leads to the growth of the middle class and its security. This process of economic development, through the expansion of the service sector and the mechanisms of social support by the elected authorities of the capricious electorate, improves the well-being of the poor part of the population. The scale of production is growing, which leads to cheaper consumer goods. All these factors reduce the proportion of the poor population, and this is accompanied by an increase in its provision [1,2].

Internal factors for the stability of democracies in developed countries are the reluctance of numerous representatives of big business to give power to their own kind. It was this reluctance that prevented the emergence of oligarchic clans. The powerful business environment required the independence of the judiciary, which guaranteed the primacy of the law. Freedom of speech provided immunity from unlawful acts. The external factors that provided stability were the environment that supported the democratic way of the neighboring countries.

The attractiveness of a democratic way of life and the success of a few developed countries forced many ruling elites to form republican government in the vast majority of countries in the world in the form of so-called imperfect democracies. The institutions of government in imperfect democracies turned out to be largely imitations of republican institutions of this type. In such states with a poor population, a small number of oligarchic clans – representatives of big capital, did not meet resistance when they usurped power. The basis for the formation of oligarchic states – imperfect democracies was the poverty of the population. And the basis of their stability is the control over state institutions by representatives of big business, who have penetrated into all branches of government. In a number of imperfect democracies, two economies have formed, an efficient one, where the oligarchs are the owners of assets, and an archaic one, where the bulk of the poor population is employed.

Nevertheless, there is a tendency to expand the scale of the effective part of the economy of imperfect democracies – the growth of capitalization of assets. This process leads to increase the number and the wealth of the owners and management of productive assets. However, the proportion of the employed population is also growing, whose well-being is also increasing. The expansion of modern industries into marginal geographic areas and underdeveloped industries, attracting new workers, explains the expansion of the economy and the growth of capitalization of assets in imperfect democracies. This expansion correlates to some extent with the growth in the size and wealth of the middle class and the decline in the proportion of the poor.

**Formulating the purpose of article.** The purpose of the study is to analyze the impact of the growth in the capitalization of assets, the increase in the number and wealth of their owners and top managers on increased competition and on the weakening and suppression of the influence of oligarchic groups. It should be shown that economic growth and the processes of involvement in the world economy lead to the expansion of capital into new, previously undeveloped geographical areas and into the previously backward industries of the countries of the developing world. This expansion of capital gives rise to an increase in the number and wealth of the middle class, an increase in the degree of its participation in political life. The suppression of the influence of oligarchic clans, the growth of the middle class, the increasing participation of the population in the economic development of the regions can accelerate the democratization of society and ensure the development of republican institutions in imperfect democracies. A fifteen-year period of crisis-free development of the world economy at the beginning of the 21st century was chosen for analysis.

**Methodology of the study.** 1. First, factors that influence the formation of effective republican institutions and can ensure the independence of the judiciary and the election of government bodies are considered. It is shown that such

---

<sup>2</sup> F. Fukuyama noted that in Europe of the last century, effective economies were first created, and only later did the countries of the continent become democracies.

factors are the number of large owners, asset managers and their wealth, which determines the economic development and nature of competition, as well as the conditions for the emergence and existence of oligarchic clans. Also, a large role in the development and functioning of democratic institutions belongs to the middle class, its size and wealth.

2. Based on the materials of the Credit Suisse GWD Institute and the calculations made in [3], data on the distribution of the wealth of adults are presented. In particular, the dynamics of changes in the number of rich people in developed and developing countries is analyzed. Among the millionaires, a significant part are the owners and top managers of industrial and financial assets. The increase in the number and wealth of these social groups, not only in developed but also in developing countries, correlates with an increase in the capitalization of their assets. At the same time, competition is increasing, as evidenced by the decrease in the number of millionaires in the distribution of rich people with the growth of their wealth. Competition in the expanding segment of multimillionaires stifles the formation of oligarchic clans. In addition, economic growth increases the security of poor citizens.

3. In particular, changes in the size of the middle class in developed and developing countries – imperfect democracies are discussed. It is known that there is a correlation between the size and wealth of the middle class and the level of democratization of society. Based on the growth of the middle class and its security, conclusions are drawn about creating conditions for increasing its social activity and political role in government.

4. In imperfect democracies, in conditions of economic growth, there is a certain increase in the number and wealth of the middle class (compared to the rate of enrichment of the oligarchs). Nevertheless, one can expect greater involvement of the population and the inclusion of new territories in innovative economic activity. This process will lead to increased welfare and greater democratization of society.

### **Analysis of Recent Researches and Publications in Which the Solution to This Problem Was Initiated and which Author Relies**

#### *The Nature of the Rise and Decline of Democracy*<sup>3</sup>

The nature of the emergence of democratic states in the ancient world was due to various reasons. Let us dwell on two well-known examples: These are city-states in ancient Greece and the Roman Republic.

**Polis in ancient Greece.** The democratic structure of the Hellenic communities was associated at first with their more than modest existence, which did not allow even wealthy members of society to pay for retinue and fighting squads<sup>4</sup> and, perhaps, unwillingness to adopt the way of their Achaean enemies.

The system of democratic structure of settlements-policies in ancient Greece was formed during the penetration of Hellenic tribes with an archaic tribal system. The displacement and suppression of indigenous peoples, in particular the Achaeans, who formed authoritarian social structures-kingdoms, determined the negative attitude of the conquerors towards their social structure [4,5]. This conservatism in social construction existed for a very long time, as long as the system of policies retained its independence and external pressure did not violate this way of life. This was facilitated by the scarcity of natural resources, low population density. The aggressive intentions of potential invaders were held back by the inaccessibility of places where poor communities were located. In addition, the policies retained their democratic identity, due to their mutual support. Later, Sparta, one of the largest policies, tried to suppress the formation of kingdoms in its zone of influence. It is interesting that the emerging property inequality provoked the wealthy layers to form tyrannical kingdoms, creating paramilitary formations for this. This caused protests and strong opposition from the population and neighbors. Therefore, after the suppression of these attempts, their creators lost all their property and even their lives, which for a long time discouraged those who wanted to usurp power. Therefore, the creation of military detachments not controlled by the community was not welcomed. Even the surviving kingdoms on the territory of Ancient Greece, for example, Athens, after popular unrest, also adopted many features of a democratic system as a result of Solon's reforms. Then, with the expansion of the Hellenes, this form of social organization of settlements was transferred to the vast Mediterranean coast. Policies created there on the shores of the sea in remote areas, quite peacefully coexisted with small kingdoms of local residents. And with the expansion of the Macedonians, similar policies and settlements of the Hellenes appeared in the kingdoms of Asia Minor, in northern Africa and in other regions. The destruction of the democratic structure of the cities of ancient Greece occurred only because of the external expansion of the conquerors<sup>5</sup>.

**Republican Rome.** In Rome, the lower classes, the plebeians, constituted the main military force in the liberation struggle from the power of Etruria, forced the aristocracy – the patricians to recognize them as equal citizens in rights. For half a century, the formed institutions of joint government of the plebs resisted attempts to remove their representatives from power. This resistance was first realized in the form of a tough and even cruel

<sup>3</sup> An attempt to single out the main features and characteristics of social processes is always adjacent to some, perhaps unjustified, simplification of their description.

<sup>4</sup> Without numerous supporters and in the absence of power capabilities, it would be difficult to usurp power and ensure control over the community (see a brief historical overview [4]).

<sup>5</sup> Although the Romans tried to master the achievements of the Hellenes, the language of the Roman elite was Greek for a long time, the prestigious Hellenic schools and lyceums, for example, in Athens, were preserved, even the children of the Roman nobility studied there. At the same time, the Hellenes were enslaved, as were the inhabitants of other enslaved peoples.

confrontation, and then through the use of legislation<sup>6</sup>. The reasons for such intransigence towards attempts to remove the plebs and their representatives from power should first be sought in the presence of crowds of armed people. The psychology of the winners, formed in the struggle for independence, also meant a lot.

Of greatest interest was the democratic republican structure of ancient Rome. This democracy was supported by social institutions and legalized. It was the struggle for independence that led to the strengthening of the influence of the numerous lower class – the plebs, which did not allow the patrician elite to usurp power. Republican order in the vast city-state of Rome arose as a compromise between the patricians and the plebs. A feature of this democracy was the desire to form a system of guarantees for the preservation of this social order. This prompted the organization of democratic institutions that had existed for more than half a century, and the creation of the legal foundations of a hostel. Moreover, the first attempts at such legislation were presented by documents of the so-called. Twelve tables – formed on the basis of the experience of Solon's reforms in Athens [6]. It is important to note that in addition to intentions and documents, there was the legitimacy of forceful influence (which consecrated by the oath of a representative assembly of the plebeians) for the violating the immunity of the tribunes—representatives of the plebeians. All of this was a guarantee of the participation of the plebs in the government of the state. The destruction of the republic occurred only with the strengthening of the oligarchy, which suppressed independent small-scale production, driving it into debt bondage [7]. After that, the role of the lower classes in political life was reduced to nothing, although the republican institutions existed in a decorative form<sup>7</sup> for a long time during the formation and dominance of the empire.

**European republic in later centuries.** The emergence of democratic, republican government of states in the Middle Ages was quite rare, so you should be aware of the reasons for this phenomenon. During this period, mass production of products began to emerge, which were in steady demand in vast markets. At the same time, many people and organizations were rapidly enriched. There were powerful motives for their association, directed against any attempts to rob them, using force and power. The detailed intentions of the aristocratic elite have always been opposed by successful communities of merchants and entrepreneurs.

The formation of self-governing communities in coastal settlements is known (Swiss cantons, German Hamburg, Lubeck, Slavic Novgorod and even the Zaporizhzhya Sich region). These communities forced the royal and tsarist authorities of the countries to grant these cities significant economic and political freedoms. Even individual city-states (Florence and Genoa) with significant economic power were formed. They also wielded military power by recruiting unoccupied knights into their mercenary armies.

**Republic in Florence.** In the fourteenth century the republic in Florence showed itself in a similar way [8]. Moneylenders and owners of silk manufactories who got rich and gained clients in the northern part of Europe overthrew the power of the aristocrats. They formed a bourgeois republic, where the numerous bureaucracy was dominated only by representatives of trade and handicraft corporations. Aristocrats and craftsmen who did not have corporate connections were not allowed to manage<sup>8</sup>. Even the imminent appearance of the oligarchy did not at first weaken the growing economic power of the republic. Although the oligarchs seized power in the institution of executive power – the Signoria and the People's Assembly. However, here, as in Rome, the destruction of the republic was due to the strengthening of the oligarchy. The reason was fiscal relief, which allowed the elite to become owners of land. It was land ownership that formed the new aristocracy, suppressed small-scale producers and turned them into tenants. Popular uprisings weakened the republic. Then the enemies of democracy, with the help of external forces, completely destroyed the republican institutions.

Another mechanism for the formation of republics was the emergence of federations. The democratic system in this case was forced, because each province was not able to subjugate the others.

**Republic of the United Provinces.** This highly successful economic confederation of the southern provinces of the Netherlands arose after gaining independence from Spain at the end of the 16th century and lasted for almost a century. The supreme body is the States General, an assembly of representatives of the provinces. The functions of executive power were whimsically divided between the monarchical court and the republican body of the big bourgeoisie – the Passinary. It was the confederal structure that led to the formation of a republican way of life and some democratization. At the end of the 17th century, the state turned into the Batavian Republic with a more coherent democratic structure, which was influenced by France. But the republic was turned into an authoritarian state by Napoleon Bonaparte decade later [9].

Forms of emerging democracies could be different, for example, a democratic way could be implemented only for the citizens of the country. Citizenship was difficult to obtain, as it used to be in ancient Rome. Such a

---

<sup>6</sup> It was this tough and even brutal confrontation that forced the patrician elite to recognize the legitimate claims of the plebeians to power and ensure the application of sanctions for violating this legitimacy.

<sup>7</sup> Fulfilling the role of social elevators.

<sup>8</sup> The role of the bureaucracy in the stability of social formations should be emphasized. Back in ancient Rome, Emperor Claudius first created an effective bureaucracy almost entirely from freedmen, refusing the services of a capricious and poorly managed aristocracy. This practice of recruiting officials from the lower classes became the norm in Rome, and then later. The same bureaucracy could be seen in the Venetian Republic.

democratic order could be wrested from royal or tsarist power for one or more estates. Let us give a rather interesting example of more than two hundred years of existence of democracy as part of the elites – gentry democracy in the Rzeczpospolita.

**The Rzeczpospolita.** The heir to the union of the Kingdom of Poland [10] and the Grand Duchy of Lithuania under the Lublin Agreement of 1569 was the state of the same name, later called the Rzeczpospolita (translated from Latin Res Publica)<sup>9</sup>. The parliament of this constitutional monarchy consisted of the Sejm – the lower house, elected from the gentry-nobles and the Senate – non-elected members of the Royal Council. The gentry, whose number was very significant (up to 15% of the population), elected the king in the parliament and had the right to forcibly remove him (rokosh)<sup>10</sup>. The gentry-nobility had the right of liberium veto (free veto), which required consensus in decision-making. However, it should be noted that the cities had independence under Magdeburg rights, the townspeople took part in political life. The dismemberment of this state by Prussia, Russia and Austria in 1795 demonstrated the weakness of royal and parliamentary power. Perhaps the consensus rule has destabilized all decision – making procedures<sup>11</sup>.

The desire to weaken the royal power that arose among the aristocracy and the big bourgeoisie, which was gaining strength, forced them to look for forms of government that suited the elite. This form of government could be a constitutional monarchy. Leaving the monarch representation, the opportunity to be the guarantor of the foundations and the arbiter, the big bourgeois and progressive aristocrats received power and economic freedom. There was the interesting historical example of the short existence of the English Republic of the XVII century. This state consistently turned first into a protectorate of O. Cromwell and then into a constitutional monarchy [10].

**English Republic.** This short twenty-year period in the history of Britain was largely associated with the name of O. Cromwell. The reasons for the revolutionary events were largely in the interests of the strengthened bourgeoisie. Inflation, which arose as a result of the massive influx of precious metals from the ocean, ruined part of the peasants and landowners. The monasteries were closed, which led to the sale of their lands and real estate, which went to the bourgeoisie and the petty nobility. The new landowners set prohibitive rental levels. Manufactories, due to the growth in demand for their products in Europe and due to the intransigence of the "guild workers", moved to the villages, ousting the peasants from their lands. Contradictions grew between the English Puritans and their religious opponents. All this happened against the backdrop of separate aspirations of the elites in different parts of the empire. The civil war, the active phase of which was from 1642 to 1646, was associated with the struggle of the parliament, which realized its strength, with the royal power. The bourgeoisie, represented in parliament, struggled with the big landowners–feudal lords in the person of the king, with the secular and spiritual aristocracy. In this confrontation O. Cromwell from 1643 created a parliamentary army of a new type, mainly from Puritans, eliminating indecisive parliamentarians. The army, which consisted of more than two dozen regiments of about a thousand men each, forced the royalists to capitulate in 1646. The republican way was organized during this period. Four years after the suppression of the separatists and the dispersal of the House of Lords, the way of life changed to an authoritarian one in the form of O. Cromwell's protectorate. But not all the gains of the republic were canceled, the influence of the republican order still continued to be felt. Moreover, the people liked the non-aristocratic origin of the leader and his obvious incorruptibility. The reign of O. Cromwell was remembered for the return to the country of the previously expelled Jews and the suppression of pirates in the Mediterranean. Strengthened trade positions of Britain, due to the destruction of the advantages of Holland (after the defeat of her navy). The death of O. Cromwell a year later led to the restoration of the monarchy. This restoration of the monarchy was associated with fatigue from his overly harsh rule and the insufficient authority of his heir [11].

**USA.** The most interesting example of the formation of a democratic way of life was the United States of America. The reason for the creation of the republican government was to some extent a federal structure, without the clear leadership of any state. But the emerging way of life had its own specific features. Like the formation of democracy in the city-states of ancient Greece, in the United States power was built from communities united mainly on religious grounds from below. Communities formed administrative structures, gradually complicating the bureaucracy and giving it more and more powers. All this happened under the control of society, the British elite was dispersed. The presence of various religious communities and communities with an unexpressed religious content did not prevent such state building. First of all, due to the freedom of religious worship that was not immediately formed.

Britain, having spent money as a result of the Seven Years' War, sharply increased the exploitation of the colonies of North America. This increase in exploitation provoked an uprising in the middle of the 18th century, supported by France and later by Spain and Holland. As a result of the uprising, 13 English colonies gained independence and began building a confederate republic. Although in the process of reforming the way of life, a

---

<sup>9</sup> Rzeczpospolita II is the period from 1918 to 1938, Rzeczpospolita III from 1984, after the period of existence of the socialist Polish People's Republic.

<sup>10</sup> The wording of this right was similar to that used in the US Declaration of Independence.

<sup>11</sup> Which, by the way, manifests itself in the politics of the modern European Community.

democratic ideology was not formulated. However, virtually all reforms met democratic principles, especially the provision of economic freedom. Formed the independence of all systems of government in each state of the confederation. The right of the people to the violent change of objectionable power was declared. The priority of the law was recognized. The place of the Anglican Church was taken by numerous Protestant sects. This later led to the need to legalize freedom of religion. Rather wealthy people who paid taxes, that is, supported the state, could choose legislators. The reforms were prompted by the demands of economic freedom. People wanted to live their lives without oppression and violence. This approach to reform impressed the European allies involved in the struggle for independence. The French at the same time brought home the virus of the revolution. It is important to note that state building in the United States began from below, as in ancient Greece, where it was the communities that formed the power structures, without weakening the constant public control over them [12].

The transfer of democratic sentiments to monarchical Europe was only a matter of time. The US example inspired the big bourgeoisie in many countries to remove the monarchs from power. Most of all, the bourgeoisie was impressed by the economic freedom won by the Americans, which they had previously sought in vain. Soon, the Great French Revolution was the first precedent that aroused powerful resistance from all of monarchist Europe.

**French Republic.** Initially inspired by the successes of the American struggle for independence, the revolution took the form of a transition to a constitutional monarchy. In the former representative body created by the monarchy, the States General (consisting of three estates – the aristocracy, the clergy and others – the third estate, dominated by the strengthened big bourgeoisie). The Third Estate formed the National Assembly. The legitimacy of this National Assembly was not immediately recognized by King Louis XVI, who was forced to support the revolution. The States General, in opposition, formed the Constituent Assembly – the National Constitutional Assembly. But the initiative began to pass to the National Assembly, which organized the executive branch – the Standing Committee (later replaced by the Paris Commune) and the National Guard. Fearing an outside invasion, they armed the people by sacking the Arsenal. They also feared internal enemies and captured the Bastille, which later became a symbol of the revolution. The country carried out reforms, involuntarily formulated by the Constituent Assembly, which were supposed to facilitate the transition to a constitutional monarchy. During this period, the revolution began to acquire features of the bourgeois revolution, supported by part of the aristocracy and intellectuals. A new constitution was introduced and a Legislative Assembly was created, limiting royal power. However, the bourgeoisie tried to get rid of the supporters of the constitutional monarchy in the Paris Commune. At the same time, the powers of the hastily created Legislative Assembly for the legal recognition of the reforms were left. The Legislative Assembly formed the Convention, transferring to it legislative functions and the preparation of a new constitution. At the same time, the activity of the revolutionary processes was supported by the constant victories of the revolutionary army on the external front.

After the flight of the king, the facts of his betrayal of the revolution were discovered. The king was beheaded, which caused the demoralization of society. This was used by the left – the Jacobins, who seized power and unleashed mass terror to suppress the political opponents of the revolution. Supporters of the constitutional monarchy were executed – the aristocracy, the clergy and representatives of the big bourgeoisie. The repressions frightened the Convention, which retained its influence. As a result of a tough confrontation, the Commune was actually dispersed, and radical revolutionaries were executed. The convention formed the government of the first French bourgeois republic – the Directory, which no longer allowed either the royalists or the left to achieve revenge. A feature of the revolutionary transformations was the active participation of intellectuals and representatives of the aristocracy in the revolutionary processes. It was they who were part of the Directory, and ensured military success. Fearing the return of the left – the Jacobins, the bourgeoisie, diluted with representatives of the aristocracy and intellectuals, allowed the coup of 18 Brumaire. As a result, Napoleon Bonaparte came to power, destroying many of the achievements of the revolution and the republic itself by 1804 [13]<sup>12</sup>.

In the 20th century, one could observe the formation of republics after the end of the world wars. The fact is that the republican form of state building made it possible to preserve many of the former divisions of the population into estates and clans behind the facade of a formally democratic structure. Monarchist structures have already begun to lose popularity. After the First World War, the devastated countries no longer wanted to return to authoritarian forms of government. An example would be the first Austrian Republic.

**Austrian Republic.** The last representative of the most numerous Habsburg dynasty [14] in history, the Emperor of Austria–Hungary, Charles I, stepped down from the throne in 1918<sup>13</sup>, thereby freeing Austria from the centuries-old presence of the Habsburgs. This happened when the Reichsrath proclaimed the Republic of German

---

<sup>12</sup> The short-lived (1848–1852) second republic was replaced by a third, which was formed as a result of the fall of the monarchical regime in 1870, which lost the war. A feature of freedom-loving and ambitious France in the fourth republic following after the Second World War was permanent political crises. But in 1958, the crisis phenomena subsided significantly, since the president of the already fifth republic, Charles de Gaulle, was given wide powers in opposition to the parliament shaken by scandals.

<sup>13</sup> Although he did not renounce, as evidenced by his two unsuccessful attempts to return to the throne of Hungary.

Austria (later the Republic of Austria), and at first in the form of a part of the German Empire<sup>14</sup>. The latter terminated the union of the two states, that is, it eliminated Austria–Hungary. Parliament was formed – the National Constitutional Assembly and the government. But the country, under the influence of the environment, was in a fever with a fierce struggle between left and right political groups. Therefore, having suppressed the Social Democrats and trade unions, in 1934, as a result of a coup, the country abandoned the democratic structure and turned into the federal state of Austria, which fell under the influence of the intensified Nazi Germany [15].

So, in all the cases discussed, democracy was created by an active majority (of the whole society or the dominant class). This majority was in agreement<sup>15</sup> with the republican way of life (a necessary condition) and had opportunities and means to implement this way of life (a sufficient condition).

As we can see, the paradigm of building relations within the country and outside it developed with the change in the power capabilities of the social strata. At the same time, influence, power and wealth were redistributed between social groups and estates. The eternal struggle between power and money – financial possibilities – demonstrated a curious phenomenon: as soon as power weakened a little, the initiative was intercepted by money. Moreover, strong power always weakened the influence of money by intercepting control over their distribution.

But still, the main thing in the history of the development of society and interstate relations is such a component of power, which was a force, because even Plato in his famous book "The State" [16] recognized the dominance of force in state building and, to some extent, in interstate relations. The strengthening of individual strata of society or states in the international arena certainly provoked a redistribution of power, influence, and then, as a consequence, wealth. Although the dialectic of development is such that it was possible for wealth to change the former parity of forces and influence.

**Features of the republican way in the Modern Age.** With the advent of a numerous bourgeoisie, bourgeois democracies, republics, have become the dominant form of existence of states to this day<sup>16</sup>. The ruling elite became elective and relied on rules that suited the bourgeoisie in the form of law. Since the interests of the bourgeoisie were multi-vector, guarantees of economic and political freedom were required to ensure social stability. These guarantees could only be provided by numerous officials armed with the requirements of the law – the bureaucracy and an independent judiciary.

The modern political palette on the European continent, as well as on other continents, is mainly represented by countries that declare the principles of republican government. Some countries that have retained monarchs – constitutional monarchies – may well be classified as democratic. These are constitutional monarchies in Europe: Great Britain, the Netherlands, Denmark, Sweden, Norway, Spain, as well as Liechtenstein, Luxembourg, Monaco. In Asia, Africa and the South, equally democratic constitutional monarchies are best known – Japan, Australia, New Zealand<sup>17</sup>. In the republics and constitutional monarchies mentioned above, in order to ensure a democratic way of life, social institutions of governance characteristic of the republican way of life were created.

However, in many other cases of the declared republican structure, these institutions only remotely corresponded to their names and purposes. Of the 195 states, 159 declare themselves to some extent republics, but often this did not even correspond to not even strict ideas about the republic.

**Criteria for democracy.** The main criterion for democratic states – republics and the mentioned democratic constitutional monarchies, is the fact that the legislative and executive powers are formed as a result of elections. The role of the monarch in constitutional monarchies is representation, the performance of the duties of an arbitrator, the formal appointment of a number of officials. Approximately the same functions are performed by the Presidents of the republics. Although in some cases they are charged with the performance of a number of functions characteristic of the executive branch. Although usually the executive power in full passes to the governments formed by the Parliament. In full-fledged democracies, the legislature, executive and judiciary are independent, at least between elections. Due to the large population, all governments are representative. At the same time, the population – citizens do not directly participate in governance, delegate their rights to governance to representatives of elected (on the basis of universal suffrage for citizens) bodies. Since all three branches of power – legislative, executive and judicial – are independent, this independence is ensured by strict observance of laws. The guarantors of the laws are formally the President and the Parliament, but in fact their effectiveness is ensured by a powerful

---

<sup>14</sup> Under the Treaty of Saint–Germain, Austria was forbidden to reunite with Germany. It is important to note that at first B. Mussolini also opposed the rapprochement of Austria and Germany, fearing the creation of a precedent that could wrest German–populated Tyrol from Italy, but the strengthening of Germany and the obstruction of the fascist regime of Italy in Europe softened his position.

<sup>15</sup> By the way, consent is forced, because it was necessary to negotiate and share. so as not to lose everything that you already had.

<sup>16</sup> Including constitutional monarchies, where power went to the bourgeoisie, and the monarchs performed only representation, created an aristocratic charm and sometimes acted as arbitrators in disputes between the ruling elites.

<sup>17</sup> Some constitutional monarchies, such as Kuwait, the UAE, Afghanistan, Morocco, and Malaysia, are considered not so democratic. In addition, there are many imperfect republican-type democracies in the world: the Bahamas, Grenada, Jamaica, Lesotho, Papua New Guinea, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, the Solomon Islands, Tonga, Tuvalu. There are also a few absolute monarchies left in the world – Oman, Qatar, Saudi Arabia, Eswatini and, of course, the Vatican.

bureaucracy. Control over the implementation of laws is carried out by an independent court, which is charged with the duty to determine the measure of responsibility for violations of the law [17].

### **Presentation of the main research material with full justification of received scientific results**

#### *The Nature of Sustainable Democracy in Developed Countries*

It was noted above that a significant proportion of wealthy people usually do not want to give control over the distribution of wealth to individuals or elite clans. This unwillingness formed societies with a more democratic structure. If there were many such people, especially among the owners and managers of large companies, then they tried not to allow their own kind to unlimited power. In developed countries, it turned out to be rational to rely on the law, for the implementation of which it was necessary to create elective democratic institutions. The law had to make the first three powers – legislative, executive and judicial – independent. An efficient bureaucracy was created to prevent the usurpation of power.

It was realized already in the days of republican Rome that the bureaucracy in the structures of democratic power must act within the framework of procedures, the role of which is important for the implementation of laws. Sometimes they say that democracy is not the power of individuals and parties, but "the power of procedures." Moreover, the application of procedures rejects both the subjective approach and various manifestations of considerations of expediency.

It was necessary to ensure freedom of speech in order to strengthen the feedback between the population and the authorities. It is clear that those countries that have historically acquired significant funds as a result of rather aggressive policies in past centuries have received advantages on this path to democracy. The countries that have received the benefits bestowed by nature have also become rich, though only in cases of reasonable and responsible state management. Although it was not easy to build a democratic society in such countries.

**The preference for a democratic way in developed economies.** The powerful and numerous large and medium-sized businesses that have been formed in many developed countries with competitive market economies did not allow oligarchic regimes. For oligarchic regimes arise where there are not so many large owners of billionaire assets, and they are able to usurp power only in a poor country where they have no competitors. At the same time, the oligarchs suppress competitors within the country – medium and small businesses. In addition to reducing competition, they hinder the development of the country's economy, because their businesses are oriented to the foreign market. The domestic market is controlled by their monopolies in a meagre set of industries. Thus, a decrease in the level of competition, an unusually large number of multimillionaires and billionaires in a poor country with a monopolized domestic market are the consequences of oligarchic rule.

The degree of competition is evidenced by a decrease in the value of the coefficient  $D$  introduced in [1], which characterizes the trend in the number of millionaires, among which the majority are owners and managers of assets, depending on their wealth:

$$D = - \langle \partial \ln N / \partial \ln E \rangle \approx [\ln N(\$1млн < E < \$5млн) - \ln N(E > \$1млрд)] / \ln 1000 \quad (1)$$

When, as it is easy to see in Table 1 [6], the wealth of adults in most cases corresponds to the characteristic distribution in developed countries, that is, close to optimal and corresponds to the high competition that has developed there, which is especially pronounced in Japan, Belgium and New Zealand. As the size of the fortune grows, the number of owners of such fortunes decreases rapidly.

Note that economic difficulties and undiversified development in Ireland, Greece, Spain, Luxembourg and Portugal led to a more gradual decrease in the number of the rich with an increase in their wealth ( $D$  about 1.4).

**Formation of civil society.** It turned out that the participation of the population in shaping not only public opinion, but also in imposing their demands on the authorities was decisive in the implementation of effective democracy. People should be able to translate their demands into the public consciousness and to the management floors. As a result of elections and with the help of the fourth estate – numerous and diverse media. In conditions of freedom of speech, which ensures the independence of this fourth estate. And here it is important to form numerous public and economic organizations independent of the authorities, which unite their efforts in achieving the decisions that their representatives or society need. In the social environment, the expressed opinions, moods and demands are usually multi-vector and, in general, the intensity of the integral information impact of  $N$  active members of society is proportional to their number. The consolidated synchronized information impact of a group of like-minded people on society is much stronger [18] and can be proportional to the square of the number of members of this group<sup>18</sup>. If  $n$  public organizations ( $n \ll N$ ) are formed among  $N$  active members of society, then it is easy to see that the effectiveness of influencing the information environment, and hence the power of these organizations, is significantly enhanced. The integral impact on the information environment of the society of emerging organizations can be assessed as

<sup>18</sup> Practicing sociologists have found this out in groups of up to a thousand people; a larger scale of research has not been achieved. This phenomenon is observed everywhere in inanimate nature.



$$\sum_{i=1}^n N_i^2 \approx n \cdot (N/n)^2 = (N^2/n) \gg N, (2)$$

where  $n \ll N$ , for estimation we assume that  $N_i \approx N/n$ . That is, the impact on the information space of the created organizations significantly exceeds the impact of the same number of their participants that are not consolidated. That is why the authorities tend to listen to the opinions of organizations. At the same time, it is important that these opinions be widely represented in the information space of the whole society.

Table 1

**Distribution of the Number of Rich People by the Size of their Wealth in the Developed Countries in 2015<sup>19</sup>**

Country	Adult population mln.	Wealth per adult \$ thous.	Coefficient D	\$1-\$M.	\$5-\$10 M	\$10-\$50 M	\$50-\$100-M	\$0,1-\$0,5 B	\$0,5-\$1 B.	> \$1 B
USA	243	353	1,47	13,390,718 /26100	1,423,974 /2775	782,061 /1524	39,210/ 76	18,10 8/35	1,024 /2	513
Great Britannia	48,7	320	1,54	2,170,170 /42552	127,651 /2502	60,451 /1185	3,544 /69	1,683 /33	99 /1,9	51
France	48,4	262	1,56	1,649,314 /48509	94,098 /2768	43,706 /1285	2,486 /73	1,157 /34	66 /1,9	34
Germany	67	178	1,45	1,380,521 /22266	92,008 /1486	47,313 /763	3,149 /51	1,627 /26	109 /1,8	62
Italy	49,2	203	1,52	1,029,925 /35515	62,856 /2167	30,398 /1048	1,851 /64	897 /31	55 /1,9	29
Canada	27,7	248	1,52	900,511 /36020	54,552 /2182	26,248 /1050	1,589 /64	771 /31	47 /1,9	25
Australia	17	365	1,56	884,608 /49145	50,655 /2815	23,458 /1303	1,341 /74	625 /35	36 /2	18
Switzerland	6,1	567	1,3	577,651 /8136	56,123 /790	29,304 /413	2,313 /33	1,345 /19	108 /1,5	71
Sweden	7,4	311	1,47	474,368 /26353	29,680 /1649	14,420 /801	922 /51	473 /26	31 /1,7	18
Spain	37,5	112	1,4	322,987 /16149	22,905 /1145	12,273 /614	870 /43	467 /23	33 /1,6	20
Netherlands	13	183	1,54	259,219 /43203	15,319 /2553	7,162 /1194	426 /71	203 /34	12 /2	6
Norway	3,8	321	1,5	187,417 /31236	11,681 /1947	5,568 /928	348 /58	171 /28	11 /1,8	6
Austria	6,8	196	1,47	175,728 /25104	12,016 /1717	5,901 /843	388 /55	199 /28	13 /1,9	7
Denmark	4,2	252	1,49	176,841 /29473	11,046 /1841	5,388 /898	346 /58	174 /29	11 /1,8	6
Ireland	3,5	195	1,43	75,110 /18777	5,320 /1330	2,722 /680	191 /48	101 /25	7 /1,7	4
Finland	4,2	150	1,44	64,479 /21493	4,426 /1475	2,263 /754	159 /53	84 /28	6 /2	3
Greece	9,1	81	1,41	52,048 /17349	3,653 /1218	2,004 /668	143 /48	77 /26	6 /2	3
Portugal	8,6	74	1,4	45,910 /15303	3,315 /1105	1,616 /539	121 /40	65 /22	5 /1,7	3
Luxembourg	0,4	304	1,41	16,414	1,293	615	50	28	2	1

Source: Credit Suisse Global Wealth Databook 2015 [3] and calculations in [1, 2].

<sup>19</sup> The use of data up to 2015 is due to the exclusion of the impact of negative trends in economies in unstable subsequent years. The numbers in tables 3.4 in the form 1.994.004/142429 mean the number of people having a certain wealth, and the approximate ratio of this number of people to the number of billionaires in a given country. The larger these numbers, the faster the number of the rich decreases with the increase in their wealth.

**On civil society organizations.** Civil society organizations often reveal themselves as rather closed structures, easy access to which and influence on them by society are difficult. As strange as it may seem, this isolation makes it easier for them to make decisions<sup>20</sup>. For open structures<sup>21</sup>, on the contrary, are subject to strong external influence, which weakens their independence and weakens their stability<sup>22</sup>. Members of public organizations<sup>23</sup>, according to the mechanisms of mutual influence of their members on each other (considered in particular in the works of the Swiss anthropologist K. Giordano [18]), are able to form their own consolidated opinions<sup>24</sup>. Moreover, these consolidated opinions are less influenced by state and private propaganda. These public organizations, each of which has its own goals, are quickly consolidated if necessary. Realizing their limited ability to influence the authorities, small public organizations tend to support each other in the demands put forward by partners. The practice of supporting the demands of some organizations by others is due to a sober calculation of reciprocal solidarity and is confirmed by social practice.

**Problems of organizing and supporting public organizations.** The creation of such civil organizations requires the formation of the necessary motivations and intentions for the consolidation of people. However, it is important to answer the question – where to get the funds for the events, and how to ensure the functioning of their bureaucracy. Even in developed countries, the marginal part of society, and a significant one, including half of the population, and insufficiently provided [21], as a rule, is poorly represented in non-religious structures of civil society. Religious communities, on the other hand, often shy away from criticism of the authorities and keep aloof from politics. Hierarchs of churches often openly oppose the participation of their charges in political life.

The availability of financial opportunities and free time for the organizers and participants of such public organizations is critical<sup>25</sup>. It is clear that only a wealthy society is able to solve the problems of formation and long-term existence of public organizations of civil society. Business structures are also able to take on the role of initiators and propagandists of public sentiment. An extensive network of horizontal connections between business structures is also an important and effective part of civil society.

The initiator and main driving force of democracy in developed countries is the middle class<sup>26</sup> (highly paid officials, employees, entrepreneurs, highly skilled workers, intellectuals), whose number in developed countries reaches half of the total population (see Table 2, which presents data for a number of developed countries). The middle class also owns nearly half of the country's wealth. Representatives of the middle class are able to support organizationally and financially (which is even more important) numerous public and professional organizations. The opinion of these organizations is forced to listen to the authorities, concerned about the mood of the electorate<sup>27</sup>. For the main motive of the ruling elites is to stay in power. In addition, it is this large group of people that is able to curb the appetites of wealthy compatriots and limit the illegal actions of the authorities. A noticeable part of the middle class, supporting and taking part in the activities of these organizations, forms the basis of civil society.

If the opinion of ordinary citizens (preferences of citizens) due to their disunity is usually little taken into account by the authorities, then the correlated demands of elites (elites preferences) and interest group alignments (interest group alignments) make the authorities listen to them. Representations of interest groups – here this is essentially the public opinion of civil society, the opinions of the elite – this is to a greater extent the integrated opinion of representatives of big business, looking back at the influence of which one could consider them oligarchs<sup>28</sup>, but in developed countries there are many of them and they try to stay in the background, especially since the legislation of almost all countries does not allow "the merger of political and economic power."

<sup>20</sup> S. N. Parkinson [19] used the example of the UK Cabinet of Ministers to demonstrate the need for limited composition and isolation for effective decision-making. The Royal Curia (now the House of Lords) consisted of five to several dozen people until the beginning of the 13th century. A further increase in the number of lords forced the Royal Council (1257) to be separated from it with a number of less than ten, then the growing Council was abolished and a dozen lords were separated from it – the Privy Council (XVI century), the growth of which led to the appearance of the Cabinet Council inside it (1615), and then had to allocate as part of the latter simply the Cabinet (1740), the number of which stabilized within two dozen. The United States, perhaps looking at this process, immediately limited its cabinet of ministers to an even smaller number.

<sup>21</sup> Related to this problem is uncertainty in the development of globalization (see [20]).

<sup>22</sup> This explains the inefficiency of the decision-making process in the broadcast of meetings, when each speaker is concerned about the impression he will make on the audience.

<sup>23</sup> As well as the leadership of private and state enterprises and institutions, political parties and administrations.

<sup>24</sup> And this phenomenon also has its analogies in inanimate nature – the boundaries of the system often lead to the effects of resonance and amplification of excitations due to positive feedback.

<sup>25</sup> The wealth of an individual, determined according to the UN methodology, consists of real estate and movable property, financial savings and assets (securities, long-term lease documents, other people's obligations, etc.), from which you need to subtract your own obligations, issued guarantees, debts [3].

<sup>26</sup> The World Bank (2007) defines the following criteria for identifying the middle class: per capita income sufficient to purchase all goods (including imported ones) and pay for services; availability of real estate and modern technology (car, household appliances, communications and multimedia); quality education and decent medical care; free movement and short-term stay abroad [3]

<sup>27</sup> The ruling elites devote almost all their efforts to maintaining power, which is why they are so concerned about public opinion, which is largely shaped by the well-to-do and large middle class

<sup>28</sup> Public concern about the growing influence of representatives of big business is manifested in accusations of excessive pressure on the authorities, but it must be admitted that these accusations are often refuted (see [21]).

Thus, the usurpation of power and the formation of oligarchic and authoritarian rule by individual representatives of the big bourgeoisie or their clans, power structures in developed countries is complicated

- opposition of the community of large entrepreneurs who do not want to give unlimited power to their own kind;
- the large number of the middle class (see table), which forms opinions in the country with the help of public organizations, business communities and the media in conditions of freedom of speech;
- the independence of the executive and legislative branches of government, and especially the independence of the judiciary.

The independence of representatives of all authorities is based on their financial stability, on the ability to live according to their ideas and on the absence of the need to turn to the executive branch on everyday issues.

Table 2

### Middle Class in Developed Countries

Country	Number of adults, millions of people	Average wealth of adults, thousands \$	The threshold of the middle class \$ thousand.	The number of the middle class mln.	Middle class size %	Middle class wealth %
Australia	14,0/17	103/365	55	11	66	40,3
Austria	6,1/6,8	91/196	46	3	44	38,5
Belgia	7,8/8,4	147/259	46	5	62	46,7
Canada	22,8/27,7	108/248	49	13	48	39
France	44,1/48,4	104/262	46	24	49	38,6
Germany	64,6/67	90/178	44	28	42	39,9
Italy	45,9/49,2	120/203	42	29	60	47,3
Japan	101/102	192/190	42	62	60	49
Netherlands	12/13	107/183	45	7	54	49,7
Norway	3,3/3,8	111/321	58	2,1	56	42,1
Spain	31,7/37,5	64/112	38	21	56	52,4
Sweden	6.7/7,4	126/311	52	2,9	39	22,0
Switzerland	5,5/6,1	232/567	73	2,7	44	19,9
UK	44,1/48,7	163/320	55	28	57	39,7
USA	205/243	209/353	50	92	38	19,6

Source: [1, 2, 3].

The share of the population of the middle class in the new democracies, in particular, in Hungary, according to very optimistic ideas, is 39%, in prosperous Slovakia (47%) with its per capita wealth of an adult comparable to the same indicators of developed countries (about \$ 56 thousand). The estimates of the share of the middle class in Poland (20%), the Czech Republic (26%), and Slovakia (28%) are more modest.

Although these indicators, as practice shows, already make it possible to increase the stability of the democratic way, however, surrounded by the countries of the European Union<sup>29</sup>. In this environment, democratic transformations in countries with lower parts middle class proportions: Bulgaria, Croatia, the Baltic States, partly Romania and Serbia can also be considered successful.

#### *Features of Imperfect Democracy*

Let's define imperfect democracies as state structures – republics where the basic principles of democracy are violated.

***The economic structure of imperfect democracies.*** In such imperfect democracies – republics, as a rule, oligarchs<sup>30</sup> reign supreme – these are the owners of big business or those who controls it. At the same time, it is important to note that these very wealthy owners and entrepreneurs either occupy high positions in the legislative and executive authorities themselves, or are represented there by people who depend on them. The bulk of the population is frankly poor. The oligarchs impose policies on state institutions that bring significant benefits to their businesses. First of all, at the expense of medium and small businesses, as well as at the expense of their own population, both directly and through the robbery of the state budget. Usually, the oligarchy captures and controls mainly export-oriented businesses. And it is clear why: in international markets, prices are higher and pay is in

<sup>29</sup>The role of the environment is very significant in the imposition and preservation of the social order, history testifies to this: in ancient Greece, the policies retained their social order largely due to the influence of the environment – the same policies of the Peloponnesian Union, led by Sparta

<sup>30</sup>According to the interpretation of Aristotle, an oligarchy is a form of power when the interests of very wealthy people are ensured. In addition, in his opinion, rich people elected to power, if they bought this power, will certainly try to compensate for the costs, and then they will continue to seek enrichment. Oligarchy – the power of the rich (as they believed in the Academy of Plato). Aristotle considered oligarchic rule to be a degeneration of the aristocracy, an imperfect form of power. History has shown that many republican forms of government, with the growth of the wealth of the ruling elite, as was the case in republican Rome, also come to this imperfect form of government.

hard currency, so there is a reason to reduce the pay of local workers. And also to force legislators to lower taxes for their businesses, for example, by introducing various benefits. For the public, the introduction of tax and customs benefits is explained in a Jesuitic way by the need to support export operations in order to obtain hard currency. At the same time, export goods are sold either to affiliated or oligarch-owned offshore firms relatively cheaply, and these firms already set the prices determined by the international market. The significant part of foreign exchange earnings and speculative income from resales are often delayed in the accounts of these firms, so the inflow of foreign currency into the country where the production is located turns out to be small. In the domestic market, the oligarchy tries to control trade, transport and the production of marketable goods, especially in agriculture. They monopolize at least local markets. In agrarian areas, small farmers and communities are being forced out of the land, and large agricultural firms are being created. The landlord oligarchs, taking advantage of the economic and political weakness of the peasant masses, are behaving even more arrogantly. Rent conditions for residents of villages and peripheral settlements are very strict. Dealers carry out direct purchases of products from the population at low prices. Given the high cost of feed, this provokes rural residents to abandon the production of livestock products in the first place. And this is the very small business, the importance of which lies in the fact that it ensures the existence of the lower social strata and reduces pressure on the state budget. Otherwise, the state is forced to spend significant funds to support low-income citizens. The oligarchy – the owners of large businesses who have penetrated into power – is not interested in competitors in the domestic market. Taking advantage of their advantages, including a larger scale and high profitability of production, not without the support of state structures, they are pushing not only small business with its high costs, but even medium business to the periphery of social production. By suppressing medium and small businesses and keeping the salaries of workers at a low level in order to achieve high profitability, large oligarchic business plunges the population into poverty. Therefore, the population busy with survival is unable to demonstrate the culture of interaction inherent in Western standards, the need for the formation of which in order to get out of poverty is reported to us by the authors [22].

**Signs of an oligarchic structure.** One of the characteristic signs of the emergence of an oligarchy is a decrease in competition. This is possible when the state under their control creates significant advantages for their businesses. And small and medium-sized businesses are being oppressed. The emergence of a larger proportion of very rich people at (see tables 2, 3) is associated with the artificial suppression of competition in favour of big business. This may be the support of big business by the authorities, providing it with easier access to budgetary funds, to the acquisition of assets [6]<sup>31</sup>.

A further, even more noticeable decrease in the value of the coefficient D (not so rapid decrease in the number of millionaires with the growth of their wealth) may suggest the use of corruption schemes and ties with the criminal world by big business. It is this phenomenon that reduces competition among asset owners in favor of large businesses. With a small number of large owners, this can provoke the formation of an oligarchy, which, when it arises, is itself capable of influencing this process of strengthening its influence. At the same time, the impact of billionaire oligarchs on social and economic policy in the country is increasing. Let us note that it is a small number of oligarchic groups, which have prohibitively large financial opportunities in comparison with representatives of small businesses and low-income officials, that are capable of usurping power. Only people with the same capabilities, as well as law enforcement or military structures that do not limit themselves in the use of violence, can prevent them.

Many of the countries presented in Table 3 are united by the use of administrative, state resources by large businesses. At the same time, control over large financial and industrial assets is concentrated in an extremely small part of the population. Most of the economy unites the vast majority of the population and ekes out a miserable existence. In most developing countries that declare themselves democracies, the distribution of wealth among millionaires, who are usually owners and managers of productive assets, is characterized by a not as sharply declining wealth function as in developed countries. With a relatively small number of millionaires, the number of billionaires is quite large (see Table 4). This speaks of a clearly non-competitive environment, in comparison with the market economy of the developed world.

There are countries that, by giving advantages to citizens, have attracted a significant part of the disenfranchised expats (in particular, Kuwait, the United Arab Emirates, not to mention the monarchies in Qatar and Saudi Arabia). It also divides society into two unequal parts. The export sector, which dominates their economy, is integrated into the world economy and the distribution of asset owners – rich people is similar to the distribution of rich people in developed countries [1, 2]. But the economies of these countries are not diversified, do not have a developed self-sufficient domestic market, and therefore are not sustainable. For when the demand for export goods changes, serious crises are possible in such economies. Turkey, like China, where the share of the middle class is about 10%, and the levels of competition are not so high, is still difficult to recognize as developed democracies.

---

<sup>31</sup> But it may be due to the dominance of banking capital, as in Switzerland, with the concentration of management firms – profit centers, whose assets are located outside the country (Hong Kong and Singapore).

Table 3

**Distribution of the Number of Rich People by the Size of their Wealth  
in the World's Impact Democracy in 2015**

Country	Adult population Mil, peoples	Wealth per adult \$ thous.	Coefficient D	\$1-\$5M.	\$5-\$10 M	\$10-\$50 M	\$50-\$100- M	\$0,1 -\$0,5 B	\$0,5-\$1 B.	> \$1 B
India	792	4,3	1,12	156,005 /2328	16,000 /239	11,118 /166	1,142 /17	792 /12	81 /1,2	67
Brazil	138	17	1,17	143,640 /3340	13,804 /321	9,056 /211	873 /20	577 /13	55 /1,3	43
Indonesia	162	9	1,15	83,537 /2880	8,204 /283	5,416 /187	549 /19	371 /13	37 /1,3	29
Russia	109	12	0,97	73,878 /821	9,210 /102	7,295 /81	910 /10	725 /8	90 /1	90
Turkey	53	19	1,12	61,996 /2296	6,410 /237	4,465 /165	461 /17	321 /12	33 /1,2	27
Chile	13	42	1,17	37,453 /3121	3,644 /304	2,418 /201	234 /19	156 /13	15 /1,2	12
Philippines	59	9,2	1,12	29,531 /2272	3,003 /231	2,105 /162	218 /17	151 /12	16 /1,2	13
Malaysia	19	23	1,16	26,600 /2956	2,600 /289	1,697 /188	169 /19	113 /12	11 /1,2	9
Peru	19	20	1,14	24,129 /2681	2,403 /267	1,608 /179	164 /18	111 /12	11 /1,2	9
Thailand	50	7,3	1,07	20,947 /1611	2,305 /177	1,655 /127	186 /14	136 /10	15 /1,2	13
Egypt	54	6,9	1,13	19,347 /2418	2,005 /251	1,345 /168	142 /18	99 /12	10 /1,2	8
Argentina	29	9,8	1,14	15,517 /2586	1,602 /267	1,009 /168	106 /18	72 /12	7 /1,2	6
Morocco	22	10	1,19	11,474 /3825	1,006 /335	687 /229	67 /22	44 /15	4 /1,2	3
China	1013	23	1,24	1,158,156 /5312	102,014 /468	63,255 /290	5,571 /25	3,461 /16	305 /1,4	218
Taiwan	18,5	195	1,32	366,164 /9389	28,976 /743	16,766 /430	1,322 /34	763 /19	60 /1,5	39
Korea	39	91	1,3	275,792 /7880	22,464 /642	13,241 /378	1,079 /31	636 /18	52 /1,5	35
Mexico	75,5	26	1,3	107,631 /8279	8,703 /669	5,105 /393	418 /32	246 /19	20 /1,5	13
Israel	5	156	1,22	76,162 /4480	6,998 /412	4,366 /257	405 /24	259 /15	24 /1,4	17
Kuwait	2,4	113	1,26	24,455 /6114	2,047 /501	1,314 /385	114 /28	70 /17	6 /1,5	4
Colombia	31	20	1,34	32,689 /10896	2,414 /805	1,338 /446	105 /35	59 /20	4 /1,3	3

Source: Credit Suisse Global Wealth Datebook 2015 [3] and calculations in [1, 2].

**Weakness or absence of civil society.** Poorly educated and poorly informed people make up the bulk of the poor and even the poor population of imperfect democracies. They do not have the financial means to live without work and are forced to spend all their life energy and time to maintain their existence. Therefore, they are often unable to create and finance their own independent organizations. The social strata of actually divided people, to a large extent by force, are open systems. In poor countries, for this reason, as well as because of poverty, civil society is practically not formed. The proportion of those who consider themselves to be in the middle class is extremely small. People are disunited, subject to state and private propaganda, especially since all the media are controlled by the authorities or oligarchic clans.

Informational noise, opinions, even based on facts confirming them, force people who are not able to analyze to give up trying to figure out where the true reasons for what is happening, and where lies deceit and manipulation. Moreover, powerful neural networks come to the aid of figures who create plausible lies. The ingenuous artificial intelligence has learned to generate a coherent text, based on the numerous examples it has studied, which are slipped to it. Creators of information technologies such as GPT (Generative Pretraining Transformer) at first were afraid to advertise their achievements, fearing accusations of the explosive growth of fake content on the Web, the extent of which Kai-Fu Lee warned about in his New Year's speech. It is not surprising that, getting lost in an array of contradictory seemingly plausible opinions, people choose the simplest and most understandable of them. And already these ideas of the masses, confused and duped in this way, form the proposals of merchants and politicians. Both merchants and politicians are counting on a resonant response from consumers of their products.

Table 4

#### Distribution of Adults by Wealth Level in Developing Countries

Countries	Adults million people	Average wealth of adults \$ thousand	Median wealth \$ thousand	Percentage of Poor Percentage of Middle Class	Percentage of Middle Class	Percentage of Upper Middle Class	Percentage of Millionaires*
Chile	12,75	41,98	13,503	76,2	22,27	1,53	0,34 (+0,3)
Mexico	75,42	25,93	7,978	81,9	17,12	0,98	0,15 (-0,01)
Brazil	138,4	17,6	3,311	91,3	8,12	0,58	0,12 (-0,06)
Argentina	28,83	9,778	2,203	95,7	3,96	0,34	0,063 (-0,01)
China	1013	22,51	7,357	88,7	10,73	0,57	0,13 (+0,05)
Malaysia	19,00	22,70	6,194	82,1	16,67	1,23	0,15 (+0,03)
Indonesia	161,7	9,031	1,615	95,0	4,44	0,56	0,06 (+0,02)
India	792	4,352	868	96,9	2,99	0,2	0,023 (0,0)
Russia	109,5	11,73	1,388	95,4	4,1	0,5	0,08 (+0,07)
Saudi Arabia	17,41	39,48	13,13	64,8	33,08	2,1	0,29 (+0,16)
South Africa	31,36	21,40	3,379	85,2	13,7	1,1	0,16 (-0,05)
Turkey	53,083	19,30	4,469	89,3	9,91	0,8	0,12 (+0,03)
Egypt	54,33	6,983	1,664	94,6	5,02	0,38	0,04 (+0,02)

\* Percentage changes since 2010 in brackets. Partially used data [1,2,3].

#### Features of imperfect democracies.

1. The first feature of imperfect democracies is the historically established poverty of the population, which the oligarchy in power is trying to preserve.

2. The second sign of an imperfect democracy is the absence of an active middle class and a small number of civil organizations created. 3. The peculiarity of imperfect democracies is also that business structures in such a society do not occupy all the niches of production and services, vast gaps gape in the spectrum of industries.

4. Due to the decrease in competition in the structure of economies, or rather due to the noticeable presence of unsuitable competition, under the pressure of the oligarchy, large companies and their owners, the oligarchs, receive an advantage and state support.

5. In imperfect democracies, the influence of the oligarchy undermines the foundations of democratic institutions. The consequence of this is the lack of independence of the branches of government. The judiciary in imperfect democracies is usually controlled by the executive branch and oligarchic structures.

6. All bureaucracy and service structures are affected by corruption. The concern is caused by the mentality of the population, accustomed to corruption in all branches of government.

Adherence to prejudice. Supports the former socio-economic structure and mentality of the population, which is accustomed to corruption and opportunities to solve problems in an illegal way. And tough sanctions for the slightest violations of the law, as is customary in developed countries, were considered unacceptable by the elite and the majority of the population. It was not easy to introduce such a society into the legislative field.

This is exactly what the author of [21] notes. Indeed, the preservation of conservative tendencies in people's behavior is characteristic of any society in a variety of periods of time, and people are usually in no hurry to change social relations<sup>32</sup>.

<sup>32</sup> In ancient times, people did not want to abolish slavery as an institution, they only wanted to be slave owners, not slaves. In oligarchic societies, there are no intentions to change the attitude towards the oligarchs either, the majority wants to become rich and have power themselves, if only in order to preserve this wealth. According to the biblical legend, Moses led the people approximately in the interval of two generations, and in different conditions. Apparently, the change of generations is not enough, it is also necessary to change the living conditions for them.

The problem faced by imperfect democracies is the adherence of people to formed ideas – prejudices [23]. These ideas-prejudices were inherited from previous generations, formed as a result of propaganda and influence on public opinion. At the same time, for changes in the mass consciousness<sup>33</sup>, A. Gramsci formulates the need to transform new ideas from those perceived by the mind into representations at the level of beliefs [24]. To do this, the information impact must be intense, often repeated. The people, who spread new ideas for greater persuasiveness should be united in representative groups.

That is, of course, there is no such abundance of public organizations that wealthy people in developed countries, in poor countries, and even more so under authoritarian regimes, can afford to create. Nevertheless, sociologists are actively trying to determine the reactions of poor and deprived compatriots by conducting various kinds of polls commissioned by the authorities, who rightly fear riots and revolutions. Although it is wrong to believe, according to P. Bourdieu [25], that the opinions expressed or supported by people from the inactive part of the population are deeply conscious of them. Often these opinions are the result of repetitions of what was once heard or imposed from outside.

Moreover, those in power have long mastered the methods of effective propaganda in such open societies. The most effective way to form public opinion in the lower social strata of society is to use slogans<sup>34</sup> (nowadays these are the headlines of articles on the Web), because hardly anyone reads and listens to lengthy arguments. Sometimes you can find that these opinions and intentions are extremely unstable and quickly change with a systematic change of headlines and slogans, even to the opposite in their meaning. That is, people who are prone to reflection in their mass do not have definite and stable opinions. Even the judgments selected as a result of surveys and discussions are often not significant, which is manifested in the fact that they are unexpectedly quickly forgotten and ignored. In addition, majority agreement in shaping a particular public opinion can quickly erode.

On the stability of oligarchic regimes. Let us discuss the economic and political nature of the sustainability of such imperfect democracies.

First, the oligarchic clans largely form the legislative and executive power. Possible democratic changes in the alignment of political forces are suppressed by a controlled election system, where during the pre-election period the population is offered very modest gifts, members of election commissions are paid bonuses. All this is happening in the context of a powerful propaganda campaign with promises of future benefits. The political rivals of the ruling elite – the clubs of oligarchs – are defame with the help of controlled media, and, if necessary, with the support of an obedient judiciary.

Secondly, one must understand that that not only the big part of the population is so poor, but all officials, doctors, specialists and the intelligentsia are also extremely poor. Representatives of law enforcement agencies and judges are not so rich either. The latter deserve special consideration, because they are representatives of the third branch of power – the judiciary. If they are unable to provide for their families and close relatives, they become dependent on the executive branch, which, for example, distributes real estate, land and other benefits<sup>35</sup>. In addition, in the absence of elections of judges by the population, they are appointed, while the influence of local executive authorities on the choice of personalities is decisive. A noticeable part of this bureaucratic class, as well as specialists of various types, and even judges and legislators, looking at decent state support for people from Western countries similar in status to them, strive to "feed among the people", forcing the population to pay for a variety of legal and not always legal services<sup>36</sup>. Corruption suits such problem solvers and, sadly, the majority of bribe-givers who have gotten used to using corrupt officials to circumvent the law. It is clear that this practice destroys the application of the law, turning the public environment into conscious offenders, and some judges, law enforcement officers and officials into outright criminals. The saddest thing is that in such an atmosphere, even judges and officials who do not want to break the law are forced to look for ways to satisfy the demands of power structures and influential people.

Thirdly, a serious problem is ensuring the independence of the fourth power – the media and, in particular, journalists, publishers and owners of print publications, who, in violation of journalistic ethics, fall into the niche of propagandists.

---

<sup>33</sup> Jerzy Lec is right: "How do those who have never seen it before recognize freedom? They may suspect her of a new mask of a tyrant".

<sup>34</sup>It was this approach for agitation that was actively used by the autocratic regimes of the middle of the last century, in particular socialist propaganda.

<sup>35</sup>These elections in a number of developed countries take place at the expense of candidates who are forced to organize their own election campaign, which is very expensive. Therefore, without significant savings for long work as lawyers, prosecutors and legal services, these savings cannot be collected. At the same time, incomes in these structures should be significant. Usually very wealthy lawyers of the older generation apply for the positions of judges.

<sup>36</sup>By the way, people who know how to "solve problems" and obtain payment for these illegal decisions form a significant part of various offices and organizations affected by corruption. People who are not able to do this, due to upbringing and natural disgust, sometimes refer by the management of offices and organizations as professionally unsuitable and are considered by the people to be losers. Although, objectively speaking, the proportion of these losers in the composition of organizations and offices, as practice shows, remains dominant, which gives some hope for the improvement of society.

Many researchers sincerely believed (see, for example, [15]) that it is precisely the shortcomings of state institutions and the political system that are to blame for the stagnation and desolation of many poor countries. The elites of these imperfect democracies should perhaps be prompted [16] and everything will work out. But the elites of these oligarchic states are not interested in the proposed changes. For example, they are not at all willing to seek independence and the separation of branches of power.

It is recommended to influence the political structure with the help of economic development. If the development of new technologies [27] is not currently an unsolvable task, then the application of world experience in organizing financial markets [26] can really help developing countries make a significant breakthrough in economic development. The role of markets in creating a successful economy is well described in book [28].

Although it is difficult to overcome this technological barrier, because within imperfect democracies there are forces that prevent this. This is the reluctance to capitalize all the assets and values in the country, which can increase the number of owners in the country. It can be advised to create the necessary infrastructure of market mechanisms. Although the capitalization of "everything and everything" will require determination and a lot of work, but this does not frighten the oligarchic elites. But creating an effective market infrastructure and involving the population in its use reveals risks for the oligarchs, which they may not agree with. For example, the low cost of enterprises, the absence of dividends previously cut off the distribution of profits to minority shareholders. This suited the oligarchs quite well. It is also not at all desirable to increase the wealth of the population by issuing securities – mortgages on land and real estate (for example, apartments), which would allow people to take loans against these values and engage in economic activity. In this case, the population could acquire economic independence, which would make it difficult for the authorities to manage the masses and would have to reconsider the unsuitable practice of elections. First of all, because the economically active and independent population will look more closely at the elected persons – they will have to communicate with them and money will be at stake.

The high culture of the market economy will lead to the fact that many people in power and owners of assets in imperfect democracies will lose their positions. This culture they would not have time to master. They were unlikely to want to give their advantages to other, more sophisticated people. An independent court will not allow decisions that are convenient for the industrial elite and the authorities to be carried out. In imperfect democracies, obedient management still gives all the income of enterprises to the owners or divides them with them, and low salaries make the population passive and allow them to buy the services of officials and the electorate for relatively little money. So the current authorities and owners of assets in many developing countries – imperfect democracies – republics are interested in continuing to imitate democratic institutions of state power, in maintaining a low legal culture and a low level of financial market culture.

Thus, it is the poverty of the majority of the dominant part of the population, caused by historical reasons, and supported by the established way of life and the ruling elite, led by oligarchs, that ensures the economic and political stability of imperfect democracies in the medium term. And the preservation of oligarchic rule, in turn, perpetuates poverty.

#### *Changes and Evolution: Promising and Trouble Trends*

**Changes in developed countries.** In developed countries, one can observe an increase in the number of rich people – multimillionaires, who are probably the owners and top managers of large companies [1,2]. Moreover, the structure of wealth distribution among these rich people is approximately the same, as evidenced by the values of the coefficient D with a few exceptions. We can assume that this distribution corresponds to the level of competition that has developed in this category of countries. The population is concerned about the growing wealth of owners and managers of large corporations, which is due to the growing (often speculative) capitalization of these enterprises and their number. But one should recognize the increase in the provision of the middle class and its share in the population. Unless in the US you can see a reduction in the size of the middle class. However, this decline is offset by the growing number of people whose wealth is above the middle class. The proportion of poor people in the population is also declining in European countries, and their wealth – security shows a noticeable increase<sup>37</sup>.

Although many are concerned about the growing economic stratification, it must be admitted that it increases with an increase in the absolute values of wealth in all segments of the population. The capitalist way of managing provides a reduction in costs in the face of an increase in the scale of production. Reducing the cost of production products strengthens the competitive position. Due to the development of international cooperation in the context of globalization, competition in the world is intensifying, and the reaction to this strengthening is the consolidation of assets. At the same time, owners of powerful private businesses and owners of large blocks of shares in large consolidated assets are becoming increasingly wealthy. Therefore, under the conditions of capitalist production, an ever greater division of people in property should be expected (see the upper part of Table 5).

Therefore, the further development of economically developed countries is unlikely to change the political and economic structures of society, it is hardly worth waiting for changes in the existing way of life. But it is worth noting that

---

<sup>37</sup>It should be noted that a constant influx of low-income immigrants usually maintains the number of poor people, and also holds back the overall growth of their wealth and well-being.



an increasing number of previously poor residents of developed countries will feel better off, especially in comparison with the population of developing countries, and their role in political and public life will increase. This increase in the activity of the population in the context of the development of information technologies will lead to a greater burden on the governing bodies and authorities, which will require certain reforms, in particular, a partial rejection of hierarchical management models and their replacement with the formation of appropriate network structures [1, 2].

Table 5

### Changes in the Relative Population of Social Groups and Their Wealth in Developed and Developing Countries

Countries	Number of adults thousand people 2015/2000	Total wealth 2015/2000 \$ trillion	Percentage of the poor 2015 (Change since 2000***)	Percentage of middle class size 2015 (Change since 2000***)	Percentage of size above avg. class of 2015 (change since	Wealth percentage of the poor 2015 (Change since 2000***)	Percentage of middle class wealth 2015 (Change since 2000***)	Percentage of wealth above middle class 2015 (Change since 2000***)
USA	243 349 / 205 439	85,901 / 42,941	50,0 (-1,49)	37,75 (-0,68)	12,25 (+2,17)	1,3 (-0,2)	19,6 (-3,1)	79,1 (+3,3)
Great Britain	48 696 / 44072	15 601 / 7,184	30,4 (-4,5)	57,39 (+0,8)	12,21 (+3,7)	2,2 (-1,1)	39,7 (-9,0)	58,1 (+10,1)
Japan	104 279 / 100 670	19,837 / 19,316	31,4 (-4,6)	59,5 (+2,0)	9,1 (+2,6)	3,5 (-1,0)	49,0 (-3,5)	47,5 (+4,5)
France	48 450 / 44 066	12,697 / 4,566	38,3 (-10,4)	49,2 (+3,3)	12,5 (+7,1)	2,0 (-2)	38,6 (-11)	59,4 (+13)
Germany	67 079 / 64 614	11,939 / 5,800	50,0	42,43	7,57	2,5 (-0,5)	39,9 (-6)	57,6 (+6,5)
Canada	27 677 / 22 764	6,872 / 2,469	41,7 (-8,0)	47,75 (+3,7)	10,5 (+4,3)	2,5 (-1,7)	39,0 (-4,6)	58,5 (+6,3)
Australia	16 919 / 13 879	6,174 / 1,432	19,7 (-10,5)	66,06 (+2,8)	14,2 (+7,7)	1,3 (-2,1)	40,3 (-12,4)	58,4 (+14,5)
Switzerland	6 156 / 5 523	3,491 / 1,284	41,5	44,49	14,0	2,5 (-0,4)	19,9 (-2,4)	77,6 (+2,8)
Sweden	7 369 / 6 720	2,294 / 849	49,1	39,45	11,5	3,1 (-2,4)	22,0 (-4)	74,9 (+6,4)
Spain	37 573 / 31 695	4,195 / 2,045	40,4 (+0,0)	55,75 (-0,25)	3,8 (+0,25)	6,0 (+0,1)	52,4 (-2,9)	41,6 (+3,0)
Greece	9 131 / 8 535	0,743 / 0,493	50,0 (+4,6)	47,19 (-4,3)	2,8 (-0,3)	н. д.	53,6 (-1,4)	no data
Taiwan	18 449 / 16 880	3,592 / 1,804	25,4 (-15,0)	59,4 (+5,1)	15,2 (+9,9)	1,2 (-3,8)	29,6 (-14,4)	69,2 (+18,2)
South Korea	38 912 / 32 993	3,545 / 1,097	52,5 (-9,9)	44,63 (+8,3)	2,9 (+1,6)	7,3 (-8)	47,4 (-13)	45,3 (+21)
Poland	30 326 / 27 677	0,739 / 0,246	79,7 (-12,2)	19,33 (+11,6)	0,97 (+0,6)	н. д.	43,4 (+11,7)	no data
Mexico	75 422 / 56 431	1,957 / 0,987	81,9 (-4,7)	17,12 (+4,5)	0,98 (+0,2)	23,8 (-3)	40,4 (+5)	35,8 (-2)
Colombia	31 382 / 22 720	0,643 / 0,150	83,8 (-8,35)	15,27 (+7,45)	0,93 (+0,9)	no data.	42,6 (+7,9)	no data
Russia	109 516 / 107 830	1,284 / 0,317	95,4 (+0,6)	4,1 (-0,7)	0,5 (+0,1)	no data	16,8 (-8,1)	no data
Turkey	53 083 / 39 223	1,025 / 0,484	89,3 (+4,6)	9,91 (-4,52)	0,8 (+0,08)	no data	27,8 (-9,8)	no data
Egypt	54 333 / 36319	0,379 / 0,260	94,6 (+10,5)	5,02 (-10)	0,38 (-0,5)	no data	25,2 (-11,5)	no data
China	1 013 536 / 822 228	22,817 / 4,664	88,7 (-2,7)	10,73 (+2,25)	0,57 (+0,45)	32,4 (-21)	32,2 (-4,5)	35,4 (+25,5)
India	792 023 / 571 138	3,447 / 1,163	96,9 (-0,16)	2,99 (+0,04)	0,2 (+0,12)	36,0 (-15)	22,6 (-4)	41,6 (+19)

\*\*\* Changes in these percentages from 2000 to 2015 are in brackets. The data [1,2,3,6] were used.

***Expected evolution of developing countries.*** A number of imperfect democracies with a large percentage of the poor consists of two economies [1], one is progressive, focused on industrialization and innovation, often export-oriented. And the second, archaic, where the main large population of the country is employed. China has already shown that the presence of a powerful modern part of the economy has become the locomotive of the country's development. Indeed, the global demand for the products of this part of the economy is growing due to the greater cheapness of goods, albeit of medium, but acceptable technological complexity and quality. This forces business and authorities to expand production, include new regions in the creation of products that are in demand, and attract more and more people from previously backward provinces. This expansion, which was noticeable in China, with its investment and innovation activity in the face of a powerful infusion of funds and technologies. Apparently, this process cannot be stopped unless political mistakes and blunders are made, which will be discussed below. The growing high-tech part of the economics of a number of Asian countries impresses not only with its growth, but also with its size. In oligarchic Colombia, a small part of the population is also employed in a self-sufficient economy focused on the production of agricultural products and energy resources. The structure of wealth distribution in this healthy part of the economy is optimal and similar, with some reservations, to the structure of the economies of developed countries. The situation is similar in Mexico. This wealth was obtained by big businessmen not in a completely legitimate way<sup>38</sup>, but now it already provides financing for the legal economy.

It is clear that the expansion of high-tech production in underdeveloped regions of the countries is possible with the training of the population of these regions in new technologies, with the investment of considerable funds, and in the creation of an appropriate infrastructure. But this process will sooner or later be supported by investors from the developed world, where there is an abundance of financial resources<sup>39</sup>. The reason for such investments in the early stages, as previously observed in China, is the low environmental restrictions, the creation of conditions for doing business in the area. The local population will not yet demand social support adopted in the West.

Many imperfect democracies are characterized by a noticeable economic growth (see the bottom of Table 5), which may in the future lead to the dissolution of the oligarchs in the mass of rich compatriots and the weakening of their influence on state institutions. Which will improve these institutions. Economic development will increase the size of the middle class, which, together with the weakening of the influence of the oligarchy, will lead to the opportunity for active wealthy people to take part in political life with the creation of many public organizations. Together with the growing number of business structures, these public organizations will be able to form the basis for the development of civil society. And then we can hope for a gradual restoration of the independence of the judiciary, law-abiding education<sup>40</sup> and the establishment of a full-fledged electoral democracy. And in historical times it will be possible to see that countries that are imperfect democracies will lose many of their former imperfections.

***Slipping into authoritarianism.*** But there is one problem that can interfere with this social idyll. As at one time the oligarchs of ancient republican Rome could not agree among themselves and the weakened republican power was intercepted by Princeps Octavian, who formed authoritarian rule for half a century, so in imperfect democracies with a relatively small number of oligarchs, power can easily fall into the hands of the ruling (sometimes semi-criminal) a clan that quickly realized its strength and capabilities. Especially if this clan and its leader succeed in wresting control of the assets from the demoralized oligarchs. It is not difficult to see the common features of such an interception of power in Venezuela, Turkey, Russia and a number of other countries where the oligarchs and their proteges have failed to retain power.

Unstable, conditionally democratic states that formally have all the attributes of a republican way of life, but do not receive the necessary support of the middle class, due to its small size, tend to fall into autocratic forms of government<sup>41</sup> when economic difficulties arise. The ruling elite, trying to stay in power, and realizing the inability to achieve this by economic methods, shifts the main focus to the area of political technologies in domestic politics. At the same time, the power elite practically eliminates electivity and intensifies repression against opponents<sup>42</sup>.

<sup>38</sup> It is important to note that the investment of significant funds, the nature of which is often not entirely legitimate, in the legal economy leads to an increase in well-being, first of a small, and then of an increasing part of the population.

<sup>39</sup> These funds can be raised through the sale of local natural resources, or even through not entirely legitimate activities, such as in Colombia. As before during the formation of democracies in Europe, the necessary level of wealth of the population and the provision of high production potential were achieved with not quite legitimate actions of states, as a result of wars and robbery of the defeated and colonized peoples.

<sup>40</sup> Although history knows cases of law-abiding coercion from below (in particular, under pressure from religious communities in the United States, and earlier in Hellenic city-states) and from above (for example, in Singapore). Moreover, it was at the first stage of this coercion that the norms of laws-rules were very strict and gradually softened as the communities were ready to comply with these norms.

<sup>41</sup> For example, as in Russia, where corruption "ate" all the funds received from the sale of raw materials and GDP growth slowed down. And also in China, with its heavy dependence on the export of medium-quality technological products. In this country, the emerging problems of consumption of these products in the markets later led to a protracted crisis of overproduction. Domestic markets in these countries were not able to provide equivalent consumption of raw materials and technological products of medium quality, respectively, primarily due to the presence of a significant proportion of the poor and not quite solvent population.

<sup>42</sup> A similar situation existed even during the destruction of the Roman Republic. Engaged in a struggle among themselves, the oligarchs gave the reins of government to Octavian, who usurped power and deprived them of influence and strength.

It is important to note the presence of crime in the business environment, where it was initially needed to seize and redistribute assets (racketeering). And no longer surprising was the emergence of crime, which gained control over assets and appeared in the leadership of state structures. It is clear that the crime in the composition of oligarchic groups and later in power is always associated with a weakening of the effectiveness of the law by the oligarchic environment. Whatever it was, but the oligarchic states themselves destroyed the legal environment, weakened the independence of the authorities and especially the effectiveness of the judiciary, laying a mine under their existence.

### **Conclusions and Prospects for Further Exploration in Chosen Direction**

The first part of the work considers attempts in history to use elements of democratization to create a society more resistant to social disturbances. In particular, the role of democratic practices was reduced to relieving tensions in the societies of the ancient world, which were inclined to maintain a communal system. Later states used democratic practices mainly for the social stability of the elites, whose share in the population was relatively insignificant. However, the aristocracy-oligarchy in power, which gained strength, was concerned about enrichment, for example, in the Ancient Roman Republic. The aristocracy-oligarchy was later suppressed by the princeps and the monarchy, who feared their strengthening. The brake on the further development of democratic practices since that time has been the traditions and practices of the bureaucracy of the authoritarian and monarchical order.

Previously, the relative poverty of the ancient states left the opportunity at least for citizens to take some part in the government of the country and maintain a democratic way of life. Later, authoritarian and monarchical societies divided society into unequal parts by strengthening the power of the elite, which achieved this through the formation of power structures. The redistribution of the results of economic activity occurred through the use of violence. Public relations were built on the power, power capabilities of different strata of society. The main part of the population was deprived of rights and was thrown into poverty. Few democratic practices were transferred to the aristocratic elites. But the growth of the economy and wealth led to the strengthening of the position of capital and its owners, the capitalists. Wealth made it possible at first to oppose oneself to power, and then numerous precedents arose for the symbiosis of power and wealth. The aristocracy had to share power with the nouveau riche - rich people. The wealth accumulated through colonial relations and aggressive wars singled out a group of wealthy countries where the means for technical progress and the rapid growth of productive assets were found. It was in these countries of the "golden billion" that a lot of wealthy people arose – owners of assets, under whose influence the modern republican democratic way of economic and social life was not immediately formed. It was the success of the republican democratic structure of the powers of the "golden billion" that provoked the choice of the colonial countries that had achieved independence in favor of republican rule. The dominant part of the states of the world has chosen republican government, or at least declared such a choice. The few surviving constitutional monarchies have actually created all the institutions of government characteristic of republics.

In the second part of the work, the growing tendencies of the movement of most of the countries-imperfect oligarchic republics towards state systems similar to developed democracies are discussed. In developed countries, the abundance of rich people did not allow the formation of oligarchies – the large economic elite did not want to let them usurp power, fearing unsuitable competition. The numerous middle class, whose number reached half of the entire population, is economically independent and could create a large number of various public organizations, within which their attitude to the activities of the ruling circles was formed. These public organizations were already able to form lobbying structures and achieve their goals. The growth in the scale of production made products cheaper and lowered the relative costs of the population. The growing state budget made it possible to create preferential conditions for starting work, for creating a new business, and for supporting the disabled population. Therefore, all indicators of the distribution of the population of countries by income and wealth levels, the relative numbers of rich people – owners and top managers, depending on their wealth, are the basis for comparing the degree of progress of developing countries towards developed republican democracy.

From the analysis of the dynamics of changes in the composition of different social groups, divided by income and wealth, we can conclude that in many developing countries the proportion of the population that belongs to the middle class is increasing. At the same time, their wealth grows. A less significant increase in wealth and a decrease in the share of the poor is noticeable.

In most developing countries, the number and share of wealth of millionaires is increasing – undoubtedly the owners of medium and large productive assets. The distribution of wealth among millionaires is similar to the distribution of wealth among millionaires in developed countries. That is, the nature of competition as evidenced by this distribution of wealth is similar to the levels of competition in the developed world. This indicates that the big business of the developing countries is integrated into the world economy, and is structurally and organizationally similar to the big business of the developed world. The growth in the number and wealth of millionaires in developing countries indicates the expansion of this progressive part of the economy, and the increase in the size of the middle class and its wealth indicates a noticeable attraction of the population into the production environment. The increase in the number of millionaires undermines the possibility of forming an oligarchic government and orients this powerful community of owners and top managers of big business to give power to the Law. Thus, all

indicators of the dynamics of the distribution of wealth in developing countries show an impressive picture of the expansion of capital within the country, attracting an increasing number of people into economic relations in the structures of medium and large businesses. The growth in the proportion of wealthy people leads to an increase in the size of the middle class and to a decrease in the poor, which creates prerequisites for their greater civic activity. Thus, the observed trends in the dynamics of the distribution of wealth among the population of developing countries give hope for the growth of prosperity and the number of a significant share of the population. Only attempts to establish authoritarian rule in the country can prevent this dynamic.

#### Bibliography:

1. Bakirov V. S., Kostenko E., Kuklin V. M. Arguments in Favour of Economic Liberalization. *International Journal of Economics and Financial Research*. 2020. Vol. 6, Issue.7. Pp. 139-146 DOI: <https://doi.org/10.32861/ijefr.67.139.146>
2. Bakirov V. S., Kuklin V. M., Sirenka A. V. Economic and social development of the world during the first decades of the 21st century (period of liberalization) *Generis Publishing*. 2022. 74 p. May 2022.
3. Credit Suisse Global Wealth Databook (2000-2015). Research Institute. Thought leadership from Credit Suisse. Research and the world's foremost experts. October 2015. URL: <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/research/publications/global-wealth-databook-2015.pdf>
4. Schrodinger E., Sherman Lecture at University Colledge. London, May 1948. Published as «Nature and Greeks» Cambridge University Press. Cambridge. 1954. 97 p.
5. Kirsten E. Die griechische Polis als historisch-geographisches Problem des Mittelmeerraumes. Bonn, 1956. S. 45.
6. Asimov Isaac. The Roman Republic Hardcover. January 1, 1973.
7. Graeber D. Debt: the first 5,000 years. Melville House Publishing: Brooklyn, NY.
8. Machiavelli Niccolo History of Florence Paperbac. July 20, 2007. 572p.
9. Матвієнко В. М., Матвієнко Нідерланди Н. М. Енциклопедія Сучасної України. Редкол.: І. М. Дзюба, [та ін.]; НАН України, НТШ. К.: Інститут енциклопедичних досліджень НАН України, 2021. URL: <https://esu.com.ua/article-74095>
10. Винниченко О. О. Річ Посполита. Енци. Історії України. Наукова думка. Т. 9: Доп. П. П. 1944. 225 с.
11. General History of the State and of Law / red. Tadeusz Maciejewski. Gdansk University Press. 2019.- 296p. (in English).
12. Tocqueville, A. de. Democracy in America. English Edition. 2 vols. Liberty Fund. Democracy in America. English Edition. Edited by Eduardo Nolla. Translated from the French by James T. Schleifer. (Indianapolis: Liberty Fund, 2012). 2 vols. 1688 p.
13. Копійка В. В. Французька буржуазна революція. Українська дипломатична енциклопедія: у 2 т. К.: Знання України. том. 2. 2004. 812 с.
14. Тейлор А. Габсбурзька монархія. 1809–1918. Історія Австрійської імперії та Австро-Угорщини. Львів: ВНТЛ-Класика. 2002. 268 с.
15. Цюльнер Е. Історія Австрії. Львів: Літопис. 2001. 712 с.
16. Платон. Держава. К.: Основи. 2000. 355 с.
17. Dahl R. A. Preface to Democratic Theory, Expanded Edition. 200p.
18. Christian Giordano. Power, Legitimacy, Historical Legacies: A Disenchanted Political Anthropology. Berlin, Münster, Zurich: Lit-Verlag, 2015. 288 s.
19. Parkinson's Law: Or The Pursuit Of Progress (Penguin Modern Classics) Paperback. 5 Sept. 2002.
20. Wolf M. Shaping Globalization. Finance & Development. IMF, September 2014, Vol. 51, № 3. URL: <https://gtmarket.ru/library/articles/6886>.
21. Lachmann R. Capitalists in Spite of Themselves: Elite Conflict and Economic Transitions in Early Modern Europe. Oxford University Press, 2000. 400p.
22. Easterly W. The elusive quest for growth: Economists' adventures and misadventures in the tropics. MIT Press: Cambridge, Massachusetts. M.: ICSR, 2006.
23. Gadamer H-G. Gesammelte Werke: Band 1: Hermeneutik I: Wahrheit Und Methode: Grundzuge Einer Philosophischen Hermeneutik (German Edition) Paperback. 2010. 507 p.
24. Gramsci Antonio. Selections from the Prison Notebooks. 1971. 846p.
25. Bourdieu P. Questions de sociologie. MINUIT. 1981. 268p.
26. Acemoglu D. and Robinson J. A. Why nations fail: The origins of power. Prosperity, and poverty. Profile Books: London, UK; M.: АСТ, 2015. 575p.
27. Schwab K. The Fourth Industrial Revolution. Kindle Edition. 2016. 198p.
28. De Soto H. The other path – the invisible revolution in the third world. Harper and Row, USA.: Catallaxy. M. 1995. 92p.

Отримано 29.04.2022

Прийнято до друку 13.06.2022

---

### ПРО ЕВОЛЮЦІЮ РЕСПУБЛІКАНСЬКОЇ ДЕМОКРАТІЇ

**Куклін Володимир** – доктор фізико-математичних наук, професор, завідувач кафедри штучного інтелекту та програмного забезпечення Харківського національного університету імені В. Н. Каразіна, майдан Свободи, 4, Харків, 61022, Україна, e-mail: [v.m.kuklin@karazin.ua](mailto:v.m.kuklin@karazin.ua), ORCID <https://orcid.org/0000-0002-0310-1582>

**Сіренко Анна** – провідний інженер та експерт-еколог фрілансер, Харків, e-mail: [savkontakt@ukr.net](mailto:savkontakt@ukr.net)

У статті аналізуються результати авторського дослідження процесу проникнення демократичних ідей та принципів державного будівництва в Європі на прикладах минулого. Розглядаються різні форми демократії у контексті аристократичних та буржуазних суспільних станів. Особлива увага акцентується на характеристиках усталеності демократичного устрою. Визначаються причини виникнення демократій та механізми їхнього руйнування. Здійснюється всебічний аналіз основних принципів державного устрою сучасних

розвинених демократій, а також країн світу, що розвиваються, зокрема так званих недосконалих демократій, у межах яких республіканські інститути більшою мірою імітують їхні демократичні аналоги. На основі статистичних даних формується припущення щодо характеру змін, що відбуваються сьогодні в соціальній структурі таких держав у напрямку їхньої більшої демократизації. Аналізуються тенденції соціального розвитку зазначених країн протягом п'ятнадцятирічного періоду відносно безкризового розвитку світової економіки на початку XXI століття. Зазначається, що у більшості країн недосконалої демократії функціонують дві економіки: сучасна, де власниками активів є олігархи, та архаїчна, до якої переважно залучені представники найбільш вразливого населення. Докладно розглядається природа руйнування олігархічного правління, зокрема акцентується на процесах експансії сучасної інноваційної економіки до маргінальних географічних районів та країн. Підкреслюється, що зростання капіталізації активів, збільшення чисельності та багатства їхніх власників та топ-менеджерів призводить до посилення конкуренції та суттєвого зниження рівня впливу окремих олігархічних кланів; що внаслідок зазначених процесів до виробництва залучаються нові групи малозабезпеченого населення; збільшується чисельність та забезпеченість середнього класу, посилюється його можливість участі у політичному житті. Робиться висновок про тенденції посилення демократії та розвитку республіканських інститутів у багатьох країнах світу, а також про наявні умови еволюції олігархічних недосконалих демократій, їхнього перетворення на авторитарні режими.

**Ключові слова:** досконалі та недосконалі демократичні режими, еволюція недосконалих демократій.

#### References:

1. Bakirov, V. S., Kostenko, E., Kuklin, V. M. (2020) 'Arguments in Favour of Economic Liberalization'. *International Journal of Economics and Financial Research*. 2020. 6(7), pp: 139-146, DOI: <https://doi.org/10.32861/ijefr.67.139.146>
2. Bakirov, V. S., Kuklin, V. M., Sirenka, A. V. (2022) Economic and social development of the world during the first decades of the 21st century (period of liberalization). *Generis Publishing*. May 2022.
3. Credit Suisse Global Wealth Databook (2000-2015) (2015) *Research Institute. Thought leadership from Credit Suisse. Research and the world's foremost experts*. Available at: <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/research/publications/global-wealth-databook-2015.pdf>
4. Schrodinger, E. (1954) Sherman Lecture at University Colledge. London, May 1948. Published as «Nature and Greeks». *Cambridge University Press. Cambridge*.
5. Kirsten, E. Die griechische Polis als historisch-geographisches Problem des Mittelmeerraumes. Bonn, 1956. 45-60 [in German]
6. Asimov, Isaac (1973) *The Roman Republic*. Houghton Mifflin Harcourt
7. Graeber, D. (2011) *Debt: the first 5,000 years*. Brooklyn, NY: Melville House Publishing.
8. Machiavelli, Niccolo (2007) *History of Florence* Paperback. July 20.
9. Matvienko, V. M., Matvienko, N. M. (2021) 'The Netherlands'. *Encyclopedia of Modern Ukraine*. Kyiv: Institute of Encyclopedic Research of the National Academy of Sciences of Ukraine. Available at: <https://esu.com.ua/article-74095>
10. Vinnychenko, O. O. (1944) Rich Pospolita. *Ents. Stories of Ukraine. Scientific thought*. T. 9. [in Ukrainian]
11. *General History of the State and of Law / red. Tadeusz Maciejewski*. Gdansk University Press. 2019.- 296p. [in English].
12. Tocqueville, A. de. *Democracy in America*. English Edition. 2 vols. Liberty Fund. *Democracy in America*. English Edition. Edited by Eduardo Nolla. Translated from the French by James T. Schleifer. (Indianapolis: Liberty Fund, 2012). 2 vols. 1688 p.
13. Копійка, В. В. (2004) 'French Bourgeois Revolution' Ukrainian diplomatic encyclopedia: in 2 vols. K.: Znannia Ukrainy. Vol. 2: 812p. [in Ukrainian].
14. Taylor, A. J. P. (1976) *The Habsburg Monarchy, 1809-1918: a History of the Austrian Empire and Austria-Hungary*. University of Chicago Press.
15. Zöllner, E. (1979) *Geschichte Österreichs: Von den Anfängen bis zur gegenwart* Hardcover Verlag für Geschichte und Politik, Wien; 6th edition (January 1, 1979).
16. Plato (2000) *State*. in trans. Koval, D. from Ancient Greece. K.: Osnovy [in Ukrainian]
17. Dahl R. A. Preface to *Democratic Theory, Expanded Edition*. 2006. 200p.
18. Christian Giordano. *Power, Legitimacy, Historical Legacies: A Disenchanted Political Anthropology*. Berlin, Münster, Zurich: Lit-Verlag, 2015. 288 s.
19. Parkinson, C. N. (2002) *Parkinson's Law: Or the Pursuit of Progress*. Penguin Modern Classics. Paperback.
20. Wolf, M. (2014) 'Shaping Globalization' *Finance & Development*. IMF. 51(3). Available at: <https://www.imf.org/external/pubs/ft/fandd/2014/09/wolf.htm>
21. Lachmann, R. (2000) *Capitalists in Spite of Themselves: Elite Conflict and Economic Transitions in Early Modern Europe*. Oxford University Press.
22. Easterly, W. (2001) *The elusive quest for growth: Economists' adventures and misadventures in the tropics*. MIT Press: Cambridge, Massachusetts. M.: ICSR.
23. Gadamer, H-G. (2010) *Gesammelte Werke: Band 1: Hermeneutik I: Wahrheit Und Methode: Grundzuge Einer Philosophischen Hermeneutik* [in German].
24. Gramsci, A. (1971) *Selections from the Prison Notebooks*. International Publishers.
25. Bourdieu, P. (1981) *Questions de sociologie*. MINUIT. Available at: <https://gtmarket.ru/library/articles/2602>.
26. Acemoglu, D., Robinson, J. A. (2012) *Why nations fail: The origins of power. Prosperity and poverty*. Profile Books: London, UK.
27. Schwab, K. (2016) *The Fourth Industrial Revolution*. Kindle Edition.
28. De Soto, H. (1989) *The other path – the invisible revolution in the third world*. Harper and Row. USA: Catallaxy.

Received 29.04.2022

Accepted 13.06.2022